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HOUSE OF ASSEMBLY

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FRIDAY, 17TH. NOVEMBER, 1978

The House met at 10:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

STATEMENTS BY MINISTERS:

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, it was not my intention to respond publicly to statements made recently in the House of Commons by the Minister of Fisheries in which he alleged that we were not consulting with him with respect to our fisheries development plan. However, a speech yesterday by the member for Burgeo - Bay d'Espoir (Mr. Simmons) has prompted me to table the sequence of events that we have followed with respect to consulting with my colleague in Ottawa on the plan.

This paper, Mr. Speaker, will indicate a series of events that were followed by the Province in terms of letters to the Prime Minister, letters to the federal minister, meetings that were held with him, and the fact that the Kellogg report, as well as the regional study were both transmitted to the federal minister and to the minister responsible for DREE on September 28th., which in my view was ample time for him and his colleagues to study its contents.

The paper, Mr. Speaker, will point out as well discussions that were held between the minister and our Premier, will point out the fact that an eighteen page letter was sent by our Premier, Premier Moores, to the Prime Minister, which dealt, along with other things, on certain specific items containing our proposed fishery development plan.

The paper, which I will table this morning, will indicate a letter that I forwarded to the minister in Ottawa back last February, at which time I acquainted him with our desire to proceed with our fisheries development plan and at that time requested that he second, or at least agree to having his Regional Director in the Province, Mr. Len Cowley, serve on a steering

MR. W. CARTER: committee of officials that were appointed to guide the two studies to which we have referred.

The Province, Mr. Speaker, made the decision to proceed with a number of major studies of the fisheries development very early in 1977. As I have indicated, on February 15th., 1977 I wrote my federal counterpart indicating that the Province wished to marshal all of the resources available to us in order to enable the optimum return to the economy from extended fisheries jurisdiction to be achieved.

In my letter to the minister on that date I asked him to allow his Regional Director, Mr. Cowley, to serve as a member of a steering committee of senior officials which would direct studies to that end. On April 4th., 1977 I received an acknowledgement from an assistant to the federal minister advising me that the matter would be brought to Mr. LeBlanc's attention; however, no further response was received from the minister with respect to that request.

In April of 1977, Premier Moores met in Ottawa with the federal minister, and certain of his officials, at which time a full discussion on the Province's objectives in fisheries development was discussed, including the Province's plans to conduct detailed planning studies for fisheries development and to investigate the feasibility of establishing a primary landing and distribution port.

Through the Summer of 1977 the two major studies upon which the Province's development plan is based began and federal officials at

MR. W. CARTER: the local level were kept aware of its progress and up-to-date on what was going on in that respect.

In January of 1978, Premier Moores wrote Prime Minister Trudeau, discussing among other things the Province's objectives and plans for fisheries development, and subsequently met with the Prime Minister to discuss the items raised in his letter. This discussion included specific items contained in the Province's development proposal on fisheries.

The Prime Minister answered our Premier's letter in April of 1978, at which time he referred to all of the subjects raised by the Premier and made specific reference to elements of the fisheries development plan and indicated that Mr. LeBlanc, the Minister of Fisheries, would discuss the fisheries development matters contained in the Premier's letter to the Prime Minister.

At the First Minister's Conference in February of 1978, the Premier spoke extensively on matters of concern to the Province regarding fisheries developments and touched on elements of the development plan which was then under study, conducted both the Kellogg studies and the regional study titled Setting A Course. There were informal discussions at the local level with federal officials both in fisheries and in DREE in which the general direction and progress of these studies were made known to them.

The Province received the reports from the Kellogg Company in the Summer of 1978 and from the Provincial Planning group, that is the one that put together the Setting A Course plan, on February 7, 1978.

On September 27th, Mr. Speaker, twenty days later, copies of the regional planning strategy

MR. W. CARTER: were transmitted to the representative of the federal minister in Newfoundland, the Minister of Fisheries, to the representative of the Department of Regional Economic Expansion, and of course, to other sectors of the fishing industry including the union.

On September 28, 1978, copies of the Kellog study were submitted to those same people.

In the letter of transmittal for both studies, Mr. Speaker, my deputy minister indicated that it was anticipated and hoped that a meeting at the ministerial level to discuss the studies and to arrange a formal presentation could be arranged in the middle of November.

On November 2, 1978, there was a full-scale briefing by the consultants for the Kellog study for members of the trade, the union, and officials of federal fisheries.

Of course, we all know that on November 12th and 13th of this year, the process of consultation with Newfoundland fishermen was undertaken, at which time the Province's proposal was put before them for their input prior to the Province's finalization of its development plan.

So, Mr. Speaker, I am tabling this morning a paper in which we have outlined eleven initiatives taken since the idea of formulating the plan was first conceived back in the early part of 1977.

SOME HON. MEMBERS: Hear, hear!

