

PRELIMINARY

UNEDITED

TRANSCRIPT

House of Assembly

For the period:

3:00 p.m. - 6:00 p.m.

Monday, March 7, 1977

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

NOTICES OF MOTION:

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, on behalf of the hon. Minister of Industrial Development, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Patify, Confirm And Adopt A Certain Agreement Entered Into Between The Government And Burgeo Fish Industries Limited And Others."

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN:

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. MAYNARD: Mr. Speaker, I wish to table the answers to questions No. 124 asked by the hon. member for LaPoile (Mr. Neary) and 125 by the same hon. member.

OPAL QUESTIONS:

MR. SPEAKER: The hon. Leader of the Opposition.

MR. POBERTS: My question is for the Premier, Sir, and it grows out of the very serious allegations made by the gentleman for LaPoile (Mr. Neary) in his speech on Friday, allegations which were supported by some evidence which the hon. member for LaPoile (Mr. Neary) tabled here in the House. Can the Premier tell us whether a royal commission is going to be instigated to examine into and to report upon the allegations made by the hon. gentleman for LaPoile (Mr. Neary) and the very serious implications therefrom?

MR. SPEAKER: The hon. the Premier.

PREMIER MOOPES: Mr. Speaker, regarding the allegations that were made by the member for LaPoile (Mr. Neary), I unfortunately was not in the House but I got the detail on them after. The situation is as far as the Health Sciences Complex is concerned, that the building has escalated far above anything that had been contemplated when the construction was started. Now whether there should be an enquiry as to why those overruns occurred is certainly something that the government is open for, to study and bring in a recommendation

PREMIER MOOPES:

on. Because I do not think there is any question that it is such a large amount of money that there probably should be an investigation into that.

Regarding the other comments that were made, the fact is that the information that was used by the hon. member for LaPoile (Mr. Neary) has been, I would suggest, in his hands and in the hands of the press and certainly in my hands for virtually three years. I have investigated every allegation in it as best I know how. The fact is that the situation is that that affidavit, which was not the one tabled - I think some of the other documents were tabled - has no validity whatsoever by investigation, and I am talking about thorough investigation of all those concerned. As a matter of fact, at that particular time Mr. Davidson was working for one, Mr. John Doyle, if I remember correctly, as a consultant at that particular time.

PREMIER MOORES: Since that there has been, I suppose because innocent persons were involved, it has not been made a subject of great publicity. I think the document itself is very libelous in many ways, but certainly as far as the overruns at the hospitals itself are concerned, as opposed to the other as I say to my satisfaction there was nothing in that particular document that was wrong, but as far as the overruns are concerned it should or may be the subject of an enquiry which we are taking under consideration.

MR. SPEAKER: A supplementary.

MR. ROBERTS: Well, Mr. Speaker, I am not sure the Premier answered the question or not but really that is as far as I can go right now. My supplementary grows out of his answer. Could he tell the House, please, the amount or the extent of the overruns, or, if you wish, the extra amount of money that will be necessary over and above the original cost estimates, the amount of money necessary to bring into operation the Health Sciences Complex over here on the Prince Philip Parkway?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: I requested that information as of this morning, Mr. Speaker. I have not got the information yet. I fully intend to bring it into the House and certainly I am open to any discussion on it by members of the House. There is no question whatsoever there.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to ask the hon. Premier if the Premier is in a position to table the terms and conditions of an agreement with the owners of Atlantic Place to rent office space in Atlantic Place downtown?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, there is absolutely no terms or no conditions, nor any agreement to rent any space whatsoever from Atlantic Place at this time, nor any contemplated to my knowledge.

MR. NEARY: A supplementary question, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the Premier indicate to the House if the Federal-Provincial Task Force has yet made its report to the government regarding renting office space, additional office space, if needed by the government?

PREMIER MOORES: There was a report presented, Mr. Speaker, that outlined the needs of all the various government departments, and Crown agencies and so on. That was some year and a half to two years ago. We have recently gone back and asked them to update that report but to my knowledge we have not received it yet, right?

AN HON. MEMBER: May.

PREMIER MOORES: May. Okay.

MR. NEARY: A supplementary question, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the Premier tell the House if it is now his intention, as he stated on June 2nd., in this hon. House, to appoint an impartial committee representing members on both sides of the House to look into the matter of office space required by the government.

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: When we received that report from the Federal-Provincial Task Force I think we should look at it ourselves first, Mr. Speaker. I am not opposed to doing what the hon. member said for the simple reason that there was so much controversy over the last particular set of proposals that arrived in the House. One thing I do know is that the government departments do need one central location for offices and hopefully adjoining this building here. I think that is fair to say, Sir, because as it is at the present time I understand it is up to twenty now, twenty

PREMIER MOORES: different locations around town where various people from various departments are located and that is not efficient and it is not in the public interest.

MR. SPEAKER: The hon. member for Bay d'Espoir, followed by the hon. member for Eagle River.

MR. SIMMONS: Mr. Speaker, a question for the Minister of Public Works. The minister undertook about three to four weeks ago to get some information in response to some questions I had put to him concerning the companies A, B, and C. I can repeat the questions for the minister if he would like but otherwise would he indicate whether he now has that information and could he supply the House with it?

MR. SPEAKER: The hon. Minister of Public Works.

MR. ROUSSEAU: I hope to have it in the very near future. That commitment still stands. I changed it because of some of the questions that the hon. member raised, that he wanted answered. I tried to get a more comprehensive answer and I hope to have it in the very near future.

MR. SIMMONS: A supplementary.

MR. SPEAKER: A supplementary.

MR. SIMMONS: Mr. Speaker, can the minister indicate just when the House might have the information? I would say to the minister that it is very much in his interest to say to the House whatever he knows about the affair, because it seems that it is going to be an affair that we are going to have to do a fair amount of checking into.

MR. SPEAKER: The hon. Minister of Public Works.

MR. ROUSSEAU: What the hon. minister is saying I hope to have it by Friday. That is the date I think the hon. gentleman is probably looking for.

MR. SPEAKER: The hon. member for Eagle River.

MR. STRACHAN: A question for the Premier, Mr. Speaker, arising out of the Inuit land claims. Could the Premier tell us whether his administration will be involved in the negotiations with the federal government and the Inuit Association concerning their land claims recently presented?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: I do not like to answer a question with a question, Mr. Speaker, but I was wondering, what negotiations? I know the federal government and ourselves were to be presented with a statement of claim. But I did not know that they were subject to negotiations at this time.

MR. SPEAKER: Hon. member for Bellevue, followed by the hon. gentleman for LaPoile.

MR. CALLAN: Mr. Speaker, I am wondering if the Premier is in a position to give the House some additional information regarding the Come by Chance refinery and perhaps the reopening?

MR. SPEAKER: The hon Premier.

PREMIER MOORES: I suppose I can give a progress report, Mr. Speaker. We had people from the Roman Corporation in last week who visited with us. They are meeting with the British government, I understand, tomorrow, tomorrow Tuesday. The situation on Come by Chance, they have put together a proposal, if you like, bringing us an update on how far they have progressed with it. They have shown probably as much or more interest than any other group. But they have gone, as I say, now to the British to get their reaction. It is nothing to be overly optimistic about unfortunately, Mr. Speaker, I wish there was. But certainly it has made progress. It is a more definitive proposition that we have had before. Whilst we do not have any specific details like openings, or even if it is possible, but certainly all I can do is give an update that it has progressed beyond what we have had previously.

MR. SPEAKER: Hon. member for LaPoile followed by the hon. member for Terra Nova.

MR. NEARY: Mr. Speaker, I wonder if the Minister of Finance, the president of the Treasury Board, would give us an updating on the Waterford Hospital strike, what transpired over the weekend, do we have any reason to be optimistic or is there still a stand-off between the two parties?

MR. SPEAKER: The hon. minister.

MR. DOODY: We have had quite a few meetings over the weekend both with the executive, I guess, of the negotiating team of the Waterford as well

MR. DOODY:

as with people from other unions who we had hoped would be able to help us find a common ground that we might be able to work out. Unfortunately, Sir, we have not made all that much progress. The strike still continues. We are undertaking now, Treasury Board, together with the Department of Health and the Hospital Board to put together another package which we hope to present to the executive and hopefully they will be in a position to put it to their membership for a vote. I hope that we can accommodate them, but as of this moment, Sir, the strike still exists and we have not been able to find a solution. We met on Friday, again on Saturday, Saturday morning, Saturday afternoon and again on Sunday afternoon. When I say 'we', I mean various groups of people.

MR. NEARY: Do I understand from the minister's answer that further meetings are planned, that the Treasury Board will now put together a package to offer to the union? And could the minister indicate to the House when this package will be ready to be offered to the union?

MR. DOODY: Yes, I have said that the Treasury Board and the Department of Health and the Hospital Board are putting a package together which we will be offering to the union. I would hope that that would happen during the next several days, as quickly as we can get it, obviously. Perhaps tomorrow, perhaps the day after that, but certainly within the next few days and we will be presenting that to the union and hopefully they will present it to their membership.

MR. NEARY: A supplementary question, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: In connection with the strike at the Waterford, would the minister tell the House if patients who are working inside the hospital sweeping floors and bringing around linens and so forth, if they are being paid, and if so would the minister indicate how much they are being paid per shift?

MR. SPEAKER: The hon. minister.

MR. DOODY: Quite honestly, Sir, I have no knowledge, or I really quite honestly cannot supply the House with the information because I do not have it.

MR. NEARY: Well, will the minister get the information?

MR. DOODY: The minister will try.

MR. SPEAKER: The hon. member for Burgeo-Bay D'Espoir.

MR. SIMMONS: Mr. Speaker, a question for the Minister of Public Works. It is a question which is probably more properly directed to the Minister of Health, I am not sure, but I am wanting to enquire about the Clarenville Hospital project. Could the Minister of Public Works indicate whether the design on the project has been completed at this point?

MR. SPEAKER: The hon. Minister.

MR. ROUSSEAU: I will have to take that under advisement.

I could have that information later on, Unofficially, or tomorrow for notice. I will check on it. I know it was ongoing. I do not know if it was completed.

MR. SIMMONS: A supplementary.

MR. SPEAKER: A supplementary.

MR. SIMMONS: If the minister also might take under advisement the obvious follow-up question about when tenders might be called on the project and let me know either today or perhaps during the Question Period tomorrow. Thanks.

MR. SPEAKER: The hon. member from Bellevue.

MR. CALLAN: Mr. Speaker, the question is for the Minister of Rural Development. Could the minister tell the House whether it is possible to obtain a Rural Development loan for a sawmill on the Avalon Peninsula? When I refer to the Avalon, the Isthmus of the Avalon, is it possible to obtain a Rural Development loan for a sawmill on the Avalon and the Isthmus?

MR. SPEAKER: The hon. Minister of Rural Development.

MR. J. LUNDRIGAN: The hon. member obviously knows the answer to that question, because he has been involved in having one approved already.

MR. GALLAN: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. CALLAN: Mr. Speaker, the information that I and others have gathered regarding Rural Development loans, the Rural Development Authority says that a sawmill is not viable unless it produces more than 60,000 board feet of lumber. The Department of Forestry will not -

MR. SPEAKER: Order, please!

MR. CALLAN: - issue a permit for more than that.

MR. SPEAKER: Order, please! I call the hon. gentleman's attention to the requirement that in putting an Oral Question no argument or opinion is to be offered, nor facts stated except as they may be necessary to explain the question.

The hon. member from Bellevue.

MR. ROBERTS: That is all he is doing, Mr. Speaker.

MR. CALLAN: Mr. Speaker, I am dissatisfied with the answer, I want it debated on the late show.

MR. SPEAKER: The hon. member from Conception Bay South.

MR. J. NOLAN: Mr. Speaker, I have a question for the Minister of Health. I wonder if the minister is in a position to give the House some information on when a bill will come before this House regarding the denturists?

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Mr. Speaker, I am not in a position to give any further or more definitive information than I gave to the House about a week or ten days ago, maybe two weeks ago. And that was to the effect that appropriate legislation dealing with the practice of denture technology will be brought before this session.

MR. RIDEOUT: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary. The hon. member from Baie Verte-White Bay.

MR. T. RIDEOUT: Mr. Speaker, the minister will recall that his colleague in Mines and Energy tabled proposed legislation a week and a half or so ago. I wonder could the minister tell the House whether or not he has any intention of doing the same with the proposed denturists' legislation so that all of us concerned may get a reasonable time to look at it?

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Mr. Speaker, just as soon as we have got the problem put to bed, to use a common phrase, certainly there will be every opportunity for everyone interested to take a look at it before it comes to the House.

MR. NEARY: Mr. Speaker, -

MR. SPEAKER: A supplementary?

MR. NEARY: No, Sir.

MR. SPEAKER: The hon. member from LaPoile.

MR. NEARY: Mr. Speaker, I would like to ask the Minister of Finance if he could tell the House what happened to all of the food that was left behind in Goose Bay as a result of the closing down of the Linerboard logging operation in Goose Bay?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: I had to get my briefcase out of the way, I am afraid I might trip over this question, it is a heavy one. To the best of my knowledge there was no perishables left in Goose Bay. I understand that the meats or the frozen materials and so on were brought down on the last ship, The items, the canned goods and that sort of thing, to the best of my knowledge are still part of

Mr. Doody:

the stores of Lab Linerboard in Goose Bay. That question is on the Order Paper or a variation of it, at great length, I think. It was placed by several members here. And I have asked the staff of Finance to research it with Lab Linerboard and get the exact information for the House, It may take a few days or it may take a week or so, I do not know, but it will certainly be made available.

MR. NEARY: A supplementary question, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the minister tell the House what is to become of \$1 million worth of stores, spare parts inventory and so forth that is presently being stored in Happy Valley, a surplus because of the closing down of Linerboard logging operation? What will be done with that \$1 million worth of inventory?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: These parts in stores that the hon. member refers to could quite easily have been taken out on the last sailing of the ship from Goose Bay to Stephenville. We thought it would be more appropriate to leave the equipment and stores in place certainly for the Winter, and maybe beyond, in the hope that some other logging operation would start up there, and these stores and equipment would be available to them, certainly not free, but we would make them available to them by tender or by negotiation or by price. Our prime concern is to see that these things are not wasted, not misused, and are used indeed for the benefit of the people in the Goose Bay area. If we can get a logging operation going up there then it would obviously be fool-hardy to take out the equipment that is going to be necessary for that logging operation before the thing comes to fruition. Certainly

MR. DOODY:

what is up there is being, to the best of my knowledge, well looked after. And if it is necessary that it be disposed of, if unfortunately we do not get another logging operation of substance going up there - and I have reason to believe that there is a logging operation it being or starting to become, the VanBeke thing, for instance - then perhaps these spare parts and equipment may be necessary or may be important to them. It would be rather foolish to haul them all out of there before we ascertain whether or not they are going to be of use to the people of the Goose Bay-Happy Valley area. If they are not, then the time will come in the Spring when they can be disposed of by public tender. But I hope that they will be used in the Goose Bay-Happy Valley area.

MR. NEARY: A supplementary question, Mr. Speaker.

MR. SPEAKER: A supplementary, and then I will recognize the hon. member for Burgeo-Bay d'Espoir.

MR. NEARY: Mr. Speaker, is the minister aware that a substantial amount of the food that was left behind as a result of the closing of that operation, has been disposed of? Is the minister also aware that the residents were not given the first opportunity, neither was Northern Labrador Services, to purchase this food? Would the minister indicate in answering the question, if he is aware of these things, if the food was disposed of, why were public tenders not called?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Mr. Speaker, we are back to the first question which the hon. member asked and which I indicated I had asked the department to research in conjunction with the Labrador Linerboard Limited. That same question in more detail had been asked by other members of the House and I have undertaken to provide the information as soon as it is available. I do not have the information with me today. If I did I would reluctantly give it to the hon. member.

MR. SPEAKER: The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, a question for the Minister of Tourism.

MR. SIMMONS:

He will recall that just about a year ago to the day I was asking him some questions about a company called Cabot Group 4, which I believe he would be familiar with. At that time he indicated that certain monies were paid out to a Toronto supplier which in effect constituted a double payment by government because the Cabot Group 4 had defaulted on the payment. I wonder would the minister indicate now whether his department or the government have been able to collect this money which was paid directly to the Toronto printing firm because Cabot Group 4 had defaulted on the payment?

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, I think the member is incorrect when he refers to a Toronto based firm. There has been no payment made to a Toronto based firm on behalf of - I think what he is referring to is the Atlantic Advocate.

MR. ROBERTS: No, no, the maps. This was before that.

MR. HICKEY: No, this is what I am -

AN HON. MEMBER: Answer the question.