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

MR. SIMMONS: Mr. Speaker, in the absence of my colleague, the member for Trinity - Bay de Verde (Mr. F. Rowe)

MR. SIMMONS: who is our spokesman on fisheries and who is unavoidably absent because of personal illness, I shall take a moment to -

MR. ROBERTS: What other kind of illness is there?

MR. SIMMONS: As opposed to illness in his family, alright.

MR. ROBERTS: That is the personal view of the people who are ill.

MR. SIMMONS: I shall take a moment to respond to what the minister has said. I certainly thank him for his statement. I felt that he owed some explanations to the people of the Province for the way he has handled his relations with the federal government. And his document this morning will demonstrate that he does indeed owe an explanation, indeed, something quite in addition to what he has attempted to give this morning.

The initiatives, Mr. Speaker, that the minister has talked about fall in two categories; more recently in the category of correspondence or transmitting of documents, and earlier in the category of some dialogue on the subject with various people at two levels of government. But in the culminating stages of this, and we are to understand that the decision has been made to go with the super port - a decision, by the way, that is not greeted with any unanimity on his own side of the House - a decision that still leaves

Mr. Simmons:

some questions up in the air, but that aside, here we are, having committed, at least in announcements, having promised - and we know that the promise is different than the reality; it is not a reality yet, but I am sure it will become a reality just as the Premier's eight trawlers in Harbour Breton is a reality, as we all know, and as he knows - but if this one becomes a reality it will be after there is a substantial input from the federal government. And despite what the minister has said this morning, indeed because of what he said this morning, he has once again reaffirmed what I said yesterday and what has been said by others in recent days, that there has not been consultation. There has been lots of correspondence, lots of transmitting, I say to the minister correspondence is hardly enough; you do not consummate a marriage by mail.

MR. ROBERTS: M-a-i-l.

MR. SIMMONS: By m-a-i-l. And that has been the failing of the minister on this particular issue, he has not seen fit to involve the payer who is going to pay the piper when the time comes.

Now, Mr. Speaker, the minister has mentioned correspondence, and he asked us to take it for granted that everything he says in this document is bona fide. Well, I for one have learned not to take everything the minister says as gospel. He was actually on the open line show the other night telling people that I had not turned up at his conference, and I had spoken to him, for the Lord's sake He finally withdrew it.

AN HON. MEMBER: You cannot believe a word he says.

MR. SIMMONS: But it demonstrates that sometimes what the minister says is not necessarily the fact. And I would like, Mr. Speaker, without being too unkind to him, I would like before swallowing all this, hook, line and sinker, I would like to see the correspondence. So if there have been eleven initiatives let us see the proof of the pudding, let us have the correspondence on the Table of the House, and let us see if the minister has indeed taken all of the initiatives

Mr. Simmons: that he claims to have taken on this particular issue. And even if he has taken all of these, why not a few initiatives in the last month or so during the culminating period when this thing was about to be announced? Or are we to believe, Mr. Speaker, that the initiative of last April involving the Premier was the one that copper-fastened this? Is he suggesting that he has kept this matter under wraps for nearly a year, or for six or seven months? Have they known all that time that they had the agreement with the federal government? If so, perhaps Mr. LeBlanc has some explaining to do when he says that he met the minister as recently as a week ago, and the minister never even discussed the issue with him. Now both men cannot be telling the truth, Mr. Speaker, and eventually we are going to get at the root of this, and perhaps we have to get the two fellows in the same room and stop dealing with each other by press release.

Mr. Speaker, in conclusion perhaps the most telling thing about the statement this morning, the most telling thing is just the fact of the minister having made it, because once again he continues his fairly well established tradition of dealing with the federal government by press release, a ministerial statement in this House, and he hopes today another television interview on the subject.

SOME HON. MEMBERS: Hear, hear!

#### PRESENTING PETITIONS

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

MR. T. RIDEOUT: Mr. Speaker, I rise this morning to present a petition signed by eighty-three residents of the community of Wild Cove in my district. This petition, Sir, is a bit unique in that it has a number of attachments to it. It has a petition of support from the neighbouring community of Seal Cove signed by 179 residents of that community. It is signed by eighteen business representatives from the town of Baie Verte, and it is also signed by 104 residents of the community of Coachman's Cove, and 109 residents



Mr. Rideout: of the community of Fleur de Lys. So in total there is approximately 493, it comes to 500 signatures, Sir, on this petition supporting the residents of Wild Cove.

The prayer of the petition, Mr. Speaker, is that this government make efforts to undo the

MR. RIDEOUT: damage that they did this past Summer in negotiating a DREE agreement with Ottawa for the upgrading and paving of certain roads on the Baie Verte Peninsula.