MR. HICKEY: I have just answered it, Mr. Speaker. There has been no payment to any Toronto firm for a road map. What the member is referring to is an amount which was owing to that firm by that company. But my department or no other department of government picked up that and paid that bill. That is a private matter and it has nothing to do with us.

MR. SIMMONS: A supplementary.

MR. SPEAKER: A supplementary.

MR. SIMMONS: Mr. Speaker, in view of the exchange of letters, I believe one bearing the minister's signature, a forged signature albeit, but in view of the exchange of letter there, does the department have any liability in the matter now, or do I gather from the minister's previous answer that the department has washed its hands of it and it is strictly a matter between Cabot Group 4 and the map supplier?

MP. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: No, Mr. Speaker. To the best of my knowledge, and I checked with the Department of Justice, there is no liability on behalf of the government or my department. This is a matter between two private companies. It is unfortunate that the company concerned has not been paid. I do not know. I should not say they have not been paid because I do not know. But at that particular time, a year ago, they were not paid for the services performed and it is unfrotunate. However, at the same time we have no liability nor did we have any control or are we in any way responsible.

The only - in an effort to provide my hon. friend with the information that I think he is looking for - the only situation that I am aware of where there was a payment for services made by government after the fact, after it was felt or thought that payment had been made by that company, was to Atlantic Advocate. We took the position at that time that we had no liability in this particular instance. But that, in effect, it was determined that there was liability and the amount had to be paid by government which gets us

MR. HICKEY: back to attempting to get those funds back, which is I think an amount of \$4,900 or roughly \$5,000. We have taken the position that one payment for services and that is it. And in view of the fact that government has, many months after it all happened, paid for that invoice, then we took the position that we must get it back from the company or from the individuals concerned. This matter was passed on to the Department of Justice and I understand that efforts are being made, or are underway, to collect.

MR. SPEAKER: The hon. Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, my question is for the Minister of Health and it grows out of his earlier answer to the supplementary question asked by my friend from Baie Verte - White Bay (Mr. Rideout). The minister, as I understood him, Sir, said that as soon as the denturist legislation, by whatever name it is to be called, is prepared, he will make it public so that concerned groups can comment upon it. That is what I heard him to say, and I ask the minister now if he will confirm that this is in fact the policy which the administration have adopted with respect to this legislation?

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Mr. Speaker, as I said, and I repeat it again, when we have the legislation prepared, which would determine the manner in which we will deal with this problem, it will become available to interested groups and certainly the House of Assembly will have it as they have other bills. I have already written to the denturists and I have told them, and the Premier has as well, that when we have made our decision as to what we will be doing we will sit down and meet with them also.

MR. SPEAKER: A supplementary, the hon. Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, trying to get the minister to answer is like putting your fist into a bowl of jelly, Sir. Will the

MR. ROBERTS: minister, if he can yes or no, is he prepared to followed the precedent established by his colleague, the gentleman from Green Bay, in respect to the legislation which the government intend to introduce a month or so from now with respect to levelling taxes on unused mineral acreage?

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Mr. Speaker, I did not give that commitment and that is a most unusual approach to take and there was every good reason for that. Maybe it can be argued there is a good reason for all types of legislation but that is not the standard which has been accepted in this House, or practiced in this House for other legislatures down through the years. What I have said is that when we have decided exactly what form the legislation will take, we have given a commitment to the denturists that we will meet with them. I have also said that people in this House will have ample opportunity to go over the legislation before they have to deal with it.

MR. SPEAKER: The hon. member for Eagle River.

MR. STRACHAN: A question for the Minister of Public Works. I understand the Minister of Public Works is still in charge of Native Affairs, is that incorrect? Well to the Premier in that case then. A question to the Premier; could the Premier then tell us whether he considers the subject of Inuit land claims coming under the provincial jurisdiction or whether under the BNA Act is it a federal matter?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: I have no idea, Mr. Speaker.

MR. STRACHAN: A supplementary.

MR. SPEAKER: A supplementary.

MR. STRACHAN: Could the Premier tell us then whether the only position

MR. STRACHAN: that this administration is prepared to take is the position as outlined in letters in January and February to the associations where it is stated that the matter can only be settled by the administration through court action and not through negotiations?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: We will wait until we have seen the statement of claim first, Mr. Speaker.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to ask the Minister of Justice if the minister has received any representation from individuals and groups in connection with the quality of movies that are being shown around this Province?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I received a copy of a petition which was in fact, I am dealing with it right this minute and I must refer to it for greater accuracy. I received a copy of a petition which was presented to the St. John's Municipal Council on February 2, 1977 by the President of the Parent-Teachers Association as well as a group of students from St. Joseph's School, expressing a great need, not so much as to the quality of movies that are being shown, but a great need for a young people's movie house, with suitable movies at a reasonable rate and suggesting to the City Council that such a community project be started immediately.

MR. HICKMAN:

The St. John's city council forwarded to me a copy of the petition. I share their concern and at the same time I commend the city council for what I have read in the press which indicates that they are attempting to convince the proprietors of movie houses in St. John's to provide adequate and suitable movies for young people.

With respect to the censorship of movies, I am sure hon. gentlemen are aware that that issue is very, very much in doubt at this time. The Court of Appeal of Nova Scotia has held that it is not within the competence of a provincial legislature to pass legislation dealing with the kind of movies, or censorship of movies. This matter is presently before the Supreme Court of Canada on appeal from the Court of Appeal of Nova Scotia. I would hope, Mr. Speaker, that before the conclusion or the end of the Spring session of the Supreme Court of Canada, assuming that the necessary briefs have been filed by council, that we will have received as Canadians a final and definitive interpretation from the Supreme Court of Canada as to whether or not provincial legislatures have indeed any jurisdiction at all.

There are some sections in the Criminal Code which attempt to deal with these matters and these sections have been the subject matter of a great deal of interpretation by judges and courts across Canada. I am sure that hon. members of this House are aware that the decision seems to be decided to a large extent on community standard, which means that we have been unable to find anywhere in Canada a definitive statement as to what is a satisfactory movie.

To get back to the question from the hon. gentleman for LaPoile (Mr. Neary), I have indeed received a copy of the petition presented to the St. John's city council by the Parent-Teachers Association and others from St. Joseph's Parish.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: A supplementary question. I must say it certainly takes the hon. Minister of Justice a long time to say nothing. Mr. Speaker, I wonder if I can pin the minister down now and ask the

MR. NEAPY:

minister what action is going to be taken on this petition and the representations that the minister has been - does the minister intend to set up an Advisory Board of any kind? Does the minister intend to do anything other than just sit back and let the quality of movies that we are getting in this Province, especially in the drive-in theaters -

MR. SPEAKER: Order, please!

The hon. gentleman has asked his question and is now beginning to debate.

The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I thought I had already outlined to this House that it is very questionable whether or not I have any jurisdiction, or any jurisdiction can be conferred upon me by legislation to do anything with respect to the quality of movies or censorship in this Province. In fact the only decision we have of our courts indicates that I do not have any power.

MR. NEAPY: You have moral obligations, have you not?

AN HON. MEMBER: Order, please!

MR. HICKMAN: Mr. Speaker, as you know I have to be governed by the legislative powers that this legislature has in turn by legislation imposed upon me. The request from this petition, by the way, Mr. Speaker, was not that I do anything in this matter but rather to bring to my attention the petition which indicated a great need for a young peoples' movie house with suitable movies at a reasonable rate in the city of St. John's. That is the prayer of the petition that was sent to the St. John's city council for their action and they forwarded it to me asking if I have any comments or suggestions.

MR. SPEAKER: The time is up.

ORDERS OF THE DAY:

PREMIER MOORES: A point of order, Mr. Speaker.

MR. SPEAKER: A point of order.

PREMIER MOORES: It is not very major, Mr. Speaker, and it probably is not a point of order, but for the sake of good will and ascetics, it would be most desirable, Sir, if we could have the permission for

PREMIER MOOPES:

the member for Burgeo-Bay d'Espoir (Mr. Simmons) to wear the hat all the time rather than just part time.

MR. SIMMONS: To that point of order, Mr. Speaker. The hat is for a very good reason. The Premier could have had one had he gone to Goose Bay and played hockey with us or even sent a minister. But, Mr. Speaker, he did send a good contingent and if I may to the point of order note that the Deputy Speaker, the member for St. John's South (Dr. Collins), the Deputy Chairman, the member for Harbour Grace (Mr. Young), the member for Naskaupi (Mr. Goudie) the member for Mount Pearl (Mr. N. Windsor), the member for Bonavista North (Mr. Cross) all represented the Premier and his group very well at the game together with the member for Baie Verte-White Bay (Mr. Rideout), the

MR. SIMMONS: member for Lewisport (Mr. White) and myself, and next year we want the Premier to go with us and then he will have a hat. It might not be the same colour but he might not look nearly as well in it. But the people of Goose Bay will be very happy to have him there because we were given a tremendous time and I may say, very seriously, I was rather privileged, really, to be the recipient, as all of us were, of such kind hospitality by the people of Goose Bay. We wore it today, not only to preserve a long standing tradition in this House, but also as a tribute to the very fine people of Happy Valley-Goose Bay for their kindnesses to us over the weekend.

SOME HON. MEMBERS: Hear, hear!

ORDERS OF THE DAY

MR. HICKMAN: Order No. 1.

MR. SPEAKER: Order No. 1, the adjourned debate on the sub-amendment to the Address in Reply.

The hon. the Leader of the Opposition.

MR. ROBERTS: Well, Mr. Speaker, -

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Mr. Speaker, when the House rose for the weekend to allow hon. gentlemen to go off about their pursuits, political or otherwise, I had made a few preliminary remarks with respect to the issues which are raised by this amendment, and there are a few more things I would like to say this afternoon. But before I do so, however, may I say a few words about the issues raised by the gentleman from LaPoile (Mr. Neary) in his speech which preceded mine, his speech on this sub-amendment.

The hon. gentleman and I, Sir, as is very well known, have certainly had our differences of opinion in times past, and perhaps in times yet to come, about the political issues in this Province and we certainly not always have given each other a pat on the back. But I do think, Mr. Speaker, -

MR. DOODY: Wield the knife.

MR. ROBERTS: Well the hon. gentlemen opposite, Sir, feel they know a little more about -

MR. NOLAN: Wielding knives.

MR. ROBERTS: - wielding knives. The point I wish to make, Sir, is that I think the gentleman from LaPoile (Mr. Neary) has done the House and the people of this Province a service to bring forth the information which he did bring forth.

I am in no position to comment upon the soundness or otherwise of what he says; I mean I am like him, I just do not know. I do know what he said in the House, I heard most of the speech and I have read the press reports, the subsequent press reports including a report, I believe it was in Saturday's issue of the Telegram giving some details, I believe, of an interview with the hon. gentleman which followed his remarks here in the House.

The Daily News interestingly enough this morning managed not to cover the speech at all, which is some sort of watermark, be it high or low. They had a reaction story to it, and the reaction story had a little note in it to the effect that on - I believe on page fourteen there would be a story about the speech itself giving the details of the hon. gentleman's assertions and allegations but, lo and behold, when one turned to page fourteen there was no story. But be that as it may, and for whatever reason, the fact remains that the only press coverage I have seen as opposed to what has been on the electronic media, the only press coverage I have seen is in The Evening Telegram.

Now, Mr. Speaker, if I could persuade the gentleman from Bonavista South (Mr. Morgan) please to either not to speak, or if he wishes to hold a conversation to hold it outside the House where things would be a little better. The hon. gentleman's voice is both penetrating and loud. If he wants to hold a conversation I do not begrudge him that, but I do wish, Sir, he would not hold it in the House and disturb the even tenor of my temperate remarks.

MR. ROBERTS: Now, Sir, I think that the allegations made by the gentleman from LaPoile (Mr. Neary) bear full investigation. I think they are extremely serious. I do not think that the position which the government have taken is sufficient. I do not think it is adequate. These just were not pie in the sky airy-fairy charges. The hon. gentleman from LaPoile referred to an affidavit, but as far as I am aware he did not read it nor did he table it. The Premier in answer to a question on Orders of the Day made quite a lot of this affidavit and I must say that as between the two - and I have seen the affidavit, Sir, and I think most members of the House probably have at one time or another - that I suspect there is as much truth in what the Premier said as in what the affidavit says. But, Sir, that is not the point of it and it is a false issue and a cloud,

Mr. Roberts:

a red herring, to try to refer only to that affidavit.

The facts as I see them, Sir, are these; the government, and it happened to be the government of which I was a part, engaged the Scrivener firm to come into Newfoundland - and I may say the gentleman from LaPoile (Mr. Neary) was a part of the same Cabinet -

MR. NEARY: 1971.

MR. ROBERTS: It was in 1971 - to come into Newfoundland and to be the Project Manager on the Health Sciences Complex, a project which is probably the largest single building project ever undertaken in this Province. It is not as large as the Upper Churchill project, or as Come By Chance, or the Linerboard Mill, but when we talk just of a building, - and that is essentially what it is, it is an office building, it is a hospital building, and it is a school building for the medical school at the University, - it is the largest single building project in this Province. It involves a cost that was estimated originally at about \$46.5 million, I think, were the original estimates given us in the Cabinet by the officials.

The Scrivener firm was extraordinarily well recommended. The particular person within in the firm whose name and reputation carried the firm was Mr. Harvey Self, who had supervised Scrivener's involvement in a similar project in Hamilton, Ontario at the McMaster University in that city. We tried to hire Mr. Self, but Mr. Self was in a contractual arrangement with the Scrivener Firm and what it boiled down to was if one wanted the Scrivener Firm one had to - I am sorry - if one wanted Mr. Self, one had to hire the Scrivener Firm. So a contract was entered into. I am not sure if a written contract was actually entered into, while my friend from LaPoile has it as his recollection a written contract was not entered into.

MR. NEARY: In 1971 there was a written contract.

MR. ROBERTS: There was in 1971, but it was subsequently changed.

MR. NEARY: Yes, that is right.

MR. ROBERTS: And I think that is the important point.

MR. NEARY: That is right, Sir.

MR. ROBERTS: Now, Sir, there was a written contract, Doubtless it would be in the files. I believe some data was tabled in the House and possibly that particular contractual document was tabled here in the House. Be that as it may, it is a matter of record. That if fine.

It is also a matter of record that there was a second contract. My friend from LaPoile has just given me the one dated 15th. June 1971. There was a second contract, unless I am mistaken -

AN HON. MEMBER: There was an amendment to it.

MR. ROBERTS: - or an amendment to the first contract which was entered into in June 1973, and it increased the rates that were paid by the government, or payable by the government, under the terms of that contract.

Now, Mr. Speaker, whatever the precise words of the contract or the precise terms of amendments to that contract are matters of record and can be looked into. They cannot be challenged, I mean, the documents can be produced and there we go.

The question, Mr. Speaker, the question is whether there was anything improper in this relationship. We know the facts that there was a contract and there was an amendment. It is also a fact that subsequent to the present administration.

MR. NEARY: Would the hon. Leader allow me a moment?

MR. ROBERTS: Yes, sure!

MR. NEARY: There is also some involvement in the Carbonear Hospital.

MR. ROBERTS: Well I was just about to come to it.

MR. NEARY: Okay, I am sorry, and Twillingate Hospital.

MR. ROBERTS: Mr. Speaker, I was about to come to that point, because it is a fact that subsequent to the present administration's coming into office arrangements were made to hire the Scrivener firm in respect of the Carbonear Hospital. And hon. gentlemen who served in the House of Assembly preceding this one, the Thirty-Fifth General

Mr. Roberts:

Assembly, will recall there was quite a bit of controversy at times about the way in which Scrivener had carried out their responsibilities at Carbonear. Some of that controversy dated from statements made in the press by Mr. Andrew Davidson, who was manager of the company and left, and I gather it was not an entirely happy parting perhaps on both sides of that arrangement. Quite a lot of debate: There were contracts given out that were not given to the low bidder. There were allegations made to the effect that there had been improper political interference. There was certainly evidence laid, and arguments that cannot be refuted were put forward to the effect that these cost plus contracts that had been given out despite the fact they had not been subject to low bids, that these cost plus contracts had not been lived up to. There was justification for one of them, the boiler house, I believe, was that it had to be done in a hurry, and it turned out that when the deadline came by which the work allegedly had to be done something like 40 per cent or 50 per cent of it had not been performed.

So there was all of that, Sir. And then we have been getting persistent reports that the escalation in cost at the Health Sciences Centre is rapid and increasing.