Mr. Speaker, the Selikoff Report, which has been referred to in this House on hundreds of occasions, recommended that certain roads on the Baie Verte Peninsula be upgraded and paved because of a potential hazard to health. It was the Fleur de Lys - Coachman's Cove Road and the Wild Cove - Seal Cove Road. This government, Mr. Speaker, went to Ottawa and negotiated a DREE package to upgrade and pave the Coachman's Cove - Fleur de Lys Road on a 50 - 50 cost sharing basis, and the Seal Cove Road, with no mention whatsoever of the four or five mile branch out to the community of Wild Cove.

Mr. Speaker, I was flabbergasted when the announcement was made of just the three roads, because it had always been thought, certainly for my part and in conversations with the two or three previous Ministers of Transportation, and from reading the Selikoff Report itself, which was accepted by this government, by the then Minister of Labour and Manpower, on behalf of the government, that the Selikoff Report would be accepted and that its recommendations would be implemented where possible. I was startled to find out, in writing, from a very senior DREE representative in Ottawa that at no time during the discussions and negotiation of this DREE package was the Wild Cove Road even mentioned.

Now, Mr. Speaker, obviously the people of Wild Cove are very upset over that point. The road in question ought to be upgraded and paved, number one, for economic reasons. There are more than 2 million pound of fish, up to this point in the year, come out of that community this Summer. Very good fishermen, Mr. Speaker, and it is only four or five miles of road; then on top of that economic reason you have the health reason, which was the whole thing that got this government to go to Ottawa first, Sir, to negotiate a special DREE

MR. PIDEOUT: package. It has not happened anywhere else in the Province as far as I know where you had a DREE package negotiated on the basis of health hazard, and that happened this year and I am very grateful for it on the Baie Verte Peninsula. But what queers me, Sir, and what will continue to queer me, and queer people of Wild Cove, is what happened to Wild Cove. Wild Cove is in closer proximity to Advocate Mines than is either Fleur de Lys, Coachman's Cove or Seal Cove. You can practically, Sir, colloquially speaking, spit from the dump of Advocate Mines to Wild Cove, right straight across the country four or five miles, closer than any of the other four communities. The road ought to have been at least asked for, and my reports in writing from DREE tells me that it was not asked for.

I am very disappointed over that. The people of Wild Cove are disappointed and, Mr. Speaker, the prayer of the petition asked that this government go back and attempt to renegotiate, attempt to renegotiate with DREE the inclusion of the four or five mile stretch of road from the Seal Cove branch out to the community of Wild Cove. And I think the government ought to do that, Sir, and I support whole-heartedly that petition.

And the other point, Mr. Speaker, one final point is that if this government wanted to - I know you cannot get them all done the one time, I am not that naive or that stupid, but there were four roads mentioned in the Selikoff Report, the government asked for three, they got three on a 50 - 50 cost sharing basis - why in Heaven's name did they not try to get the fourth on the same basis, on the same 50 - 50 cost sharing basis? It would have saved money for this Province. It would have made those people not feel that they have been left out, had not even been asked for in negotiations. So it was a blunder all the way around. We are grateful for what we have gotten, Mr. Speaker, very grateful, but certainly the government ought not to have let down those people in Wild Cove the way they did.

MR. RIDEOUT: Mr. Speaker, I support the prayer of the petition, I table it and ask that it be referred to various departments to which it relates, which I think would be T and C and certainly Intergovernmental Affairs.

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

MR. W. ROWE: Mr. Speaker, I rise to support this petition. I cannot think of a more urgent or a more important petition being presented to this House during this present session, supported by eighty-three residents, I believe, of Wild Cove. It is supported by the neighbouring, larger community of Seal Cove, by 179 or 180 names, the Coachman's Cove and Fleur de Lys people.

MR. W.N. ROWE:

who are in exactly the same precarious and hazardous position regarding their health because of the dirt roads, the gravel roads and the asbestosis that may result from those roads. They themselves have supported the petition of Wild Cove wholeheartedly. The people of Baie Verte, Sir, the largest community in the area, the town of Baie Verte supports it as well. I do not know why Wild Cove, Mr. Speaker, would have been left out of any kind of an agreement or negotiations between the Government of Newfoundland and the Government of Ottawa to pave these roads because of the perceived extreme health hazard involved. I cannot imagine any reason for it. Was the hon. member the minister at the time? He does not respond, Mr. Speaker, I would like to know from the minister involved if there is in fact any reason for leaving Wild Cove out of that package with Ottawa, whether it was done out of inadvertence, whether people did not think of Wild Cove because it is a small community, or whether there is in fact some rational, reasonable cause for the community being left out?

The road is not being paved, DREE is not involved in the paving of this road and the government is not involved in the paving of this road for purely economic reasons. If it were purely economic reasons there might be some rationale. Perhaps the minister could stand in this House and say, "Well, Wild Cove is one of the most industrious places in Newfoundland. They are all hard working." I doubt if there is a person on unemployment or welfare in Wild Cove. Not one, Mr. Speaker, I know the people well they are industrious, hard working, fishing or working in the mines, some logging as well, perhaps, still. Maybe the government could have a reason for saying, "Well, there is a very small population there and economically the road does not warrant being paved at this particular time." There may be some colour of rationale there although I doubt it very much. But if we are talking about a health hazard, then the individual in Wild Cove is equally important to the

MR. W.N. FOWE: individual in Seal Cove, or Coachman's Cove, or Fleur de Lys if we are talking about health hazards, if that is the rationale for paving these roads and, therefore, Sir, there can be no reason whatsoever for leaving out the community of Wild Cove. I think the community deserves to have the road paved along with Seal Cove and Coachman's Cove, Fleurs de Lys on grounds of economic reasons alone, but certainly the health reasons make the thing conclusive. There is no argument, nobody can raise an argument, Sir, against the need to have this road paved.

I therefore, Sir, support the petition wholeheartedly. I do hope the minister who was involved - it just slips my mind at the moment -

AN HON. MEMBER: They change so fast.

MR. W.N. FOWE: - because the ministers do have a tendency to change like musical chairs on a two or three month basis. But I do hope the minister involved can stand up, if there is a reason let him state it, if there is no reason let him admit it and say that the government is now going to institute immediate negotiations with DREE to have this mistake remedied, Mr. Speaker, and have the people of Wild Cove and their road included in this package so that they too can have the benefit of pavement to reduce the health hazards involved from asbestosis as pointed out by the Selikoff report. Thank you, Mr. Speaker.

#### ORAL QUESTIONS

MR. W.N. FOWE: Mr. Speaker, I direct one or two questions to the hon. the Premier concerning the Come by Chance refinery and the statement yesterday that Peat Marwick and Mitchell had recommended or approved in principle a proposal by First Arabian. First of all, Sir, would the Premier indicate to the House whether in fact the proposals which have been published over the air and in the newspapers now, the First Arabian proposal which, for example, appears in the Daily News and the Shaheen proposal which also appears

MR. W.H. ROWE: in the Daily News, whether in fact these are correct as published, are they correct proposals made by these two concerns?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: To my knowledge, Mr. Speaker, those two proposals that appeared in the paper were from a document issued by I think it was Mr. Shaheen's people. I know that both proposals were looked at by the Peat Marwick, by the receiver and they made the decision based on that. Certainly from what appeared in the paper there is a fairly large difference. but the investigation that they did, and they obviously made that decision.

PREMIER MOORES: As I said yesterday, as far as this government is concerned we will be taking a position and the only position we can take is that we will be supporting in the end analysis that proposal which is best for the Province.

MR. SPEAKER: A supplementary.

MR. W. ROWE: Mr. Speaker, by way of a supplementary, has the Premier found out from Peat Marwick yet why they in fact have accepted the First Arabian's proposal over the Shaheen offer?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: The only information I have, Mr. Speaker, is that they thought it had more validity and they thought it was the best proposal under the circumstances. They have not explained why they did not think Mr. Shaheen's was better. That they have done is obviously reviewed it from their point of view and made that decision.

MR. W. ROWE: Mr. Speaker, a supplementary on that.

MR. SPEAKER: A supplementary.

MR. W. ROWE: Can the Premier indicate to the House, Sir, who are the principals of First Arabian Corporation? We understand from the news that it is a Luxemburg company, which is a tax shelter, obviously. Can you tell us who the principles of the First Arabian are?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: The Chairman is a gentleman by the name of Mr. Roger Tamraz. The Board of Directors I will gladly get and table in the House. I have no problem doing that. Not only do I not know all of them, but I cannot pronounce the other half.

MR. SPEAKER: A supplementary.

MR. W. ROWE: Are they Arabian nationals? Are they from Saudi Arabia or some Arab country? Does the Premier know that?

MR. SPEAKER: The hon. Premier.



PREMIER MOORES: I will try to get their residences as well as their names, Sir.

MR. W. ROWE: A further supplementary, Sir, if the hon. member would not mind for a moment.

On the face of it, Mr. Speaker, it would appear that the Shaheen offer is more more favourable for this Province than the Arabian offer. Now I do not know if it is or not. If the thing is backed up by guarantees and is a firm offer and so on and has the guarantees and bank credit behind it and everything, it would appear to be more favourable than the First Arabian offer. I could not care less, personally, as a member of the House, Sir, who gets it, what individuals are involved as long as the best interests of the Province are served. Can the Premier undertake, Sir, to find out, to get some information as to the bona fides of these two proposals and come back into the House before this session is completed, in perhaps the next two or three days - I do not know when the House is going to be adjourned or prorogued by the government - but could the Premier come back into the House with the best judgement that he can bring to bear on it, and the experts who offer advice to the government, to tell us whether these offers are in fact genuine and if the Shaheen offer is as good as it seems compared to the First Arabian that the government will in fact try to do something to get the offer which is most favourable to this Province as against purely the people who Peat Marwick and Mitchell represent, that the government will try to get the best offer accepted by all the parties concerned which is in the best interest of the Province rather than just, say, Peat Marwick and Mitchell and who they may represent?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, as I said yesterday whoever is the eventual operator of the refinery this government will only support that one that has the best offer. We will be co-operative with what we think is in the best interests of the Province. We will not be co-operative with what we think are in the worst interests

PREMIER MOORES: of the Province, naturally. Until now, and still to my knowledge, we were asked by both Mr. Shaheen and by the Receiver that the two offers of which we had copies to keep them confidential and not to be released. We will certainly endeavour to contact both gentleman and ask them if we can make those documents public now because that is the undertaking in which they were given to us.