MR. ROBERTS: The Carbonear Hospital cost far more than it was originally expected or predicted to cost. Obviously there is a tangled web of dealings between the government on one hand - possibly ministers, certainly officials - and on the other hand the Scrivener firm, which went through a change of management and which subsequently, not necessarily as a result, which subsequently gave up the contract because their parent firm on the Mainland, Scrivener - I do not know - Scrivener Ontario or Scrivener Canada, whatever you want to call it, whatever it called itself, had gone bankrupt. The Newfoundland firm had not, the firm with whom we had a contractual privity had not, but they forfeited the contract, gave it up, and in due course another firm, and their initials are ENC, it is a Montreal based engineering and project management firm, was brought in to complete the arrangement. So we have this quite tangled web, we have circumstances which at the very least require explanations.

All that was fairly common knowledge, all that has been talked about in the House many times in the last two or three years. Never, I may add, has there been any satisfaction given. The present Minister of Public Works, in an earlier reincarnation in that portfolio, was involved in some debates here. I can remember the then member for the then district of Fortune Bay, Mr. Val Earle, who was a Minister of Public Works, I believe, trying, rather ineptly in my view, but trying to defend the department's action with respect to the dealings with Scrivener. But be that as it may the issue had been well debated. Now it comes out, and the gentleman from LaPoile tabled, this is one of the documents that in my understanding, Mr. Speaker, was tabled on Friday, tabled what purports to be a receipt, signed by the then collector - the eloquent word, there are less eloquent - the then collector for the Conservative party in this province. In the Summer of 1972, Mr. Richard Greene, a lawyer practicing at the bar here in St. John's, a document which purports to be a receipt for a contribution or contributions amounting to more than \$50,000. Now, Sir, that is a

MR. ROBERTS:

very large sum of money. It is a very large sum of money to be paid by any company to any government. It is a very large sum of money to be paid by a company doing business with government, or the government's party, a very large political donation indeed. I do not know very much about the history of political donations in this province. I have heard a lot. What little knowledge I have comes from 1972 when I became leader of a party. I can say without any hesitation that the Liberal Party, since I became leader, and this is the only period of which I can speak obviously, the Liberal Party had never received nor accepted nor sought a donation amounting to anything like \$50,000 or whatever this was, \$52,000 and some odd dollars as I recall.

From any party or from any company or any individual, it is a very large sum of money. I do not want anybody in the province to think that this is a common run donation. The practice of donations is common and is widespread but I can tell, Your Honour, that a donation of \$1000 or \$2000 or \$5000 or possibly even \$10,000 is a very large donation indeed to a political party. And most often, most times, parties seek donations during election campaigns because this is when expenses are incurred. One of the things which struck me about the paper tabled by the gentleman from LaPoile is that it was dated in a period when no election was on, underway, and when no election was in prospect. I do not have the paper in front of me, I do not know if the clerk at the table has it or whether it is in the records in the clerk's office, but the fact remains that it was during the Summer of 1973. That is a matter of record.

Now, Mr. Speaker, is the paper a valid true copy of a document? I have no doubt it is a true copy of a certain document, but is it a copy of a valid document? Was there in fact such a receipt issued? I do not know. But I find it significant that the gentleman from LaPoile

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MR. ROBERTS:

named an individual, Mr. Richard Greene, a lawyer practicing at the bar, named a gentleman as having signed the receipt, tabled what reports to be a copy, or is in fact a copy of what is purported to be a genuine receipt issued on the letterhead of the Progressive Conservative Party of this province, allegedly signed by Mr. Richard Greene, and that was done publically on Friday.

MR. ROBERTS:

There can be no more public place surely than the legislature of this Province, and that as of ten minutes to four on a Monday afternoon, with Friday having gone, and with Saturday having come and gone, with Sunday having come and gone, and the large part of Monday having come and gone, there has been no denial made by Mr. Greene, a man of reputation, a man of standing, a man well-known to most of us, there has been no denial made by him that he in fact did issue such a receipt. So I assume for that reason - and I think it is sufficient reason, Sir - that in fact the document which the gentleman for LaPoile (Mr. Neary) tabled was a copy of a genuine receipt issued by the collector for the P.C. Party, certifying that something over \$50,000 had been paid by Scrivener Firm to the P.C. Party.

Mr. Speaker, if that is a fact it leads, Sir, to implications which cannot be ignored and which should not be camouflaged. Very serious questions are raised, Mr. Speaker. It would be irresponsible of me to make any charges and accusations. I do not. But it would be equally irresponsible, Mr. Speaker, to ignore these implications and to pretend they do not exist.

We have heard a great deal from the gentleman from St. John's East (Mr. Marshall) and the gentleman for Twillingate (Mr. Smallwood) about political morality in this Province. The two of them feel they know more about political morality than others of us, I guess. Mr. Speaker, the fact remains that this is a significant example of what has been going on, and the fact further remains that this state of affairs exposed by the hon. gentleman for LaPoile (Mr. Neary) with respect to the Scrivener situation must be examined, must be examined at length, publicly and impartially. I think a royal commission is probably the best way to do it. There might be other means, but a royal commission - we have had royal commissions on far less, Sir, with this administration.

We had the famous O'Dea Commission Report - and I do not want to get into the merits of that. I will if hon. gentlemen wish, but

MR. POBEPTS:

we had an investigation set up, a royal commission. I believe it was just one man - no there were two men, Mr. Donald Wilson and the Hon. Fabian O'Dea were the members of that commission, and they investigated certain allegations and they made a report. Fine! So be it! The report is there. It speaks for itself. Hon. gentleman can decide for themselves its merits or its lack of merit.

Now we have these other allegations. I simply want to say, that whether or not the administration set up an independent and impartial and public enquiry or not, whether this is done or it is not done, Sir, will be a very real test of the morality of the gentlemen who are now in the administration of this Province. If they set up such an investigation, appoint a gentleman or two or three and say, "Here are the allegations that have been made. Look into them. Search out the facts. Send for the documents. Send for the witnesses. Examine them under oath, under the power to commit for perjury or contempt if they do not answer truthfully and fully, and then when you have got the facts and when you have enquired where you would, write a report and we will make that report public and let the chips fall where they may!" If the administration do that, Sir, then they will have done the right thing. If they do not do it, Sir, people throughout this Province will draw the only inference and the only implication that can be drawn. That is, Sir, that there was something improper in the chain of events, that there is something which the administration do not wish brought out. And I say that every member of the Cabinet will have to search his own conscience, will have to decide for himself.

The gentleman for LaPoile (Mr. Neary) has made statements. He has produced evidence. This just is not the normal back and forth of debates, Sir, opinions. The gentleman for LaPoile (Mr. Neary) produced a document which he held out to be a receipt for a very large sum of money signed by a gentleman who would have been in a position to give such a receipt. The gentleman concerned has not

MR. ROBERTS:

to my knowledge made any denial. The gentleman for LaPoile is back in his seat. Has the gentleman for LaPoile (Mr. Neary) heard from Mr. Richard Greene about that?

MR. NEARY: It was reported on the morning news that he would neither confirm nor deny it.

MR. ROBERTS: The gentleman for LaPoile (Mr. Neary) has not had any representation from Mr. Greene denying the validity of the document. So I think we must assume, Sir, that the document is what it purports to be, and that Mr. Richard Greene-properly he has done nothing wrong, Sir.

MR. ROBERTS: One may question the morality of a system, but that does not make it illegal. Mr. Richard Greene, I think we must accept, did in fact sign that receipt and evidencing and I am sure it is the truth, that the PC Party of this Province received more than \$50,000 from the Scrivener firm as a political donation.

Now, Mr. Speaker, given that fact, which I think we can accept as fact - it has not been denied by anybody opposite. It has not been denied by the Premier as Leader of the PC Party, or Mr. William Dalton who is currently the President of the PC Party. It has not been denied by Mr. Greene himself, the gentleman who allegedly issued the receipt - So given that fact, and given the further fact of the tangled dealings between Scrivener and the government, and Sir, that is not a matter of opinion, that is a matter of record. The dealings are tangled. They are controversial. They may or may not be proper. But certainly, Sir, they have certainly given rise to prolonged debate in this House and I think it is fair to say that if anybody were to reread the Hansards of those debates that the government spokesman in them did not answer adequately the questions put forward.

Given those two facts, Mr. Speaker, I cannot see how the government can fail to set up a royal commission to investigate this matter publicly and independently and impartially. I do not see how the Minister of Public Works for one moment would remain in a Cabinet that did not set up such an investigation.

AN HON. MEMBER: Hear! Hear!

MR. ROBERTS: I do not see how he possibly could. He is the minister directly responsible at this time, the administration of the government's dealings with the Scrivener firm and their successors, for the government's dealings with that project.

Surely he would be the very first to insist that a royal commission be set up. We have set up royal commissions

MR. ROBERTS: on far less. The gentleman from LaPoile (Mr. Neary) received a petition from the district of St. Barbe about some alleged irregularities in the acquisitions of land in respect of the Gros Morne National Park, around Bonne Bay, and there were some allegations there that, I do not know if they are valid or not, I had heard them before, they are common currency in that part of Western Newfoundland, but the gentleman received the petition, presented it, I think he made it public because the House was not sitting at the time. He got it and, lo and behold, we have the spectacle of two ministers, the gentleman who represents the district of St. John's East Extern (Mr. Hickey), the Minister of Tourism, and the gentleman from St. Barbe South (Mr. Maynard), the Minister of Forestry and Agriculture for the time being, demanding of their colleagues that they be cleared and that a royal commission be set up. And I believe Judge P. Lloyd Soper -

MR. DOODY: A royal commission or -

MR. ROBERTS: For the benefit of my friend, the Minister of Finance, from Harbour Main-Bell Island (Mr. Doody), my understanding of it - we use the terms very loosely-but my understanding of it is that a royal commission is a commission issued by the Governor, by His Honour the Lieutenant-Government, under authority of the Cabinet, and that means under The Public Enquiries Act.

MR. DOODY: A magisterial enquiry?

MR. ROBERTS: A magisterial enquiry is generally carried out under other legislation.

MR. NEARY: Was this Cummings?

MR. ROBERTS: Is it Judge Cummings or Judge Soper? One of the district court judges, in any event. Judge Cummings, is it? Judge Harry Cummings, who used to be Clerk of this House.

MR. NEARY: That is right.

MR. ROBERTS: An estimable member of the Bar, subsequently Registrar of the Supreme Court and now has been promoted to be a Judge of the District Court, in fact of the District of Burin-Burgeo, the federal district of Burin-Burgeo.

MR. ROBERTS: So there we had an allegation made that did not involve any possible criminality, that did not have, and I think it is fair to say this, did not have anything like the evidence supporting the request made the other day. All it were were some allegations, a petition which Mr. James Shears had taken around and got people to sign, making certain allegations as stated on the petition. And so, what are the Ministry going to do? I asked the Premier today. As Your Honour is aware, the Premier neither said yes or no. Fair enough, the government may want a little longer to think about it. But I say, Sir, that whether or not they set up this Commission, and give it full rein, we have had commissions for far less in this Province, but whether or not they set it up will be a superb test of their morality as men and as ministers. If they have nothing to fear, if they want to see justice done no matter what the cause, then let them set it up, Sir. If they do not set it up well I am sure the gentleman from Menihek will resign. I know him to be a man of the utmost probity and I am sure that he would not for one moment countenance staying in the Cabinet.

This is not a matter, Sir, of political opinion. It is not a matter of the wisdom of this course of action as opposed

Mr. Roberts:

to that course of action, the normal political debate. This is a matter of the utmost gravity, the utmost gravity, statements made, evidence led, apparently evidence which has not been refuted and I believe therefore evidence which cannot be refuted, evidence which discloses a state of affairs, Sir, which requires the fullest examination, the fullest exposure, and depending upon the facts as they emerge the necessary corrective action.

It is really all I want to say about it, Mr. Speaker. There will be ample opportunity to debate it further if the government do not respond positively. If they respond, as I urge them to do, by setting up a royal commission, I am sure that the gentleman from Kilbride (Mr. Wells) would urge them to set up such a commission. He is a man of the utmost probity. The gentleman from St. John's East (Mr. Marshall); heavens knows he and I have differences of opinion about many things, but, Sir, I have never in the least had any cause to do anything other than to respect his probity and his integrity. He too, I have no doubt, will insist upon this. The gentleman from St. John's North (Mr. J. Carter), a man who has been very active in proclaiming -

MR. NEARY: Who insisted that I table the documents.

MR. ROBERTS: Yes, that is right. The gentleman from St. John's North insisted that the documents be tabled. And rightly so.

MR. NOLAN: That was the member from St. John's Centre.

MR. ROBERTS: And the member from St. John's North, Sir, the gentleman from St. John's North, a man again of the utmost integrity, and neither of those three gentlemen is in the Cabinet, all of them have been, neither of them is now, and I may add their reason for leaving in no case to my knowledge, and I am certain my knowledge is complete here, was connected to this particular set of incidents. They all left the Cabinet for other reasons, reasons which are quite public.

Mr. Speaker, they are all men who I assume will stand in this debate - the gentleman from St. John's East cannot because he

Mr. Roberts:

has spoken in this debate, there will be other opportunities for him - men who I am sure will stand and say that, Mr. Speaker, on the facts alleged, which have not been countered - a statement by the Premier saying, I have looked into it - that is no counter. Sure Mr. Nixon used to say that in the United States. You know, I am not saying that the Premier and the former President Mr. Richard Nixon are in the same boat. But I will say that statement is the same. You know, if Mr. Richard Nixon had his way his investigation was ample, adequate and there was no need to look any further into Watergate, into the whole scurvy mess that was the Watergate situation.

Well, Sir, I say simply that the government have had a challenge put to them, put to them fairly and squarely, names named, documents tabled, no wild accusations, no irresponsible allegations, but evidence, evidence that would be valid evidence in any enquiry, Sir, evidence which, in my view, demands an impartial, an independent enquiry. I hope, Sir, the government will respond quickly and positively, if they do I shall be the very first to welcome it, and then we will see what the enquiry produces and we will let the chips fall where they may. If it does not, Sir, at the very least that I expect the gentleman from Menihek (Mr. Rousseau) will resign from the Cabinet, and say that he cannot be part of any administration which refuses to deal with this, and that the gentleman from Kilbride, the gentleman from St. John's East and gentleman from St. John's North, among others, will speak out and speak out their censure of a government, Sir.

This administration above all least came into office preaching and practicing - or preaching morality. Now let them practice it, Sir. Here, Sir, is the first concrete instance we have had in four or five years. There have been many rumours, and many talks, and many innuendoes, and many hints, and many suggestions, but, Sir, this is the first concrete evidence we have seen of what appears to be gravely improper conduct on the part of the ministry, gravely improper conduct.

Mr. Roberts:

Mr. Speaker, if I could come back to the other part of the amendment, the questions that have been raised by the government's action in borrowing or agreeing to borrow—I do not think they have actually as yet borrowed, I understand we are to have the pleasure of sending the Premier to Alberta tomorrow to sign the appropriate documents.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: I say hear, hear! I say hear, hear, to the Minister of Finance. The problem, he will agree, is that the Premier will be coming back the day after.

Mr. Speaker, the issue raised by this amendment or sub-amendment, I suggest,

MR. ROBERTS: is one of the more important that has been raised or will be raised in the House of Assembly in this session. The issue, Sir, is not one of law or of legality. As I said on Friday, I do not think the administration are fools nor do I think they are knaves, and I am quite prepared to believe that before they agreed to borrow this money, or before the Government of Alberta in turn agreed to lend them this money, before either of those two agreements, both sides were satisfied on the result of legal advice that the cabinet, the government, the executive government, had the legal authority to borrow.

I do not quarrel on legal grounds with the points made by the gentleman from St. John's East (Mr. Marshall) when he spoke on Friday. In fact, Mr. Speaker, if I had spoken before him on the legal points, at least, I think my points would have been on much the same lines. I think his reading of the Loan Act, the 1976 Loan Act, the one that was adopted in this House last session, is accurate and I think there is certainly enough room in there - there is a loophole big enough to drive a dozen garbage trucks through, and that is what the administration have done.

So, Mr. Speaker, it is not a question of law nor have we ever said it was. When the announcement was made - the Premier in Montreal about some kind of business, I guess, I assume it was, the Minister of Finance here in the Legislature, the Premier of Alberta in his Legislature in Edmonton - when the announcement was made I was in my constituency, I was in the community of L'Anse au Clair in Southern Labrador. When I was told about it, I immediately said that I thought the arrangement was an outrage, and the more I hear and the more I see and the more I consult, I believe it was an outrage, Sir.

First of all it should be understood that the issue is not one of law, as I said. It is one of morality, of honesty, of integrity, of the ability to believe a government, to take them at their word. I think, Mr. Speaker, that is crucially important. We have a government of laws, Sir, not a government of men. Mr. Speaker, it is important that when a minister stands in

MR. ROBERTS: this House or outside, and makes a statement in behalf of the ministry, giving the ministry's policy with respect to an aspect of public affairs, it is important, Sir, that what they say be not only true but that it be the whole truth and the full truth. Mr. Speaker, that has not happened here. That is the issue, Sir, can we believe the government?

MR. DOODY: Absolutely.

MR. ROBERTS: The Minister of Finance says absolutely, Sir. He believes absolutely and that, Sir, is part of his problem.

Mr. Speaker, last June the House of Assembly debated the Loan Act 1976. In that debate the Minister of Finance, who now tells us he believes absolutely, and I have no doubt whatever else I may feel about him, he believes absolutely, Sir, and the Minister of Finance told us what the bill was about. Sir, it would be very relevant to read a few words, a few sentences from the debate. It is found on page 10,306 of Hansard. It is the Hansard for Tuesday, June 8. We were in Committee of the Whole; "Mr. Chairman, 'Shall the resolution carry?' The Minister of Finance then stood to say, 'Mr. Chairman, this is the Loan Act for the current fiscal year as outlined in the most recent budget.'" Then there is a little back and forth as to the number of the bill and so forth and then the member for Kilbride (Mr. Wells), who was then the House Leader, said that it was bill No. 45 and the Minister of Finance then began his substantive statement.

He goes on, and I quote the full text of what he said, Mr. Speaker. He begins "But anyway, the content of the bill simply authorizes the Lieutenant Governor in Council to raise the sum of money necessary for the borrowing programme of the Province for the current year. The amount in the bill is \$197 million. In the Budget Address on page 14, the borrowing requirements of the Province are outlined for the coming year. The total cash requirements for the Province in 1975-76, after taking into consideration the

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MR. ROBERTS: projected contribution to capital
account of \$10,400,000 there is - I quote exactly - \$196,433,200.

MR. ROBERTS: the financial programme of the province will represent an increase in net debt of \$134 million, as redemption sinking funds and earnings on sinking funds total \$62 million." I am not reading the minister's speech badly, Mr. Speaker, nor do I think he spoke it badly, the parsing of it by the editorial staff I do not think is accurate, the words are, but of course commas and periods are put in more or less at random, like currants in a fruit cake.

It goes on, "The cash requirements are broken down, Mr. Chairman, on that page of the budget into the general marketing market borrowings of \$155 million and Canada Pension Plan borrowings of \$36.607 million, Government of Canada Loans of \$8.826 million, for a total of \$196,433,000 which is rounded out in the bill at \$197 million." And it goes on, Sir, It does not talk about the totals of the debt. Instead the minister at that point began to talk about the areas in which we raise our debt and the types of currency in which we raise our debt.

Now, Sir, that was the minister's statement, that was the ministerial statement. \$197 million was going to be borrowed this year. The bill, Sir, gave authority for that. It gave authority for more, and I will come back to it. But, Sir, the bill introduced by the minister -

MR. DOODY: You should have read it.

MR. ROBERTS: Mr. Speaker, I will deal with the minister in a moment, because I am accusing the minister not of dishonesty, I am accusing him of immorality on a high order. I read the bill and we will deal with that. The bill, Sir, the minister told us, was to be used for a certain purpose, to borrow \$197 million. Now let us look at what the administration have actually borrowed this year under the authority of that bill.

The Minister of Finance was kind enough to supply me with this after

MR. ROBERTS: his officials declined to give me information which was eminently public and should have been made public. Let us look at what has been borrowed, Sir, under authority of an act which the Minister of Finance told us he needed to borrow \$197 million. In the minister's words. "To raise the sum of money necessary for the borrowing programme of the province for the current year." Not talking about next year or last year, the current year, and this is what I mean, Sir, when I say, can we believe a minister? What money have the government raised?

Well, Sir, the end of June they borrowed \$30 million. At the beginning of August they borrowed an extra \$50 million, we are \$80 million now. At the beginning of January they borrowed an extra \$35 million, that is \$115 million. In February they borrowed \$50 million more to make it \$165 million. And that was the loan, Sir, in respect of which the Minister of Finance and the Premier both said in the House, Sir, found in the Hansard for the current year on February 28th that completed the borrowing for this year. Now that could be read two ways, Sir, but it was a question of morality, a question of priority, a question of honesty. They borrowed as of that point \$165 million, plus \$42 million, Sir, provided for in the budget, under the Canadian Pension Plan and under general loans from the government of Canada. Those I assume are in the DREE agreements.

In other words, Mr. Speaker, they had borrowed in February more than they had said they were going to borrow. They had borrowed \$165 million plus \$42 million; they have borrowed \$207 million under legislation which may well authorize it. But, Mr. Speaker of all the sharp, dishonest practice I have ever seen, that of which the Minister of Finance is guilty, Sir, takes the cake. Because I know what it authorized, I read it when it came into the House

Mr. Roberts:

and I read the debates going back three or four years, Mr. Speaker.

MR. DOODY: Mr. Speaker, on a point of order.

MR. SPEAKER (Dr. Collins) A point of order.

MR. DOODY: The Minister of Finance finds the fact that he has been accused of being dishonest as objectionable and unparliamentary and asks Your Honour's opinion on the use of the term.

MR. ROBERTS: Mr. Speaker, I could not give a hoot whether the Minister of Finance finds it objectionable or not. I am speaking

MR. SPEAKER (DR. COLLINS): Order, please!

MR. ROBERTS: - to that point of order, if I might, Your Honour. I find his practices objectionable too, Sir, but I submit it is in order to give my opinion that a course of conduct by the ministry is sharp and dishonest. If it is not in order, Sir, if Your Honour will so rule, I shall of course withdraw it, but I believe it is in order, Sir. And I make the statement because I believe it is a correct and an accurate and justified by the facts.

MR. SPEAKER (DR. COLLINS): Order, please! If I may bring to the attention of hon. members guidance in Beauchesne, that is section 155, and particularly sub-section (2) and sub-section (3), I will not read all of this, but it gives the following examples of unparliamentary phrases: "No member shall be permitted to say of another that he has acted basely or from base motives." And in sub-section (3) "No member can be allowed to attribute any intention to insult others; or to question the honour of one." And similar guidance. I believe I did hear the hon. Leader of the Opposition refer to the Minister of Finance as an individual, and I am open to correction if I did misunderstand this.

MR. ROBERTS: I spoke, Mr. Speaker - I will help Your Honour on the ruling - I spoke of his conduct as minister, the conduct in his ministerial office, as sharp and dishonest. Now that in my intention, in my view, does not refer to him as an individual, nor have I have any concern with the gentleman as an individual, Sir.

MR. DOODY: Mr. Speaker, to the point of order. The Minister of Finance is an individual. When the Minister of Finance is referred to as being dishonest, then obviously he is being referred to as individual, and it is on that point of order that I rise. The word 'honour' is very clearly defined in the reference that Your Honour just read out.

AN HON. MEMBER: 155.

MR. SPEAKER (DR. COLLINS): Order, please! I am quite sure that no member of this House would wish to impute the honour or proper motives of another hon. member. And if there is an area of confusion there, perhaps the hon. Leader of the Opposition would clarify that in such a way that there can be no mistake that he is not in any way labelling the Minister of Finance as acting dishonourably as an individual or as a member of this House.

MR. ROBERTS: Well, thank you, Your Honour, and I so confirm that, you know, I have no intention of imputing or stating anything with respect to the Minister of Finance as an individual or otherwise. If I have offended against his sensibilities I am filled with remorse, Sir. But -

MR. DOODY: Mr. Speaker, on that point of order. My responsibilities -

MR. ROBERTS: Mr. Speaker! Mr. Speaker! Your Honour had made a ruling. I complied with - I raise a point of order, Sir, Your Honour had made a ruling -

MR. MARSHALL: There is a point of order before the Chair.

MR. ROBERTS: - with respect to the point of order made by the Minister of Finance. Your Honour made a ruling after hearing argument. Your Honour directed me to make certain observations or statements and I just attempted to do that. Now, Sir, I submit that I should be allowed to continue with my remarks without further harassment from the gentleman from Harbour Main-Bell Island (Mr. Doody), the Minister of Finance. And may I -

MR. DOODY: Mr. Speaker, on the point of order.

MR. SPEAKER (DR. COLLINS): The hon. Minister of Finance.

MR. DOODY: It is not a matter of my sensibilities that are being upset here, It is a matter of the order of this House and its conduct, and that is what the point of order was all about.

SOME HON. MEMBERS: Oh, oh!

MR. DOODY: And I am making the point here now, Sir, that the point of order that was raised, was raised because of the rules of conduct of the House and not about my particular sensibilities. They are not relevant to this particular case.

MR. ROBERTS: Mr. Speaker, to that point of order. The hon. gentleman raised the point of order, Your Honour disposed of it, Now is the hon. gentleman now questioning Your Honour's ruling? If so, Sir, there is a precise and a defined and a specific procedure; if not, Sir, I should be allowed to proceed.

MR. DOODY: The hon. gentleman -

MR. ROBERTS: The Speaker made a ruling, Mr. Speaker. The Speaker made a quite clear ruling, and as far as I know I have complied with it, I have certainly attempted to. And if I have not, if Your Honour would tell me in which way I have not complied with it, I would be very happy to comply further. I have no intention of not complying with the Speaker's rulings. But, Mr. Speaker, the hon. gentleman, as I said, his sensibilities affect me not.

MR. SPEAKER: Order Please! I feel I have to give a ruling on a new point of order brought up by the hon. Minister of Finance. My understanding of those points of order is that I had ruled previously that if there was a misunderstanding between hon. members over what was said, that is if the hon. Minister of Finance understood that his integrity was being personally brought into question whereas the hon. Leader of the Opposition was referring to the conduct of the administration as opposed to the hon. Minister of Finance as an individual or as a member of this House, then the hon. Leader of the Opposition should clarify that point clearly. If he clarified the point in that it was not meant as an individual remark - or at least a remark directed at the individual or at the minister as a member of this House, I do not think it could be ruled out of order. It would not be unparliamentary to refer to the administration as a group, but I would ask the hon. Leader of the Opposition if he would very clearly bring out whether in fact this was his intention or if he did overstep the mark and refer to the hon. Minister of Finance in a derogatory fashion if he would withdraw totally and unconditionally.

MR. ROBERTS: Mr. Speaker, I have made no reference to the Minister of Finance as an individual. I spoke of the policy of the administration which the Minister of Finance enunciates, and there is no other way to refer to an administration except through the way it speaks in the House, which are the ministers. Now if there is any doubt in Your Honour's mind, I do not want to malign the gentleman who is the Minister of Finance, and I may add if there is any doubt in his mind - I mean, I had some harsh words to say about the way in which the administration have handled this matter, and the minister speaks for the administration in this respect, but I have no quarrel with the hon. gentleman personally and I do not for one minute think that his personal honesty is even an issue here. I have no reason, nor have I ever had any reason, to suspect otherwise. I think the ministry are guilty of sharp practice and the minister, as a spokesman

MR. ROBERTS: for the ministry, but not the minister as a member of the House or as a gentleman named 'Mr. William Doody' or anything else. No, of course not. I have no quarrel at all with that. I would cheerfully lend the minister my last dime, for adequate security, and with decent interest rates, Sir.

MR. DOODY: A big help.

MR. ROBERTS: Mr. Speaker, well the way the ministry are borrowing, Sir, they may not be in a position to turn down that offer too quickly or too lightly. Now, Mr. Speaker, the point I was making is that the administration, speaking through the lips of the minister, came before the House and said, "Here is a bill and we will be borrowing \$197 million." They did not say, and did not need to say, that we can borrow more under it. Any member of the House who could read would realize that the bill provided for authority to borrow \$197 million plus, and I will deal with that in a moment or two. The minister made the clear statement that we will be borrowing \$197 millions, including Canada Pension Plan and including the borrowings from the Government of Canada, which I assume are mostly loans under the various DREE agreements: the road programme that DREE have underway, the water supply programme, the arterial road and whatever other DREE agreements are currently in effect.

Now, Sir, what I was saying, outlining the borrowings which the government carried out, and up until the middle of February they amounted to \$165 millions in the debenture market plus a portion or all of the \$42 millions authorized by the Supply Act to be borrowed under the Canada Pension Plan or under the DREE agreements totalling \$207 million. As at that point, Sir, we were \$10 million over what the government, speaking through the ministry, had told the House they would need for this year - \$10 millions over, and that is a lot of money, Mr. Speaker. Maybe it is not a lot the way dollars are tossed around now, talk of a billion dollar budget, and I am sure there is minister after minister who thinks that \$10 million is a small portion of the amount he needs. It is a lot

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MR. ROBERTS: of money - it is a lot of money though, Sir. It is the yield, in round figures, it is the yield from one point on the sales tax. It is a very large, very big sum of money.

MR. ROBERTS: So we were \$10 million over, what did the ministry do then, Sir? Well of course it should be added as well there is an extra \$70 or \$80 million they have got us on the hook for now with respect to the Hydro project in Labrador -the great leap forward that has turned into the great sprawl on their faces, and that is an extra \$70 million or so. We saw a special warrant go whizzing through here earlier in the session for I think it was \$70 million. And of course there is a bill now before the House, Mr. Speaker, for an extra \$75 million in respect of Linerboard. We do not know how much of that is an addition to the net debt of this province, or how much of it is just in effect authority to pay bills that have already been run up by Linerboard.

Let us take \$50 million of it as being new debt, plus the \$70 million on Hydro, that is \$120 million; plus the \$207 million they borrowed up until the middle of March; we are talking of \$327 million added to the debt of this province during the current fiscal year. And the debt of this province, to remind hon. gentlemen, Mr. Speaker, as of January 1st, 1977 according to the public accounts this fiscal year was \$1,980,833,653. Call it, Sir, in round figures, \$2 billion. It is \$19 million under \$2 billion. And they have added, Sir, to that before this Alberta loan an extra \$307 million that we know about.

Now, Sir, then came the Alberta loan, the first one; there may be more because this hon. crowd, Sir, are so desperate for money that they will take it anywhere on any terms. Mr. Speaker, the Alberta loan: Let me re-emphasize a point about the Alberta loan, by the way. The government of Alberta have not done us any favours in lending us the money. We are borrowing it at a normal commercial rate. As a matter of fact, we are borrowing it, I am told by friends of mine in the bond market, at a rate that is competitive with what we could get if we went to the market today with a public issue.

It may be a difference of opinion on that. That is a matter of opinion. But the fact remains, Sir, we are paying about 10.2

MR. ROBERTS: or 10.3 for that bond issue. Our previous borrowings this year were 9.08 per cent, that was the Euro collar one. These are reflective costs -

MR. DOODY: Different terms though.

MR. ROBERTS: I agree, but for a twenty-two year term we paid 10.2 per cent, for a twenty-five year term we paid 10.15, but that is U.S. and that is going to be very costly with the Canadian plunging heavens knows where.

MR. DOODY: It is the Liberal government got the economy-

MR. ROBERTS: The Liberal government, Sir, should never have the Canadian dollar up, in my view, to more than about ninety cents Canadian for every American dollar. We borrowed \$30 million Canadian back in June at 10.99 per cent effective. So the 10.2 or whatever it is we are paying on a true cost for the Alberta loan is not a bad deal, I never said it was, but it is not a good deal.

MR. DOODY: It sounded _

MR. ROBERTS: Alberta in their anxiety to save Confederation, and I think Premier Lougheed and his colleagues have a genuine desire to keep this country whole. The government of Alberta has not given us any charity, they have not done us any particular favours. They have money coming out of their ears. They have \$2.4 billion in a trust fund and under the terms of their legislation they have to invest 15 per cent of it outside the province of Alberta. This happens to be the first loan from it, but they have to find places to put an extra \$300 million. And then whatever else comes in in the way of revenues from the oil price hikes, and we are paying our share of the oil price hikes here in Newfoundland, we are doing our little bit.

Alberta may not get it directly from us, Sir, but Alberta is benefiting by the same process by which the people of Newfoundland are hurting, as the Arabs and their blue-eyed compatriots in Edmonton put up the price of oil.

MR. DOODY: No sales tax on it .

MR. ROBERTS: No, there is no sales tax, there is no income tax.
And they really have financial problems that must be the envy
of anybody who is aware of the financial problems we try to deal with
in this province.

MR. DOODY: Fifteen cent gasoline.

MR. ROBERTS: They have, you know, an incredibly buoyant economy
and all I say is that if we ever find oil and if we can ever get it
out and if we can ever resolve all the difficulties maybe we can
have the same.