MR. W. ROWE: One final supplementary, Mr. Speaker, to make sure we are clear. Will the Premier also undertake not only to merely table this - I mean, this is meaningless; it is only a piece of paper -

PREMIER MOORES: Oh no, it is more than that.

MR. W. ROWE: Right, I mean, whatever backs it up. But could he also undertake to give some assurances to the House as to the bona fides of the offers, whether they are backed by bank credits or letters of credit or guarantees by banks and so on, whether they are trustworthy offers in both cases, whether they are bona fide, whether they are substantial, in other words, so that the people of this Province and members of this House can make a judgement based on a little more than figures on paper but based on expert advice given to the government and the bank credits and so on?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, that is a little more difficult than it would appear. Obviously we would be glad to if we were allowed to table the information, give what assurances we have been given and what we know as definitive positions. That has already been studied by Peat Marwick and they obviously

PREMIER MOORES: have made a decision on their interpretation of the two offers. Certainly, having given the two offers in the House, we would also be prepared to give whatever knowledge we know definitively and what knowledge we do not know definitively about those.

MR. W.N. ROWE: A supplementary, Sir, that arises out of that answer.

MR. SPEAKER: A supplementary.

MR. W.N. ROWE: Is it correct that Peat, Marwick, as I understand it, Peat, Marwick, in fact, represents the interests only of Kleinwort Benson, the first mortgagees? Who else do they represent? In other words, who is interested in the Peat Marwick - it would be ECGD, obviously, and Kleinwort Benson - is there anyone else whose interests are represented by Peat, Marwick?

PREMIER MOORES: Yes, in the first mortgage, Mr. Speaker, there is also the First National Bank of Chicago, Universal Oil Products of Chicago, and Ataka, the Japanese; all have a slice of that first mortgage and they all agreed to go along with that letter of intent.

MR. SIMMONS: Peat, Marwick represents only the first mortgagees.

PREMIER MOORES: Only the the first mortgagees, yes.

MR. W.N. ROWE: Right.

MR. CALLAN: A supplementary.

MR. SPEAKER: The hon. the member for Bellevue.

MR. CALLAN: Mr. Speaker, I want to ask the Premier does government have a copy of a letter from a bank in France or elsewhere verifying the fact that John Shahéen has the financing to reactivate the refinery, financing in the amount of approximately \$249 million?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: As I just said, Mr. Speaker, when I have had the permission from both groups I will gladly

PREMIER MOORES: table the documentation that we have in the House.

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

MR. SIMMONS: Mr. Speaker, I wonder, on the same subject, would the Premier indicate to the House whether he or representatives of the government have had any discussion with First Arabian concerning the refinery?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: There were officials of the government had discussions with First Arabian quite some time ago. I have not, Mr. Speaker.

MR. SIMMONS: A supplementary.

MR. SPEAKER: A supplementary.

MR. SIMMONS: Could the Premier indicate whether Mr. Shaheen has been in touch with the Premier since the Peat, Marwick announcement yesterday afternoon?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Mr. Shaheen, Mr. Speaker, I do not know what his phone bill is, but I would suggest that it is very substantial even if he is just charged for the calls he places to me. I am sure that there are many others he calls as frequently. He is a man of tremendous energy and is not lost for a word, even on the telephone, Sir. He is in continuous touch and has been for -

MR. SIMMONS: Yesterday afternoon?

PREMIER MOORES: - seven years.

MR. SIMMONS: Since yesterday afternoon though?

PREMIER MOORES: Oh yes, sure!

MR. SIMMONS: I see. All right.

Mr. Speaker, a supplementary.

Could the Premier indicate -

PREMIER MOORES: Every ten minutes.

MR. SIMMONS: Could the Premier indicate whether Peat, Marwick was in any consultation with the government before making their decision to give the nod to

MR. SIMMONS: First Arabian?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: The answer is yes. Quite sometime ago, Mr. Speaker, they met with the government, I reviewed the situation as it was then, I gave it - unless there was an offer that was improved over that particular letter of intent, they intended to go ahead with it. To my knowledge there was no recent communication with them. Certainly the announcement yesterday was not something that we had been pre-advised about. Now, I am not saying they did not try to contact us, maybe they did, but we had no prior consultation in that sense.

MR. SIMMONS: Sir, a supplementary.