MR. ROBERTS: God willing we will be there too, but we will all be considerably older, Mr. Speaker, before that happy day comes. So we are faced with the situation, Sir, that the administration who had told the House they wanted to borrow \$197 million were up to something over \$300 millions when they got word from Alberta saying - I do not know what it said - something like, Boys we have a few million dollars would you like some? And after, all our Premier and Alberta's Premier are buddies, they are chums, they are friends, they knock around together, they talk together, they doubtless talk to each other, our Premier supported Alberta's Premier in a demand that the price of oil be put higher within Canada, in my view flagrantly, flagrantly flouting the true interests of this Province, defying the best interests of the people of this Province, but our Premier, for whatever reasons, decided to back his buddy and so his buddy is now backing him and well and good. It is nothing to get excited about. It means that instead of the Minister of Finance having to get on his horse and go down to New York City or to France to borrow whatever we are going to borrow next year, \$150 million or \$200 million, whatever the budget will be authorized to spend, then we have \$50 million less. That is all it boils down to.

MR. DOODY: We will go to Regina instead of -

MR. ROBERTS: Well, Mr. Speaker, if the hon. the Minister of Finance goes to Regina he is going to find a far different welcome than if he goes across the border to Edmonton. Because the Government of Saskatchewan, whose capitol is in Regina, Sir, which is about 500 or 700 miles from Edmonton - it is as far from Regina to Edmonton, Sir, as it is from here to Happy Valley or Wabush in miles - but, Your Honour, the point is, Sir, that all that has happened is that we have now \$50 millions on account for next year.

But look at the way it was got, Sir. The government, somebody rang them up or sent a note or some form

MR. ROBERTS: of extrasensory perception, a message was communicated from the West to the East. Glad tidings. We have have \$50 millions boys. We have to spend some of this money, invest it; it is becoming an embarrassment to us. We have it piling up, we do not know what to do with it, we are not earning enough money on it, you fellows are not a bad credit risk down there. True you have a Baa rating, but you have always paid your bills, we believe you will now, how would you like some of it? And our crowd, our hon. crowd, Sir, fell all over themselves in an effort to say, Boy, we will snap it up.

Nobody, I am sure, I am sure nobody had a little twinge of conscience and said, Now gentlemen, before we rush to this there is this House of Assembly business. Let us say the Cabinet, Sir, are meeting on the floor below here, on the eighth floor, in the Cabinet room, and the Premier or the Finance Minister or whoever raised the matter said, I had a call from Pete the other day and Pete says - or Peter, whatever he is called, Mr. Lougheed - says that he can lend us a few buck and we are sure going to need them. We have been getting bad vibes from the market, let us grab it, let us grab it, let us grab it.

Maybe some conscience stricken minister, and I hope there was at least one, raised his hand and said, Before we do that, boys, what about the House? What about the pledge we used to give that we will never borrow money without going back to the House? And if anybody did I am sure he was told, Oh look, the lawyers have cleared it, do not raise these objections, it is in the bill, it is authorized. I guess nobody then went a little further and said, We told them, we gave them our word. We gave our word when the Finance Minister spoke in June and said, We only want \$197 millions this year including the Canada Pension, including debt financing, including everything. Nobody said that, or if he did he was overruled.

Nobody said, Look boys we borrowed this money only a couple of weeks ago, this American money, the Euro dollars, and we said then - the Premier made a couple of

MR. ROBERTS: statements, the Minister of Finance made a couple of statements - Boys, that is it for the year now. No, Sir, nobody raised that. Nobody said, Look, the House is meeting up there. They are not doing very much, we have not got anything for them to talk about, there is not enough legislation on the Order Paper to keep a municipal council going for an afternoon; they are only up there chawing their gums off on the Throne Speech. We have not given them anything to work on, why do we not whiz a resolution up there and say, Gentlemen, we would like to borrow some money from Alberta - how about it? It probably would have been passed in an afternoon, probably praised on all sides. No, no, none of that. It was simply, All right, tell Mr. Lougheed we can have his money and somebody for heaven sakes get on the airplane and go out to Edmonton and get something in writing before he changes his mind.

The Minister of Finance then sent off a letter which he has not yet made public here, but sent off a letter to the Government of Alberta saying in effect, Delighted to have the money, thank you very much, please send cheque by return mail.

MR. ROBERTS: Mr. Speaker, the letter was tabled in the Alberta legislature and I assume the minister knows that.

MR. DOODY: Will they send the cheque by return mail?

MR. ROBERTS: Oh, no! The Premier is going out to pick up the cheque. It will give him a justification for another trip out of Newfoundland, so he will probably bring the cheque back in his pocket and I do hope he has a safe trip.

MR. SPEAKER: Order please! It is my duty to point out to people in the galleries that hon. members are always pleased to have visitors here, but the rules require that they not participate in any way and the rules require that on their part and require that I point this out to them on my part. The hon. Leader of the Opposition.

MR. ROBERTS: Thank you, Your Honour. Well, Mr. Speaker, the government had a clear choice. They could have been men of their word and come to the House and ask authority to borrow this money, or they could have done what they have done, acted in my view dishonourably, acted in my view in the face of the principal they espoused for so long. And that is what led us as a group, as a party in this House, to put down this motion. We do not think it is right. We do not think their procedure has been the right one or the proper one. We do not think it is the way a group of men charged with running this province should act. They could have come to the House. The House was in session. There was not even an intimation of it. The extra \$50 millions raises the total borrowings under the Loan Act to about \$257 million, plus whatever we have taken for Hydro, plus whatever we are involved with the Linerboard. It is probably up now not far off \$350 to \$400 million in addition to the debt of this province this year. I do not know the figures. The government are noticeably reluctant even to get the information about the issues we had issued this year. I had to get it from the minister himself. His officials did not feel they could give it to me. I think it is

MR. ROBERTS: very public information.

MR. DOODY: If you ask me for it you would get it.

MR. ROBERTS: I asked the minister two weeks ago for information about how much the lawyers had ripped off in the bond issue and it has not been tabled yet. How much the lawyers had ripped off, how much they had been paid, how much the Ames firm, or whoever was in it, got paid for the bond issue and the minister said he would get it but he has not got it.

MR. DOODY: I got it here.

MR. ROBERTS: Well, he may have anything there. I do not know what he has in his drawer or even in his mind. I only know, Sir, what he says here in the House and what he said in the House was that \$197 millions was what we will borrow. Now, Mr. Speaker, they are up to \$215 plus \$42 - \$257 millions on authority to borrow \$197 millions plus. So let me look at the act, Sir. Yes, Sir, they had the authority but they did not have the right. They may have had the law on their side, Sir, but they did not have any morality on their side.

MR. DOODY: We had the authority

MR. ROBERTS: Now, Mr. Speaker, Yes, and the Smallwood administration always had the legal authority to borrow and the hon. gentlemen then used to whine and cavil, and then they were the men of propriety and the men of principle but how their tune has changed, Mr. Speaker, how their tune has now changed, and how it has been exposed, and that is why the hon. gentlemen opposite are so tender on this subject.

Let us look at the Loan Act, Sir, the Loan Act, 1976. It authorizes the government to borrow \$197 million in addition to the aggregate of all sums of money raised under this act and applied to the repayment, renewal or refunding in whole or in part of any securities issued under this or any other act. And that is the loophole, sure it is.

MR. DOODY: That is not a loophole.

MR. ROBERTS: Sure it is, Mr. Speaker. Mr. Speaker, I heard the Minister of Finance's explanation with mounting impatience but with silence, and I would ask the Minister of Finance to extend to me the same courtesy. Mr. Speaker, that is the loophole and they have driven a garbage truck through it. They have driven, Sir, what little morality they had left through it and they have exposed themselves as being anything but gentlemen of principal and men of their word.

Mr. Speaker, the Minister of Finance came before this House in June in committee and said, "We want to borrow \$197 million," and I read the Hansard in which he said that. Categorically, no ifs, ands or buts, he said \$197 millions including the \$62 millions, I think it was, debt refinancing - paying off some of our old bond issues and rolling them over, trying to keep her going, trying to stagger on a little more. Mr. Speaker, the bill asked for the same \$197 million plus the refinancing, and we did not object although we had objected in previous years to precisely that clause. We did not object, Sir, because we believed - this was the Minister of Finance's first loan bill - we believed, Sir, that the government would be men of their word and that they would act as they said they would act, and they would do what they said they would do.

Mr. Roberts:

And that is what shocked and affronted, Sir, the fact that the government have shown that they are not men of their words. And now we can no longer take the Minister of Finance's assertions in behalf of the ministry as being an accurate forecast.

The Minister of Finance asked for \$197 millions total, and that is what he said in the House. And on the strength of that, Sir, they have borrowed \$257 millions plus. Heavens knows how much more they will borrow. Heavens knows how much more. Fifty million, Sir.

The gentleman from St. John's East (Mr. Marshall) gets to his feet the other day, filled with bile as he is about events of the past, and poured scorn upon a group of men who acted legally, even though in the view of the gentleman from St. John's East they acted improperly. Sure, there was an amendment passed in 1966 to the Revenue and Audit Act allowing Cabinet to borrow. And how it was decried.

But I looked through every loan, Mr. Speaker, a list of every loan issued under that. This government who proclaim morality - and the gentleman from St. John's East has now returned to his seat - and he tells us the other day that he is satisfied they have acted properly. He is satisfied. Well, some easy to satisfy, easy to satisfy some people, very easy, very convenient. The largest loan ever issued without prior reference to the House of Assembly was the loan made the other day by the hon. gentlemen opposite, the Alberta loan, The largest loan the much-maligned Smallwood Administration ever raised under the 1966-1967 amendment was \$25 millions U.S., half the amount that the hon. gentlemen opposite raised, just half of the amount.

You know, I felt the government were doing the right thing to return the power of borrowing to the House of Assembly. You have to allow a government a little leeway, maybe when the House is not meeting it is reasonable, maybe it is reasonable to allow the government to go out and get a loan. In the old days, and they are

Mr. Roberts:

not so old, fifteen, twenty years ago, the government used to borrow \$20 million. Do you know how they did it, Your Honour? To send out telegrams to all the bond houses saying, Please submit your bids. What will you charge to provide, say, \$20 millions, whatever the annual Loan Act authorized. And in due course bids would come in, and they would be opened and the best bid would be accepted. And this government comes in, Sir, prating about morality, talking, Oh we will never borrow again without prior reference to the House. They bring in a bill, Sir, which is legally adequate to do what they want, even though in so doing it they have to throw out all of their beliefs and all of their principles and just discard those. And under that, Sir, they raised the largest single loan that has ever been raised upon the credit of this Province without prior reference to the Legislature, and they do it, Mr. Speaker, at a time when the Legislature is sitting. It might be, it might be acceptable if they were to do it at some other time, it might be. Perhaps if there was a need for urgency and the House were not sitting and it could not be assembled for two or three or four days, there might be just cause and sufficient reason to say, Well, we will borrow it anyway; we hope the House will understand when we explain it to them.

But not this group of men, Sir; not the gentleman from Bonavista South (Mr. Morgan), and the gentleman from Pleasantville (Mr. Dinn) and the member from Grand Bank (Mr. Hickman), No, Sir! They say, Ram her through, sign for the \$50 millions and we hope the House will authorize us to spend it next year - maybe they will or maybe they will not - but borrow it anyway, grab it up. It is not particularly a good deal. Why the rush? Why the urgency? None at all, Sir.

MR. MORGAN: It is not a good deal?

MR. ROBERTS: It is not particularly a good deal, no.

MR. MORGAN: It is a bad one?

MR. ROBERTS: No, it is not a bad one. It is not particularly a good one. It is not good enough to justify flinging away all reference to the House of Assembly. It is not good enough for that, Sir. It is not good enough that it has to be done in the stealth of night with the Premier skulking off in Montreal on some trip of unexplained purpose, and announced here as an afterthought at ten minutes of six in the afternoon. Why the rush, Sir? Why the rush?

We had already borrowed everything that the government needed, they told us, and more we borrowed for this current fiscal year. We have been told that by the Premier and by the Minister of Finance. We were assured of that. We had already been told by the Minister of Finance last June that they only wanted to borrow \$197 millions this year, including debt refinancings. Why borrow right away? Why not bring it to the House of Assembly? Can there be any possible valid reason? Oh, there can be reasons. They did not want their conduct debated. They do not like the House. Someone probably said,

MR. ROBERTS: Well the House is a blankety-blank nuisance, they will be up there talking-as if the House had any other purpose other than to debate and to talk and to discuss. That is what the House is about, it is a parliament, a place to talk. We are not an executive body, Sir, we are a House of Assembly and we assemble to talk. Somebody will say, Ah it will be a nuisance, And I can just hear it, Why bother letting them have at it? Go ahead and get the money we got the legal authority. To deuce with the House of Assembly, that is the attitude and that is the offence. And I am surprised and I am hurt that the gentleman from St. John's East has come to grips with it himself and he has knuckled under. I know he has no desire to vote with us, and I say that I welcome that. Because the last thing in the world I would want, Sir, is to have that particular hon. gentleman voting the same way we did, because then I would question whether we knew what we were doing.

But, Mr. Speaker, how he managed to come to grips with this astounds me. And we will hear now from the gentleman from St. John's North, because I know that he to is going through the same crise de conscience. Will he go along with his soul mates, his political bedmates, his colleagues, his friends, those who have treated him so nobly those who hold him in such high regard, the present government. Will they go on with this, this ravage, this assault upon the honour of the House of Assembly, or will he do the manly thing?

MR. PECKFORD: — It sounds like the sack of Rome.

MR. ROBERTS: Mr. Speaker, the government have given us no reason for urgency, they have given us no reason why we must borrow immediately, why the matter could not come before the House, why it could not even come as a statement. The Minister of Finance could have stood up and said, "We would like to borrow it and we intend to borrow it," But no, none of that. Hardly, it could be heard to be said hardly anything to do with the market, How disturb the market? It is only us and the government of Alberta. In the long run I guess Mr. Lougheed sitting down with our Premier, that is the negotiations,

MR. ROBERTS:

Maybe a little haggling on rate. Why not bring it before the House— why not? It had to be authorized sooner or later, the expenditure of it has to be authorized. Or do the hon. gentlemen opposite realize that, do they realize they have no authority to spend it? The Minister of Public Works spends money without authorization. He has been doing it flagrantly. I do not know if that is just the present minister or his predecessors, but he now holds the office, has managed for the better part of a month to evade answering in any way. I know he has had other commitments but is he his own bookkeeper, is he his own deputy minister?

Other hon. gentlemen opposite flagrantly disregard the Revenue and Audit Act, or the Financial Administration Act as we now call it. The Auditor General's report is replete, replete with examples of that. Mr. Speaker, it is a pretty shoddy performance on the part of the administration. I am disappointed. The whole issue should never have had to arise. If the issue had been handled properly, if when Alberta had sent word they would be prepared to lend us some money, if the Premier had come before this House or the Minister of Finance had come before the House and said, "Look, Mr. Speaker, six months ago when we debated or nine months ago when we debated the finance of the loan bill, the financial legislation, we said we need \$197 million for this year. We did need that and we have raised it, and we have got it, and it is in the till and most of it has been spent.

"Now we have a chance to get some very good money and it is from a sister province and we like that. We would rather owe money to Alberta than to some collection of bankers in Europe or some collection of bankers on Wall Street. We would rather owe it to the government of Alberta, our sister province." Of course we would, sure, we have got to owe it somewhere. You would rather owe it to Alberta than to the Household Finance or to Avco.

MR. ROBERTS:

I mean that goes without saying whoever lends us the money. It is better to borrow from a finance company than to borrow it from a loan shark. I mean you go right down the scale if you want. Alberta is not going to come to collect their money with a baseball bat to break the kneecaps of the Minister of Finance. You know, it is a nice place to borrow money, Alberta has to have it. No child in Alberta will do without because of this loan to us. They will not have to cut welfare, they will not have to deny single men jobs because of this.

No, Sir, the Premier choose not to come before the House, I do not know why. I mean, once in a while when he is in town he could drop by and he could see us. The House is here. The basic principle that the House should control the public purse is still there. No, Sir, it is a shoddy performance, a shabby performance, a sordid performance by the ministry. They may have acted legally, Sir, I will not dispute that, but they have not acted, Sir, as gentlemen should, they have not acted as a ministry should. It is of crucial importance, Sir, that this government or any government keep their word, and they have not kept their word. They can say what they want and they can argue as they will, but I say, Mr. Speaker, that they have not kept their word. They may have had legal authority to borrow this money, but they had no moral authority nor had they any moral right. We are plunged another \$50 million into debt, Sir, another \$50 million

MR. ROBERTS: into debt, further into debt than ever, with no reference to this House of Assembly, Sir. The bill under which they borrowed it - They said, "We only want to use this for \$197 millions." Well, I will tell you what it means, Mr. Speaker, that this year when the Loan Act comes in there will be a lot more debate on it and I hope the gentleman from St. John's East joins in it and I hope he says the same thing we are going to say, which is that the government may have authority to borrow only what is in the legislation including the roll-overs, only authority to borrow what is authorized by the supply bills and if they need more then let them come back to the House. We are not that far flung. We are not that large a group that we cannot be brought together. The government have shown us that they are not worthy of the trust that was given to them by the House. They were trusted, Sir. They were given authority to borrow over and above the amount they said they would need, and they have abused that authority, Sir, for no reason. They have advanced no cause. The Minister of Finance spoke and gave no cause at all, no justification. It is a shoddy, shabby, sordid performance, Sir. It is not worthy of the Government of this province. It is not worthy of hon. gentlemen opposite and above all it is not worthy of the House of Assembly.

I will vote for this amendment, Sir, and I will ask all of my colleagues to do the same. Thank you!

MR. SPEAKER: The hon. member for St. John's North.

MR. J. CARTER: Mr. Speaker, The bliss for which there is no match, /Is when you itch to up and scratch. In addition to getting up to stretch, I am getting up to speak and to speak on this sub-amendment. First of all I must congratulate the mover of this sub-amendment on his ingenuity. It is not easy to slip a second sub-amendment into the Address and Reply, and the hon. gentleman did it thereby giving him the authority to speak for an unlimited period of time. He did not.

MR. CARTER: He chose to stay within his forty-five minutes. The Leader of the Opposition then took up his cause and he gave a very well constructed speech. It was carefully worded and I must say I enjoyed. In fact, I enjoy that speech each time I hear it. It contains all the stock phrases and all the expressions that we have come to associate with the Leader of the Opposition's criticism of this government.

Now I have some criticism myself for borrowing needlessly. Now you should never borrow needlessly but when you must, go to those you trust, and presumably we trust the people of Alberta. However, I think it is picayune to go on for the best part of an hour criticizing the government for jumping at what is an opportunity to get an extra \$50 million. I quite agree that this government should not be allowed to spend one penny of it until the next loan and bill guarantee is brought into this House. So I think the only criticism that can be leveled is that perhaps the government is in a hurry to borrow money, but to go on for an hour when really what it is 'we are going to hell in a hansom, and if we do not debate the real issues that are in front of this province we are going to be in trouble. I must say that my experience in the House in this session has been rather disappointing. It has just been an experience, experimenting in talk.

We also heard from the member for LaPoile. We were treated to his usual stream of venom from his ragbag of paranoia. Fortunately we were able to get him to table some of it, but it was only a taste, only the tip of the iceberg. If there is a royal commission, and I must say I am in favour of a royal commission to investigate the hon. gentleman and his bag of tricks. I think they should be all brought out in the open. There is talk of some kind of an affidavit that he has, and I would very much like to see it. I think if it were examined it would be found to be as hollow as many of the poison pen letters that one receives when one is in politics. But if he has something, let him table it. He has been promising to table it for the last three years.

Mr. J. Carter: I wonder could the page bring me a glass of water?

MR. NEARY: A point of order, Mr. Speaker.

MR. SPEAKER: A point of order.

MR. NEARY: Sir, if the hon. gentleman is going to make accusations, I would hope that the hon. gentleman will be correct in his allegations, Sir, because I have not been threatening to table anything for three years. As a matter of fact, I only came in possession of certain information last June. Now the Premier and some of the ministers may have had the material for three years, but certainly I have not had it.

MR. DOODY: That is all right -

MR. NEARY: No, Sir, I did not. I did not have it for three years. So I would like for the hon. gentleman, Sir, if he is going to make charges, if he would, you know, be factual.

MR. J. CARTER: To that point of order, Mr. Speaker. I certainly withdraw. It certainly seemed like three years, but certainly memory plays tricks. Do you wish to rule on it or -

MR. SPEAKER (DR. COLLINS): The hon. member has withdrawn, so the hon. member may proceed.

MR. J. CARTER: Mr. Speaker has ruled that it is a difference of opinion between two hon. gentlemen.

This \$50 million, and more \$50 millions like it, could be spent to very good effect, and I have a few suggestions as to how it could be spent, and I think that I am within the spirit of the sub-amendment when I suggest ways that we could spend \$50 million and spend it very profitably. And I think now is the right time and place to bring up a rather sore point with me and that is our spraying programme for the spruce budworm. Now I have spoken with the Minister of Agriculture about this, and I realize that he is a very concerned individual. The spruce budworm is one of the worst plagues that have visited the Newfoundland forests in the last fifty years. I myself think that we must continue spraying, he feels that we should spend some more time experimenting, and I certainly appreciate his point of view.

MR. J. CARTER:

But while we are waiting for all these experiments to be carried on, the woods are being chewed away. The spruce budworm is really a misnomer; it should be called the fir budworm because it attacks fir trees mostly, but it is willing to have a chew at spruce trees as well. And I maintain that the problem is largely our own fault. It results from the fifty years of neglect of our woods. Cut-over woods look like a World War I battle field, and the regrowth is cramped, in fact the regrowth of trees is so cramped that you can hardly, you certainly cannot walk through them, you can hardly fit anything through them. And the spruce budworm merely has to turn its head to be chewing on another tree.

The eggs are laid in the thousands and I would think that in an ordinary crown forest where you have trees of different sizes, different ages, and different species many of the larvae would run out of food and would naturally starve, and it would not be a serious infestation. But where all of the trees are of the same species and the same size, then the spruce budworm infestation can go through those woods just as quickly and just as destructively as a forest fire.

Mr. Speaker, there will always be spruce budworms and other larvae of various butterflies and moths. Someone suggested that to get rid of moths what we need is a moth-er, but any way.

AN HON. MEMBER: We need a what?

MR. J. CARTER: In order to get rid of moths we should get a moth-er, m-o-t-h-e-r.

AN HON. MEMBER: One more time.

MR. J. CARTER: One more time.

But in the meantime what we need is to manage our forests more carefully. The other side of the coin should be looked at to, and that is, that in an uninfested forest, if hon. gentlemen can imagine a forest that has no natural enemies whatsoever, the main product of that forest will not be woods but boughs. Just look at all the ornamental blue spruce trees around the city. They are

Mr. J. Carter:

sprayed and protected and watered and fertilized, and they are gorgeous looking trees. But the quantity of wood on those trees is minimal, and we would not want a forest like that. We have to have a forest of wood, not a forest of boughs. And the various pests that do infest our woods, if kept in check and in balance, perform a

MR. J. CARTER: useful service. It is only when they get out of control that they are so damaging. So the aim is to strive for a balance between plants and bugs and the spruce budworm should be viewed as an integral part of the process of growth and decay. The woods should be, in my view too, put into private hands under controlling legislation. I would like to see large blocks of land sold to private entrepreneurs. Not leased, sold, sold outright, but under control because the government always the right of eminent domain and can always keep control.

I would like to promote the perpetual yield concept, that is to say, instead of going in and clear cutting, instead of going in and taking what is good and leaving the rest; that all forest should be managed on the basis of perpetual yield.

In the meantime, I think the only answer is the multi-pronged approach. There has been some very good work done in a fungus approach. There are some funguses that apparently attack spruce budworms; the only problem is that this fungus does not multiply on its own and it confines itself to the area where it is initially sprayed.

There is a possibility of other parasites as well. Of course there is a great deal of research going into the various sprays. Some sprays are safe and some are not so safe. Some are very effective but leave a nasty residue; some leave no residue but are not that effective, so there needs to be a great deal of research done in this aspect of control.

In other words, Mr. Speaker, spraying should only bridge the gap between bad management and good management, when we hope wide-scale spraying will no longer be necessary.

Another use for the \$50 million could be the upgrading and repairing of the Trans-Canada Highway. And in this connection I would like to read a part, only part, of a letter

MR. J. CARTER: written seventy-three years ago which -

MR. SMALLWOOD: Seventy-three years?

MR. J. CARTER: Yes, seventy-three years ago - which commented upon the - I am prepared to table it - ability to move about Newfoundland and to move, to go, from England to Newfoundland. This was written by a lady on July 3, 1905 - and by the way, the letter was received on July 13, 1905 from England. That is faster, better service than you get today. And she writes -

AN HON. MEMBER: Is that to the member?

MR. J. CARTER: No, one of my forebears. "As regards going out, I find it would be every way better to go by a St. Lawrence boat landing at Rimouski instead of the direct boat to St. John's. But I cannot conveniently get the Siberian on the 1st. of August as it is a long wait to the 15th. for the Carthaginian. Between that I have the London-Liverpool and Glasgow Allen Liners weekly. I could go as comfortably and without losing any time by the St. Lawrence boats. Besides, they give rebate on return tickets and allow one to come back to any of the three ports. Thus I would have a choice of three fine boats a week to return to St. John's." The letter goes on in that vein. It rambles a bit but it is quite extraordinary. Now today there is practically no service between England and Newfoundland, and the service between the mainland of Canada and Newfoundland, which is supposed to be a part of Canada, is over a very second or third rate road which has, unfortunately, not been able to stand up to the amount of traffic that has been put to it. For this I blame Canada. I blame them for not giving us a decent road that was up to the mainland standards and, of course, this is now going to cost us a great deal of money to fix up. I applaud the efforts of the ministry to divert some of the traffic to Argentina, but the Canadian government, and the Minister of Highways - Transportation and Communications can enlighten us on this, the Canadian authorities are dragging their feet, as is usual.

Reports from the Western end of the Trans-Canada Highway indicate that it is now as bad if not worse

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MR. J. CARTER: than some of the gravel roads are,
and the future is bleak indeed. It may well be that

MR. CARTER: the half load limit may be a permanent feature of the Trans-Canada Highway unless something is done, and I leave it to hon. gentlemen's imagination to see what that is going to do to the cost of living.

I am sorry that the member for LaPoile is not here. He made a long issue about the funding of government pensions, and I think in my view he misunderstood the situation. Private enterprises must fund their employees pensions because a private enterprise may go bankrupt and the employees are left out in the lurch. Presumably a government cannot go bankrupt. Some people think the Province of Newfoundland can go bankrupt but certainly the federal government cannot, and certainly the federal government the least it would do is to honour statutory commitments. Any pension agreement that is made between government employees and the government is so much pension per so much contribution and the funding of it has nothing to do with anything. It is not going to change the amount of return that they are going to get because then you are into the argument of how much extra funding is necessary for a cushion. No cushion is necessary if it is a government pension.

Some mention has been made of bringing television into the House but unfortunately the sittings of this House, Mr. Speaker, conflict with the televising of Another World and I do not think we could compete. It is possible that the audience would be left with the question, "Will the member for Twillingate deliberately mislead the House or will the member for LaPoile commit another public obscenity?" but they would have to tune in the next day to find out.

However, I would like to end my remarks with one bit of good news.

MR. SIMMONS: You are going to resign.

MR. J. CARTER: No, not that good; that news would be too good. I want to use this opportunity for speaking in this House to praise a certain gentleman whom I think has done a great service for Newfoundland, or is about to do a great service for Newfoundland, and

MR. J. CARTER: that is Mr. Ken Proudfoot at the Federal Experimental Farm who has developed a new potato. It seems like a pretty pedestrian thing. This is a new strain between - it is a cross between the South American wild variety and the Sebago and the blue variety. And it has turned out that it is a super potato. It is able to withstand frost, drought, insect attack and it is extremely prolific, and it may be the fate of Newfoundland to contribute nothing more to the world than a new potato, but I would like to praise Mr. Proudfoot and say that in the future perhaps this may go a long way to alaying the hunger of many nations. I hope that this potato is able to be introduced into other countries because at the present time, because of the golden nematode infestation, we have to keep any potatoes at home. We are not able to enter the export market. But there are efforts being made to eliminate this pest and once this is done and resistant strains are developed we will be able to export our potatoes along with Prince Edward Island and the various other provinces that grow them. And when we can, or if clean strains of this particular seed are exported to the developing nations of the world, they will find that this is a new food source equal to the new long grain or the new rice that has been developed and the new super strains of cereals. It is a most extraordinary thing. I have a bit of seed myself that I am gradually multiplying. The Experimental Farm does have some seed that it will give to interested individuals. And I would just like to end on this very happy note, and I know it sounds like a rather pedestrian and rather a trite point to make in this House, but I do think that it holds a great deal of promise for the future for the people interested in agriculture.

Now with those few points, Mr. Speaker, I will sit down. Thank you.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER:

Is the House ready for the question? The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, I would like to say a few words on the sub-amendment before the question is called.

MR. MOFGAN: The sub-amendment?

MR. SIMMONS: Mr. Speaker, I am speaking to the sub-amendment as moved by my colleague from Windsor-Buchans (Mr. Flight). The sub-amendment is what we are debating at the moment.

MR. MORGAN: The amendment.

MR. SIMMONS: Mr. Speaker, we have a motion moved by the member for Bonavista North (Mr. Cross). We then have an amendment moved by the member for the Straits of Belle Isle (Mr. Roberts) and now a sub-amendment moved by the member for Windsor-Buchans (Mr. Flight). According to the rules of the House we are debating the sub-amendment. I have spoken to the amendment but not to the sub-amendment, nor have I spoken to the main motion. And I may do so if the occasion arises.

Mr. Speaker, I would like today to speak to the sub-amendment moved by my colleague from Windsor-Buchans (Mr. Flight)"that the House regrets the action of the ministry in agreeing to borrow the sum of \$50 million without providing prior opportunity for debate in the House." Now, Mr. Speaker, my colleague, the Leader of the Opposition, has said the essence of what needs to be said directly on the method by which this was done with the House in session and yet no effort by government to come here to have the issue aired, to have the issue debated before going off to Alberta. I believe the Leader of the Opposition has said pretty well what needs to be said directly on that subject.

But there is the larger question, Mr. Speaker, of the advisability, the wisdom of the borrowing at this particular time. It is an issue that I believe we will be able to get into at some length as we debate the anticipated Loan Bill for the 1977-1978 fiscal year and we we debate items relating to the budget and the estimates. I am looking

MR. SIMMONS:

forward also, Mr. Speaker, as we get into the debate on the Lab Liner amendment to talk there a bit about the direction we are going in in terms of borrowing.

This afternoon, Mr. Speaker, for a few minutes I would like to talk though about the wisdom of borrowing in the sense that what happens to the money once it is borrowed, what are we doing with the money. Nobody can argue that money needed to be borrowed. That is part of the system we use to finance our various programmes. And the ability to borrow is certainly one criterion, but an equally important one, Mr. Speaker, is whether we are getting value for our money having borrowed it, or having raised it through taxation as the case may be.

Mr. Speaker, the case of Lab Liner is a very good case in point, and I listened with interest to the answers given by the Minister of Finance earlier in the day during the Question Period, the answers relating to the food supplies in Goose Bay, the question raised by my friend from LaPoile (Mr. Neary). Had there been time I would have followed with a question relating to the several thousands of cords of wood which are sitting in the woods in the Goose Bay area. At some point the government should indicate what plans Lab Liner has to get that wood out of the woods into Stephenville or to dispose of it otherwise.

I am told, and I am told by two men-over this weekend, I have been told by two men, both of whom have been logging contractors with Lab Liner for the past couple of years and are now with the VanBeke operation, I am told that according to their estimates there are about 30,000 cords of wood belonging to Lab Liner lying in the woods in the Goose Bay area, wood for which Lab Liner has paid the contractor. So assuming something of the order of twenty-five to thirty dollars a cord, you are talking just about \$1 million worth of wood sitting there near Goose Bay of no good to the mill whatsoever where it is right now.

Mr. Simmons:

There are other indications, of course. In Roddickton area there are \$60,000 or \$70,000 worth of wood sitting in the woods, and up in the Main Brook area there is another \$50,000 or \$60,000 worth of wood. And there are just three examples, Mr. Speaker.

The issue raised by my colleague from LaPoile (Mr. Neary) about the food and the waste of money involved there is another indication of the obviously slack operation that Labrador Linerboard has been. I have another, Mr. Speaker, which I would like to bring to the attention of the House. This one, in my view, is one of the most shocking situations I have heard about and points pretty directly at mismanagement of the Lab Liner operation, and it raises the very real question, Is it any wonder that Lab Liner is having troubles? It raises the question of whether the market problems came first or were only the result of very bad management.

Mr. Speaker, in February, 1974, Lab Liner invited tenders for the transportation of wood from the greater Central Newfoundland area to Stephenville. They received three tenders. One of the tenders was for \$21.00 a cord, another was for \$24.00 a cord, and a third was for more than that, but I do not have the figure; one for \$21.00, one for \$24.00, and a third for something over \$24.00. The first company, Mr. Speaker, a company that bid \$21.00 has been in the business of logging and trucking wood for a number of years, not for Linerboard, but for Price (Nfld.) and for Bowaters. They had, I believe, eight or ten tractor trailers at that particular time. That is the first company. The second company, the company that bid the \$24.00 -

MR. NEARY: Company A, B, and C.