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

MR. SIMMONS: One other question for the Premier on the same subject. The Premier has indicated today and yesterday that his government obviously would be favourable to the First Arabian involvement only if it is in the best interest of the Province. Now that obviously implies that there may well be some courses of action the Premier would consider if his government considers the First Arabian involvement not to be in the best interest of the Province and I wonder would he be prepared to indicate to the House now what kinds of options he sees for the government should it become necessary to stave off the First Arabian involvement in the refinery?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Mr. Speaker, I have no reason to say that we will not support First Arabian as such because there are a great many details that have to be worked out from that letter of intent, and it is the method and the manner and what results from those particular details that we as a government will have to make up our minds on, plus anything else that may be offering at the time.

PREMIER MOORES:

As the member knows, when the Ultramar proposal was put in for just oil storage at Come by Chance, we made it very clear to them and to the receiver that we could not support it as a government because the risk was too great for what we were getting in return.

Equally, I do not think anyone would want to operate the refinery without the co-operation of the government. I think it would be a very foolish thing for them to do. We do not have any legal position.

Premier Moores: at this particular time. As to what is done, we do have the authority of government, the refinery happens to be in this Province. I hope that whoever eventually gets the refinery, if it is First Arabian or whoever, that they will have the full co-operation of this government. And I think it is far too early to prejudge what that situation will be until we are much further down the road.

MR. SIMMONS: One final supplementary on the subject, Mr. Speaker.

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

MR. SIMMONS: But since yesterday afternoon when the Premier was answering the initial questions on this subject, I sensed, rightly or wrongly, a certain hostility on the part of the Premier towards the First Arabian or at the very least a certain apprehension about the First Arabian. His initial reaction to the House was that he did not seem to be very comfortable with the prospects of First Arabian getting involved with the refinery. And I wonder would the Premier indicate whether that is a fair summation of his attitude on the subject or would he indicate - perhaps we can put it another way - would he indicate whether he does indeed have some apprehensions about the possibility of First Arabian getting involved in the refinery?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I will be very honest, Mr. Speaker, there is absolutely no apprehension as far as First Arabian is concerned. If I gave that impression I certainly would want to correct it. Regarding the Come By Chance refinery and its reoperation, when one considers that Eastern Canadian refineries are operating at some 60 per cent capacity, when one looks at the future of refining in Eastern Canada, I am not as optimistic about that particular industry as I would like to be. I would like to be very optimistic, I am afraid I cannot go jumping up and down at the prospects of what is going to be held out for Come By Chance. I hope that that apprehension

Premier Moores: is wrong. I certainly do not have the confidence in it that I have in other aspects of resource development in this Province.

MR. CALLAN: A supplementary.

MR. SPEAKER: The hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, there seems to be a question mark in my mind. I remember last Spring when Ultramar made their proposal that the Provincial Government was very much involved in, you know, making the decision of whether or not they accepted it. But appears to me here that the Provincial Government has been more or less left out, and that the receivers have gone ahead and made a decision regarding First Arabian's plans without too much consultation with the Provincial Government. That seems to raise a question in my mind; has the Provincial Government been consulted? And especially have they been consulted since Shaheen put in his bid about a week ago? The First Arabians have had theirs in for, well, forty days and forty nights, I believe, but Shaheen put his in about a week ago. Has the Newfoundland Government been consulted since Shaheen put his in?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Now I do not want to start referring any of their proposals to the forty days and forty nights, or Alabama, Mr. Speaker, though it may be apropos in more ways than one, but the final proposal that was put in on the Ultramar position was one that was a definitive situation. The First Arabian one is a letter of intent that has to be met, and a great many things are still very unclear in this. In the Ultramar position we were in a position to know what the definitive position was. In this particular one we still do not have the definitive position.

MR. W. N. ROWE: Mr. Speaker, a supplementary.

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

MR. W. N. ROWE: Well I would like to have the Premier's opinion on this, as the Leader of the Province, the Leader of the Government in the Province: Does he not consider Peat, Marwick's treatment



Mr. W. N. Rowe: of the government yesterday contemptible and insulting to the Government of this Province to be informed five minutes before they make an announcement, which may in fact have cast the die for this Province, Mr. Speaker? Does he not think it was an insult and shabby treatment of the government for them to have done that, to start with? And does he think that having done that now they are to be entirely trusted when it comes to the best interest of the Province? Now I am not trying to slander any firm or institution. What I am saying is that can the government trust Peat, Marwick and Mitchell to do the right thing as far as the people of this Province are concerned, and should they start thinking in terms of operating outside of Peat, Marwick altogether and digging into this thing a little further than they have done in the past?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I certainly would not have that opinion, Mr. Speaker, until we see what the final result is. And from previous dealings with Peat, Marwick, Mitchell we have had every satisfaction with that particular firm and we have had good results from them. And certainly they have the legal obligation and they have their right to do what they did yesterday. There could have been more consultation but they were perfectly within their jurisdiction to do what they did. And I certainly am not going to give an opinion maligning or slandering or giving derogatory opinions on firms unless I think they are deserved. In this particular case that particular firm I do not think deserves that particular attack.