MR. SIMMONS: I did not want to say Company A, B, and C, Mr. Speaker, because that would confuse it with another well known alphabet game, the Companies A, B, and C in the Auditor General's report, a story that is going to be increasingly interesting as it unfolds, that A, B, C combination in the Auditor General's report. Well, if the hon. member from LaPoile likes letters we will call it

Mr. Simmons:

the X,Y,Z. Company X bid at \$21,00 a cord, It was a company that has been in the business for some years, the business of trucking and logging generally, had eight or ten tractor trailers, had expertise in the area, that is the company that bid \$21,00. That is our Company X.

Our Company Y is a company that bid \$24.00, operates a fleet of school buses, but up to that point had never trucked a stick of wood. So it had no particular expertise in the area of handling pulp wood. It had no equipment, not even, it might have had a pickup truck, Mr. Speaker, but otherwise had no equipment. I checked this particular point which the ministers raised, had no equipment whatsoever that could constitute an argument that the company was equally qualified to truck wood. It had no trucks at all, no trucks at all.

Mr. Speaker, you anticipate, of course, what I am going to say, that it was the second company, our Company Y, that got the contract. Company Y got the contract and significantly enough, Mr. Speaker, while most other trucking firms that had transportation contracts with Lab Liner had a rider in there which said Lab Liner could give you seven days notice and the game was over. In other words, if for some reason Lab Liner decided that it did not want the wood moved at that particular time, in the agreement, in the contract, the transportation contract with the trucker was a clause which provided that Lab Liner could get out under the contract with seven days notice. And there is obviously some wisdom in having that kind of a clause in the contract.

Now, Mr. Speaker, let us talk about our Company Y, the company that gets the bid despite the fact that it is not the lowest bid, \$3.00 a cord in the difference, and despite the fact that it does not have any equipment or any expertise at all in the area of trucking wood. It gets the contract, and it gets a particular contract, Mr. Speaker, not your average contract with the seven day clause I have mentioned, but a three year contract, a contract to haul for Lab Liner for three years. Again,

MR. SIMMONS:

Mr. Speaker, I take no particular exception to that if there were some reasons that Lab Liner had for entering into that kind of a contract. That contract was awarded, Mr. Speaker, in the Spring of 1975. I mentioned 1974 earlier. I meant 1975. That contract was awarded in the Spring of 1975, and that company hauled wood from about June until about September, for about a three month period of what would have been a three year contract. In the Fall of 1975, Lab Liner had a dispute with Price which owned the limits from which the wood was being trucked, had a dispute over price, I believe. But for whatever reason, Lab Liner stopped harvesting wood in that particular area, and as a consequence notified the contractor that the contract was off three months after it had taken effect, a contract that would have normally run for three years.

At that point the contractor obviously was not very happy. Let us look, for example, Mr. Speaker, at what he would have grossed if he had been allowed to pursue his contract for the three year period. He is getting twenty-four dollars per cord. He was cutting about 25,000 cords a year -- not cutting them, but transporting them I meant, transporting 25,000. Which means that he was grossing from Lab Liner, would have been grossing, about \$600,000 a year for a three year period. He would have grossed about \$1.8 million.

Now let us assume, Mr. Speaker, that his expenses, his truckers wages and his equipment and his gas and oil and that kind of thing, let us suppose that that ate up about seventy-five or eighty per cent of the gross. Suppose he had been budgeting in his bid for about a twenty per cent profit on it, that would be a fairly decent profit, not unduly large but certainly -- and I am giving him the benefit of the doubt on this one, if you like -- suppose he went for as high as twenty per cent profit on it, on a gross of \$1.8 million he was getting something over \$360,000 profit, assuming he had no bad luck and had a twenty per cent profit built in. And, as I say, I am giving him the benefit of the doubt assuming he did not have too many troubles, too many rear ends to go in his trucks and that kind

MR. SIMMONS:

of thing, with the best of times, no snags, no strikes on his hands, no employee problems, he probably could have gotten something like \$350,000 or \$360,000 had he went through the headaches for three years of working his contract.

AN HON. MEMBER: A little better than \$100,000 a year.

MR. SIMMONS: About \$100,000 a year, \$110,000 or \$120,000 a year.

But, Mr. Speaker, as I told you he did not get to work the contract. He got to work about three months of it and then they lowered the boom and they said, "It is all over." That is what they thought. And our company Y said, "Not on your life. I had a contract with you fellows. I am either going to have it now or I am taking you to court." So he took them to court. He had a fairly good case. He had a contract in his pocket that said that Lab Liner is going to keep him busy hauling wood for three years. He had gone off and he had invested the money in a number of tractor trailers and hoisting equipment, loading equipment, that kind of thing. He had taken on a staff. He had done a lot of things. He had committed himself in a lot of ways that were not easy to get out of now that he was told one day right out of the blue, "Your contract is over." So he had a fair case.

He went to court, taking Lab Liner to court for breach of contract. Lab Liner, for some reason, Mr. Speaker, decided to settle out of court. I put it to you, Mr. Speaker, that under the best of circumstances if this fellow had gone through court proceedings, won his case, I suppose the best he could expect is a settlement that would have reimbursed him for what he would have gotten had the contract not been broken, perhaps \$100,000 a year, \$200,000 or \$300,000, \$350,000 perhaps over the three year period. That is a

MR. SIMMONS: fairly healthy settlement then, if he could get everything he would have gotten had the contract continued for the three year period. So one would expect that somewhere, meeting half way, perhaps instead of the \$300,000 maybe he would have gotten \$100,000. I would have strong feelings about that, for a fellow to get that kind of money for doing virtually nothing. But if he had commitments, to purchase a tractor-trailer, that kind of thing, hefty commitments, then a case could be made for him getting some kind of a cash settlement in lieu of the contract having continued.

Well, Mr. Speaker, he got a cash settlement all right, I will tell you this, and it was not anything of the order I mentioned. It was not anything of the order of \$75,000 or \$100,000 to take care of his commitments, it was not even of the order of \$300,000 which would have been his earning had he followed the contract through and had he had no troubles and had he had a very hefty profit built into his bid. It was not even \$300,000, Mr. Speaker. Would you believe, Mr. Speaker, that that man, that company, without even pursuing the court proceedings, because Lab Liner made a move to settle out of court, that man got an out-of-court settlement from Lab Liner of \$450,000, \$450,000. And we get on the radio and on television and in the papers in this House and wonder what is wrong with Lab Liner, why it does not work?

MR. LUNDRIGAN: How much was the law suit?

MR. SIMMONS: No, Mr. Speaker, in answer to the minister I do not know, I honestly do not know what the law suit amount was. I do not know. It was a cash settlement, I understand, for \$450,000.

Now, Mr. Speaker, there is just about a half million dollars and I believe it is just the tip of the iceberg. I believe if we lined up all the examples we have heard about; the food in Goose Bay, the 30,000 cords of wood in Goose Bay, the wood in Main Brook in the woods, the wood in Roddickton in the woods, this kind of a settlement here -

MR. RIDEOUT: The purchase of the equipment in Goose Bay.

MR. SIMMONS: - the purchase of the equipment in Goose Bay, the tree harvesters, the fifty-one harvesters sitting over in Lab Liner, some of them never used and costing what kind of money?

MR. MCNEILL: The boat contracts.

MR. SIMMONS: Ah, the boat contracts that would allow you to move wood under the contract that Lab Liner had to move wood from Goose to Stephenville, you could move wood cheaper to Europe from Goose than you could from Goose to Stephenville.

Now, Mr. Speaker, I guess we have had enough talk of royal commissions and select committees and that kind of thing, That can get out of hand, too. But somewhere along the line, Mr. Speaker, whether with select committees or royal commissions or what, somewhere along the line we have to find out the real truth about Lab Liner. And I have a sneaking suspicion, Mr. Speaker, I have a sneaking suspicion that the government have decided what they are going to do on Lab Liner and they are setting us up, they are preparing the way, they are breaking the news slowly. They know now, they have known since before the advisory committee was set up, what they want to do with Lab Liner. I believe, Mr. Speaker, the advisory committee has been called in to say what government will not say. I hope I am wrong, Mr. Speaker. I hope a few months from now the Minister of Finance or the Premier can get up in the House and show how wrong I have been. But I must say, if it were not so serious I would have laughed my head off the day the advisory committee was announced, an advisory committee whose terms of reference have never really been spelled out. It has been alluded at times that somehow they are managing. Now that is wrong and it is against the law. I do not mean managing, it is quite within the law for the board to delegate to anybody to manage. But it has been suggested by those in government that the advisory board is somehow the court of last

MR. SIMMONS: appeal and, of course, that is not the case. Under law, the board of directors, of which the minister is chairman, and that is still the case because no amendment has brought about any change and the minister as chairman of Lab Liner and his board are the court of last appeal except, of course, this House itself. But within the structure of Lab Liner no advisory can assert the authority of the board of directors.

MR. DOODY: There has been no statement made to the contrary either.

MR. SIMMONS: Well the Premier, when he was in Stephenville, and again it is not fair to quote him out of context because I do not have his statement in front of me, but the clear impression

MR. SIMMONS: that was left at that time was that the advisory board would assume most of the control of the operation.

MR. DOODY: That is true. That Board of Directors has the right of delegation.

MR. SIMMONS: Yes, OK. So that in the pecking order the Board of Directors and the Advisory Board is there. Well that is what I suspected and it is good news to have it confirmed. The Advisory Board itself, Mr. Speaker, here we have-I will set up an example for you. In my own district there is a town called Ramea, and Ramea has five stores, five or six stores. The big one, of course, is John Penney and Sons, the fishplant operators. They also operate a general business. And then there are three or four other stores, smaller stores in the community.

And let us suppose that John Penney and Sons for some reason were having difficulties in their grocery business, difficulty in their marketing, their selling programme, difficulty in the operation of their business. I would suggest, Mr. Speaker, that the last people we would call in to give advice on the subject would be John Penney's four or five competitors around town. Without assigning any unkind motives at all, it would seem to me that the four or five grocery store owners in Ramea would have a real vested interest, a real vested interest in seeing John Penney either close down as a retail outlet, either close down or come under the control of the other stores

Imagine, Mr. Speaker, asking representatives of the two competitive, two competing paper operations-I realize it is not the same kind of paper but they are competing in the sense that they are competing for the same timber limits. There are only so many wood stands on the island - imagine asking senior representatives of the other two competitors in the province to sit on the board, to examine the health of your patient and make some determination about the -

MP. SPEAKER:

attention of the hon. gentlemen.

The hon. Minister of Industrial and Rural Development.

MR. LUNDRIGAN: Mr. Speaker, on a point of order. Part of the confusion arises out of the fact that I am not certain about Your Honour's ruling. And again I listened attentively to Your Honour's saying that in order for an hon. member to be in order he had to stick within the framework of the sub-amendment. Then Your Honour went on to indicate that as long as it was germane, the particular debate was germane to the business of the financial aspect of the Province, if it related to Lab Linerboard, then the member would be in order.

So I am not certain, Your Honour, this is the reason for - Your Honour sort of overhearing my comments - I am not certain of whether Your Honour's ruling was that the member was in order or out of order, because I was about to rise again on another point of order to say to the member that I do not feel any breach of the rules that have been made by virtue of the references earlier to the \$50 million and the financial condition of the Province, and Lab Linerboard. But when the member gets involved in advisory committees and the like I feel that it is certainly a matter which goes beyond the scope of the sub-amendment. And I am not certain if Your Honour ruled in favour or out of order.

MP. SPEAKER: That specific point of order, I think, is a very specific one, and that was the hon. member stated he was not sure what my previous ruling was. I did not rule the hon. gentleman out of order, and unless and until I do that, then he continues in order. I did not specifically say the hon. gentleman is in order, and I suppose there are different choices of words or expressions one can use, but in my case if an hon. member is out of order, I will certainly undertake to tell him specifically so.

MR. SIMMONS: Thank you very much, Mr. Speaker.

Mr. Speaker, I was saying that I am concerned about the effects on our ratings, on our reputation in the investment market, if we continue to pile up such an unenviable track record insofar as industrial

MR. LUNDRIGAN: Mr. Speaker, on a point of order.

MR. SPEAKER: A point of order.

MR. LUNDRIGAN: The hon. member is certainly straying from the sub-amendment. I can understand some of his remarks regarding the business of \$50 million and Lab Linerboard, I believe it is certainly right now getting into debate way beyond the sub-amendment.

MR. SIMMONS: Mr. Speaker-

MR. SPEAKER: The hon member for Burgeo-Bay D'Espoir.

MR. SIMMONS: I have in this debate in my few remarks for the moment I have followed what has been, I believe, the pattern in this debate and I believe that it is fairly germane to the subject of borrowing and I have addressed myself to that. You cannot talk about borrowing unless you are going to look at what the money is being borrowed for in broad general terms. And it is in that spirit that I pursued the line of thought that I have.

MR. SPEAKER: The sub-amendment before the House is one which regrets the action of the ministry in agreeing to borrow \$50 million without providing prior opportunity for debate in the House. And naturally hon. members in speaking, their remarks must be related to this. It would not be in order to have debate on the subject of the Linerboard Mill itself. To the extent, however, that the hon. member is using the Linerboard Mill operation as an example as to why he would support or not support the sub-amendment in that it is related to the \$50 million, then it would be in order.

MR. SPEAKER: The hon. member.

MR. SIMMONS: Thank you, Mr. Speaker. I was talking, Mr. Speaker, about the Advisory Board appointed some time ago to oversee the affairs of Lab Liner. I am waiting with interest to see what its report will be. But I do raise the question about how qualified- I do not say that in any condescending sense-but how qualified, in terms of the possible conflict of interest that I have alluded to, the advisory Board is to come up with independent findings on the subject

MR. SIMMONS:

The thesis, Mr. Speaker, the burden of what I have said on Lab Liner, I believe relates very closely to the old question of borrowing. I have a strong feeling, Mr. Speaker, that a good part of the problem with Lab Liner is the mismanagement. Now we cannot relive the past. Of course we cannot. There are a lot of jobs at stake out there, Mr. Speaker.

Not only the jobs themselves, which are very important, but the economic effect on the Bay St. George area, on my own district, the Bay d'Espoir part of it, on parts of Green Bay and part of Baie Verte-White Bay, on parts of Lewisporte, people in many parts of the Island in particular, and also of course the Coose Bay area, have depended for economic stability on the Lab Liner operation to a lesser or larger degree. That is an issue in itself, the jobs and the economic implications. But I believe, Mr. Speaker, without dismissing those, there is an even greater implication if the Lab Liner operation folds. That is our credibility in the money market, our credibility in the investment market. Our track record in terms of industrial development is not a particularly good one.

MR. SPEAKER: Order, please! Order, please!

I have to point out to hon. gentlemen to my left that every hon. member is entitled to make a point of order. In so doing it is necessary that he do it in the appropriate way, and this is very similar to what I said last session and I feel it is necessary to say close to the same words again. It is not my intention to eavesdrop on hon. members. When a member speaks to his seat mate or a person behind him, then it is not my intention to eavesdrop. When, however, I hear something I cannot pretend not to have heard it.

Therefore I point out to the hon. gentleman that it is improper to make comments as to what the Speaker should do or should not do. Every hon. gentleman is entitled to rise on a point of order, but I think that I would be part to undermining the authority of the House if I did not interrupt at this moment and draw it to the

MR. SIMMONS:

development is concerned. Now the easy thing and the political thing from the government's standpoint - and one almost suspects that this is what was set out to be done. And I say it only half tongue in cheek. Somebody said, "Lab Liner, that is a Liberal creation."

MR. SIMMONS: And there was therefore the attitude from the very beginning that if it does not work we, the fellows in government, will not particularly get the blame anyway.

I do not know, Mr. Speaker, you cannot, I suppose, you cannot measure attitude when it comes to its effect on an outcome, but it seems to me from the very beginning we have been told that Lab Liner was some kind of an albatross and so on. Perhaps it was, I do not know. I am not in that particular business. I do know, Mr. Speaker, that if it closed tomorrow morning our costs would not end there and we would have ongoing commitments, capital commitments which would be ongoing.