MR. CALLAN: A supplementary, Mr. Speaker.

MR. W. N. ROWE: Five minutes notice.

MR. SPEAKER: I will recognize the hon. gentleman for Baie Verte-White Bay. That will not preclude the hon. member for Bellevue from being recognized later.

MR. RIDEOUT: Thank you, Mr. Speaker.

My question is for the Minister of Labour and

Mr. Rideout: Manpower. Mr. Speaker, on September 28, 1976 the Lieutenant-Governor in Council commissioned a Committee of Review into the Workmen's Compensation Board legislation. That was two years ago. That report was made to the government in June 1977, which is almost a year and a half ago, making some

MR. RIDEOUT: very serious recommendations about the improvement of Workmen's Compensation Board legislation. Could the minister tell the House whether or not that legislation has yet been prepared and when we can expect to see it brought before the House so it can be implemented?

MR. SPEAKER: The hon. the Minister of Labour and Manpower.

MR. HOUSE: There is an amendment now on the Order Paper for the Workmen's Compensation Board and the other parts of it that are not in this particular amendment are being worked on now.

MR. RIDEOUT: Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary.

MR. RIDEOUT: I think the amendment that is on the Order Paper now has nothing to do whatsoever with the recommendations made by this Review Committee. It is purely a financial thing, upgrading the finances. There are other important things in the recommendations. Could the minister tell the House whether or not there has been any consultation yet in the drafting of the legislation between his department and the people on the Review Committee, especially in light of the new Occupational Health and Safety bill that was passed in this House last Spring?

MR. SPEAKER: The hon. minister.

MR. HOUSE: Mr. Speaker, I will take that as notice.

MR. WHITE: Mr. Speaker.

MR. SPEAKER: The hon. the member for Lewisporte.

MR. WHITE: Mr. Speaker, I have a question for the Minister of Health, and it evolves around the situation concerning the proposed expansion at the Central Newfoundland Hospital in Grand Falls and the

MR. WHITE: construction of new hospitals around the Province. The Premier said that he was going to make a statement on the 29th of September, which he did not do and said it was going to be delayed. Would the Minister of Health tell us exactly what the situation is and when we can expect that overall statement on hospital expansion?

MR. SPEAKER: The hon. the Minister of Health.

MR. H. COLLINS: Mr. Speaker, I do not know if the hon. member has heard the most recent statement I made or if he heard it properly. What I did say a few days ago was that until we can establish exactly what the impact of the federal restraints programme might be on this Province to enable us to make some determinations on our own budgeting, then we are not in a position to be able to announce any programmes.

MR. WHITE: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary, the hon. the member for Lewisporte.

MR. WHITE: Mr. Speaker, I wonder if the minister could tell us whether or not this federal matter has been raised just recently as an excuse or has he been dealing with Ottawa to try to get this matter resolved, if in fact it is a matter to be resolved with Ottawa, or is it just a stalling tactic to keep the people in Grand Falls on the hook for another while?

MR. SPEAKER: The hon. the Minister of Health.

MR. H. COLLINS: Well, Mr. Speaker, if the hon. member might think back, he would realize that the Prime Minister in August made a statement that he was going to ask his ministers to come up with a savings of \$2.5 billion. Nobody knows where exactly those funds are going to be found, and until we have determined that, it leaves us in a little bit of a bind as to what we can do.

MR. SPEAKER: The hon. the member for Bellevue.

MR. CALLAN: Mr. Speaker, I want to get back to the Come By Chance oil refinery and want to ask the Premier - I think everybody is aware, of course, that John Shaheen is in the Province now. I spent an hour listening to him this morning on a Newfoundland programme. And as far as John Shaheen is concerned, of course, there is nothing secret about his proposal now. There may have been a couple of days ago. But according to the newspaper and according to the Open Line programme and John Shaheen himself, he, of course, in his proposal, talks about reopening the refinery within seven months. The First Arabian proposal talks about as much as three and one-half years or more. For this Province, of course, what we are concerned about obviously is jobs. I am sure that the provincial government should be concerned about it as well. So I want to ask the Premier, for that fact alone, for the fact that the refinery would be reopened, say, within seven months rather than three and one-half years, can it be assumed that the provincial government will dig to the bottom of this as soon as possible and come out definitively in support of the better proposal obviously for jobs if for no other reason?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Fairly obviously, Mr. Speaker, we will have to wait until the analysis is done by the receiver, who has a legal obligation. We could not, even if we wanted to, override the legally appointed receiver by the courts. We have to wait and see what transpires and even though, as the hon.