• So at this point in time, Mr. Speaker, it seems to me the germane question, the operative question, the real question is what is the cost of operating that efficiently? And I have submitted the evidence that comes to me, Unless they are all exceptions to the rule, the evidence that has come to me is that the operation has been anything but efficient. If there was going to be an advisory board, perhaps the time for it was a long time ago. But again that is the past. But I will say that if there is going to be an advisory board, I do not see the wisdom - now there is the argument that these fellows have expertise and that kind of thing - but I do not particularly see the wisdom of saying to the two competitors, Bowaters and Price, "We are going to put you in the driver's seat." I do not see the argument of involving senior people from the Power Corporation, the Bathurst people, the Iron Ore people, who have very real vested interest in the forest industry.

MR. LUNDRIGAN: Have not they all?

MR. SIMMONS: Real vested interest. Have you ever traced Brian Mulrooney's connections?

MR. LUNDRIGAN: On a point of order.

MR. SPEAKER (DR. COLLINS): A point of order.

MR. LUNDRIGAN: Mr. Speaker, Your Honour has admonished - is that the correct word? - me for my references to my colleagues about the procedure. And I am astounded, Your Honour, that the member stands in his place there, who is now being coached by his Leader, and is now debating the wisdom of the appointment of an advisory board regarding Labrador Linerboard.

AN HON. MEMBER: Raise a point of order.

MR. LUNDRIGAN: Yes, and I will rise it on five. His Honour has advised me to rise on a point of order if I have any grievance. The member is now debating whether it was proper to set up an advisory board. He is debating whether the membership^s on the advisory board, where the proper membership is, debating whether Consolidated Bathurst should be involved, whether Brian Mulrooney should be involved, his credentials, the credentials of Brian Mulrooney.

Now, Your Honour, the sub-amendment was introduced to give hon. members the opportunity to debate and presumably vote against the government for raising \$50 million in Alberta. And Your Honour accepted that amendment and the House are now debating it. But for the member to use the opportunity of a very specific sub-amendment to get involved in all kinds of specific detail about the construction of a particular advisory committee, about the procedure in dealing with Labrador Linerboard, and all sorts of matters which really is the broad debate of Labrador Linerboard, I contended, Your Honour, is out of order.

MR. ROBERTS: Mr. Speaker.

MR. SPEAKER: The hon. Leader of the Opposition.

MR. ROBERTS: I understand from my colleagues that the gentleman from Grand Falls has raised essentially the same point of order three or four times before, and that Your Honour has ruled on it.

First of all, Sir, my submission would be that Your Honour did not tell the gentleman from Grand Falls

MR. ROBERTS: to raise a grievance if he had one. I am sure that what Your Honour said, whatever words Your Honour used was, If the hon. gentleman from Grand Falls thinks there has been a breach of the rules of the House to raise it as a point of order. And that is far different from the hon. gentleman's grievances which are numerous and usually unjustified.

Secondly, Mr. Speaker, the rule of relevancy is clear cut in its ruling. It may at times be difficult to apply, but I suggest that the points which my colleague, the gentleman from Burge-Bay d'Epoir (Mr. Simmons) is making is quite relevant. The question of the composition of the board which the government have set up to advise them with respect to an operation which is consuming a large sum of money, and possibly consuming some of the money, this \$50 million we are talking about, Sir, will become part of the monies to be expended by this Province next year on capital account. Part of it may certainly go into Linerboard, Sir, it is a very large part of the financial picture of the Province, and nothing I submit, Mr. Speaker, could be more relevant to a discussion of the financial condition of this Province than a discussion of something such as Labrador Linerboard. And if my colleague wishes to raise the fact that Mr. Brian Mulrooney is connected with

Mr. Roberts:

the hon. gentleman opposite in a political fashion, and if the hon. gentleman wishes to raise some other points with respect to Mr. Mulrooney in the Linerboard operation, I submit that is quite relevant. And, Sir, if the gentleman from Grand Falls (Mr. Lundrigan) would only restrain himself and raise points of order when they are at least half valid, Sir, the whole debate would go much more quickly. I understand this same point in one guise or another has been raised three or four times by the gentleman from Grand Falls. Sir, if he persists in displaying his ignorance he is only making a fool of himself. That I do not mind. What I do mind, Sir, is him delaying the work of the House.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: * On the point of order with respect to relevancy brought up, and hon. members are well aware that this is a difficult point, there are two requirements; one, relevancy; the other, freedom of speech. And to mesh the two without sacrificing either is, I think, the obligation of the Chair and of the House. And I will read just a few sentences of Beauchesne page 110, Section 119, part of subsection (2) and (3), I am not going to read it all. "Debates have to be free and they must also be relevant. In Parliament every corner of the country is represented and no rule should silence elected representatives when they think they have a message to deliver. Freedom of speech is a sacred principle and if there is a place where it should be fully respected that place is the Parliament of the nation, and changing circumstances, the Parliament of the Province. And it is the Speaker's responsibility to see that this principle is not infringed upon."

Subsection (3) goes on "Relevancy is not easy to define. A wrong comprehension of it may have a serious effect on the freedom of speech. Members are often deprived of their right to speak on the pretext that their remarks are irrelevant when as a matter of fact they refer to matters perhaps remote but yet related, even indirectly, to the question under debate. In border line cases the Member should

Mr. Speaker:

be given the benefit of the doubt."

As hon. members will see there are two requirements there, and both equally mandatory. It is not my opinion that the hon. member is out of order. What I would ask him to do so that the matter is clarified to the satisfaction of all hon. members, is when he resumes his speech to indicate for the benefit of the House or for those who are not sure, how he is relating his present part of his participation in the debate to the actual sub-amendment.

The hon. member from Burgeo-Bay d'Espoir.

MR. SIMMONS: Thank you, Mr. Speaker, I shall be very happy to do it, and I shall do it with the next sentence or two. But I will say though, Mr. Speaker, that the method used by the member from Grand Falls for whatever reason, I am not assigning motives, but for whatever reason, has the effect, and does have the effect of cutting into a member's speech, a speech which can only last forty-five minutes, can deprive him of some time that he needs to make his point, and at the same time requires him to reorder his speech, his remarks, so that he states his reasons first. And I suggest, Mr. Speaker, that is an infringement on my rights as a member. Now that I have been requested to do it, I do not think it needs much doing.

Here we are talking, Mr. Speaker, about \$450,000 put out in an out-of-court settlement from the coffers of a company which is a Crown corporation, Lab Liner, which depends heavily on the government's borrowing capability, and we are here talking about a sub-amendment related to borrowing, Mr. Speaker. You know, I can explain it for most members in the House; whether the member from Grand Falls understands it is not my problem. We are talking about a sub-amendment relating to government's borrowing without coming here and talking it over in the House. As soon as we talk about borrowing you have got to ask, for what? For what? And one of the government's ongoing commitments is clearly Lab Liner. And clearly the thesis of what I am saying this afternoon, Mr. Speaker, is that perhaps we would

Mr. Simmons:

not have to be running so often to Alberta or to Europe or to New York had we seen to it earlier that Lab Liner had been properly managed.

Now I am looking down the road a little, Mr. Speaker, a few months, a year or two to what might be the final resolution or the ultimate resolution of the Lab Liner situation. Whatever the resolution is, Mr. Speaker, is going to cost us some more money, money which we are going to have to borrow. I say that in terms of the Advisory Committee composition I cannot hold out too much hope, I cannot get too excited about what the resolution of the problem at Stephenville will be, when I see people on Lab Liner almost all of whom have a direct and clearly obvious conflict of interest in the matter. I do not question,

MR. SIMMONS:

Mr. Speaker, their are expertise in the forestry business. I do not question that at all. They are eminent in that particular field. I know one, two, three, four, I know four of them personally and they are eminent in their fields of business and forestry, the forest industry in general, broad terms. But, Mr. Speaker, they have a blatantly obvious conflict of interest in that particular position.

AN HON. MEMBER: What is that?

MR. SIMMONS: A set of circumstances, Mr. Speaker, which does not augur well for the welfare of Lab Liner and therefore for the welfare of the people who depend on Lab Liner.

Mr. Speaker, were there time I would raise some other examples that I have here relating to Lab Liner that I believe very germane to the subject that we are talking about this afternoon. I have, in the little time I had this afternoon, raised a number. And one in particular, and I refer you again to this \$450,000 out of court settlement, an outrageous set of circumstances - I do not care what the explanation is. I am prepared to hear it - but an outrageous set of circumstances when a company can get more in an out of court settlement for a contract that was not fulfilled than if it had fulfilled the terms of the contract over an extended period of time. Then we sit here and wonder why Lab Linerboard is not the roaring success it should be. We wonder why the Goose Bay operation has been closed down. We wonder why the people in Stephenville and the Port au Port Peninsula and the Bay St. George area generally have the jitters about the future of their economy when we have had this kind of thing going on.

MR. MARSHALL: If the hon. gentleman would permit. I did not hear the hon. gentleman. I am just wondering what settlement he is talking about, \$450,000?

MR. SIMMONS: Well, actually my time is just about expired. But before the member came back into the Chamber, the member for St. John's East (Mr. Marshall), I did outline - and I will try to do it in a sentence - that a company had a trucking contract that was to

MR. SIMMONS:

have run over a three year period. Lab Liner broke the contract for its own reasons three months into the contract. The contractor took Lab Liner to court, and Lab Liner settled out of court, a cash settlement of \$450,000. Had the contract run its course the company could, or the contractor could have expected to net probably \$300,000. I entered some figures into the record and they are available to the member in Hansard. But that is the gist of what I said, and I have raised the question, if that kind of thing were allowed to go on, if money were being thrown around that loosely, is it any wonder that we are experiencing problems on operating account with Lab Liner. Mr. Speaker, I believe my time has expired and I do not know if I have indicated this yet, but I shall certainly be voting for the sub-amendment.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Is the House ready for the question?

Those in favour "Aye". Contrary "Nay". In my opinion the "Nay's" have it.

MR. ROBERTS: The order on division.

MR. SPEAKER: On division. Is the House ready for the question?

AN HON. MEMBER: No, Sir.

MR. SPEAKER: The hon. member for Baie Verte-White Bay.

MR. RIDEOUT: Mr. Speaker, it is almost six o'clock but I do want to speak on the amendment to the main motion. I suppose -

MR. ROBERTS: And move your other sub-amendment.

MR. RIDEOUT: And then move my other sub-amendment. But in rising to speak to the amendment to the main motion, Mr. Speaker, I rise in a risky situation, I suppose. I am assuming a couple of risks. Risk number one is that I am going to be branded negative. I mean, you can assume that before you open your mouth. If anybody on this side of the House gets up to say anything, you are going to be branded negative before you have a chance to utter even a few words.

And the risk that really upsets me the most, Sir -

MR. ROBERTS: As long as you are accurate, unlike the gentleman for Grand Falls (Mr. Lundrigan).

MR. RIDEOUT: The risk that upsets me the most is that my friend for Bay of Islands (Mr. Woodrow) is not going to like me anymore, as he put it in his speech the other day. That really upsets me. He expected me - I had patted the Minister of Mines and Energy on the back a few months ago for some fine work he had done in the Pambler situation, and rightly so, and since then the member for Bay of Island (Mr. Woodrow) expect me to be unduly kind towards the administration. Of course I cannot do that and for that reason he is not going to like me. So I hope he will be in his seat before I finish sometime tomorrow and that he will not be too harsh in his judgement of the words that I have.

MR. RIDEOUT: Can we adjourn now or do I have to go on?

SOME HON. MEMBERS: No, no!

MR. ROBERTS: Whatever you want.

MR. HICKMAN: Carry on! Carry on!

MR. RIDEOUT: All right! Fine! I will only have to repeat it tomorrow.

Now, Mr. Speaker, one of the greatest things in the Speech from the Throne that was read some two or three weeks ago was that we were not to be negative. We were asked not to be negative. We were asked on the other hand, Sir, to sort of bend our shoulders to the task, to recognize the glories of the government, the government was governing and everything was well so therefore there was no need for us to be negative. In fact it was almost unpatriotic, we could be termed unpatriotic in our feelings toward the Province if we voiced any opinion to the otherwise, or to the contrary against the administration.

Well, Sir, that would be a great ideal, it would be a noble ideal in itself if it were true. If the administration were competent, if there were nothing to complain about, if we could find no fault with anything that had gone on over the past four or five years, then that in itself, I would say to you, Sir, would be a great ideal. But that is not the case and we, Sir, are going to tell the truth as we see it.

MR. ROBERTS: Hear, hear!

MR. RIDEOUT: If that is negativism, if that is being branded as negative, then we will be negative. We will accept that, we will take it on our shoulders, but the truth will be told and it will be told from this side of the House whether we are branded as being negative or not.

MR. ROBERTS: Well said.

MR. RIDEOUT: Now, Sir, from what I have seen of this government in the past short few months that I have been in this House, is that the administration has staggered from crisis to crisis.

MR. RIDEOUT: They have attempted to govern the Province, to solve the problems of this Province by the task force method. That is the only way I can visualize what has happened in this particular administration is that they have attempted to govern by the task force method. Let us study it. The study method, I suppose, is as good a way to categorize it as any. Let us study the situation and then that will give us another four or five months breathing space. Then we will have another committee or another study group to have a look at that, and that will give another four or five months breathing space, and eventually the thing will go out the window and hopefully the public will forget it. That is my experience in dealing with this particular administration in a lot of instances.

The effect of that, Sir, is that there have been no solutions. Problems have been left to magnify. They have festèred, they have grown, and they have stayed around to recur more serious and more complicated than ever before. That has been the effect of the study method, that has been the effect of the task force method.

AN HON. MEMBER: Is the hon. member ready to adjourn?

MR. ROBERTS: He wanted to adjourn a few minutes ago and you would not let him.

MR. RIDEOUT: I am prepared to adjourn at this time, Mr. Speaker, and I move the adjournment of the debate until tomorrow.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: It is now my duty according to section 150 of the Election Act to communicate to the House the following: Earlier this afternoon I received a certificate signed by Arthur S. Mifflin, Chief Justice of the Trial Division of the Supreme Court, and John W. Mahoney, Judge of the Trial Division of the Supreme Court, which certified that the by-election in the electoral district of Ferryland for a member to serve in the House of Assembly in the Province of Newfoundland held on the thirtieth day of June, 1976 was void.

MR. SPEAKER: According to the Act I have sent a warrant to the Clerk of the Executive Council to the following effects: (1) that all necessary proceedings for altering the return of the election in the electoral district of Ferryland be undertaken; and (2) that there be undertaken as well the necessary measures for the issuing of a writ for a new election in the said district.

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: Mr. Speaker, I move that the remaining orders of the day do stand deferred and that this House on its rising do adjourn until tomorrow Tuesday, March 8, 1977 at 3:00 p.m. and that this House do now adjourn.

MR. ROBERTS: Well said. Well said.

SOME HON. MEMBERS: Hear, hear!

On motion, the House at its rising adjourned until tomorrow Tuesday, March 8, 1977 at 3:00 p.m.

I N D E X

ANSWERS TO QUESTIONS

TABLED

MARCH 7, 1977

QUESTION # 124

Mr. Neary (LaPoile) - to ask the Honourable the Minister of Forestry and Agriculture to lay upon the Table of the House the following information:

All information involving discussions with Bowaters and Newfoundland Forest Products in an attempt to solve the problems of the mill at Hawkes Bay?

Answer: While several meetings have been held with Bowaters officials concerning the problems of Newfoundland Forest Products sawmill at Hawkes Bay, it should be noted that the problems being experienced by Newfoundland Forest Products cannot be resolved alone through discussions with Bowaters. Bowaters involvement with Newfoundland Forest Products operation solely concerns their obligation to cut sawlogs and offer them for sale to Newfoundland Forest Products. During 1976, Newfoundland Forest Products refused to buy the logs because of the cost.

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QUESTION # 125

Mr. Neary (LaPoile) - to ask the Honourable Minister of Forestry and Agriculture to lay upon the Table of the House the following information:

(a) All correspondence, reports and any other information in connection with discussions with Bowaters in respect to the question of exporting of wood from Newfoundland & Labrador?

Answer: The detailed correspondence, reports and other information in connection with discussions with Bowaters with respect to the question of exporting of wood from Newfoundland and Labrador cannot be tabled, since much of this information was provided to the Department on a confidential basis. Furthermore, the question of Bowaters failure to export pulpwood in previous years may become an issue for the courts and the tabling of this information may be prejudicial to the Province's position.

(b) How much wood has the Bowater Company exported since January 1, 1972 and name the countries to which this wood has been shipped?

Answer: Bowaters has not exported any wood since January 1, 1972.

(c) Is it compulsory for Bowaters to export a certain amount of wood each year? If the answer is yes, how much of the wood cut has to be for export?

Answer: I table for the Members' consideration and information a copy of the Bowater Newfoundland Act, No. 53 of 1938 in which the information requested by the member from LaPoile can be obtained.