PREMIER MOORES: member says, certain aspects are being made public, the fact that Mr. Shaheen or anybody from the other organization, the First Arabian, want to make things public, as long as they have given us documentation in confidence we will ask them to be released from that confidence before we make them public because to do otherwise on our own judgement would be wrong without consulting with those people who confided in us.

MR. CALLAN: A final supplementary, Mr. Speaker.

MR. SPEAKER: The hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, the Premier nearly got around to answering a question that I had in the back of my mind. He said the Province has no legal right to stop, say, the First Arabian Corporation from taking over the refinery. What role does the Government of this Province have? Let us assume, for example, that everybody, except the provincial government, is in favour of the First Arabian Corporation taking over the refinery. What role does the provincial government have? Can the provincial government stop the First Arabian Corporation from taking over?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: I have got something that is obvious even to the hon. gentleman, Mr. Speaker, but that certain something it is a bridge we will only have to cross when we come to it, and hopefully we will not come to that position. Hopefully we will all agree on what is best for the Province.

MR. SIMMONS: Mr. Speaker, a supplementary.

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

MR. SIMMONS: Mr. Speaker, again on the same subject and to the Premier. I wonder could he indicate to the House what kind of time frames we are talking now. The decision was announced yesterday. I understand it has to be approved by the British people and so on, but what are we talking before we will know that First Arabian is in the

MR. SIMONS: driver's seat or is not? Are we looking at days, weeks or months?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: I am not sure if this information is public or not, Mr. Speaker, but I do not see any reason why it should not be. I think the time frame is February 15th. to April 15th. Then it would have to be referred to the Supreme Court, of course, and referred to FIRA. How long that particular exercise would take I do not know, but the time frame in making a judgement decision, a finalized decision is February 15th. to April 15th.

MR. SIMONS: A supplementary.

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

MR. SIMONS: Mr. Speaker, the Premier made a reference to the court's involvement and one of the concerns I had yesterday in hearing the announcement is that it seems to me, and I was going to ask the Premier to react to my observation on this, it seems to me that the sequence of events now, or the event of yesterday, it seems to put the whole thing on ice for an almost indefinite period, on ice in the sense of reactivating the refinery. It seems now there is going to be a fairly lengthy, legal entanglement involving Mr. Shaheen's group, and perhaps others, but certainly Mr. Shaheen's group. And it seems to me that the net effect is going to be that the possibility for reacting the refinery is now pushed many months down the road as a result of yesterday's announcement with the consequent controversy that the announcement has engendered publicly.

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: That was more of a statement, I think, than a question, Mr. Speaker.

MR. SIMONS: No, I asked for a reaction from you.

PREMIER MOORES: The situation basically would be, one would suppose, and there are people in this House who are much better equipped to answer this than I am from the legal fraternity of how long that sort of thing takes, I would think that when they have made

PREMIER MOORES: their decision and then negotiations to complete it, regarding First Arabian, that if they are in favour of that particular proposal they would then file that before the court for acceptance and I would assume, and I can be corrected on this, I would assume that anybody would have the right to make representation at that time, whether it be the unsecured creditors or someone else with another offer, or whatever the case may be, for the judicial decision. I may be wrong but that is as I would think.

MR. W. ROWE: Mr. Speaker, a supplementary.

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

MR. W. ROWE: Would the Premier inform us whether he has recently, or whether all along he has had, or whether he is going to set up now, a committee representing the interests of the government and therefore the people, a committee of legal advisors, financial advisors, economic advisors, people who know more about these things than we as politicians do, you know, to give the government and the people of the Province the best possible advice as to the bona fides of these two offers, the representation which the government should make strenuously before the Supreme Court? I would assume, Sir, obviously no judge is going to rule in favour of a government merely because it is a government, but I would say, Sir, that any judge making a decision in the Supreme Court of this Province, would give very great consideration to a representation made by the government representing the people of this Province, apart altogether from the second mortgage considerations.



MR. W. N. ROWE: So what I am asking is, do we have control of this? I do not get the impression Sir, that the government is in control of this situation. They are letting it slip out of their hands and fritter away. Do we have a team of experts who can take control of this thing and give good, solid, hard advice to the government on a day-to-day basis as to the tactics and strategies we should be employing on behalf of the people of the Province?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: The answer is we have had for quite some time and we still have, Mr. Speaker. The Deputy Minister of Finance, the Deputy Minister of Industrial Development, the Assistant Deputy Minister of Justice, together with outside legal and financial opinions, have been working on this for a year. They will continue to work on it and it will continue to be monitored, and there will be nothing slip through the courts, there will be nothing slip anywhere that is not in the best interests of this Province, Sir.

MR. SPEAKER: The hon. the member for Windsor - Buchans.

MR. FLIGHT: Mr. Speaker, I have a question for the hon. the Minister of Tourism. I wonder if he would give the House an update on his success to date in retrieving the film from Mr. George McLean that he promised the House and the people that he would have within two weeks of last June. Would he let us know if he is any closer to retrieving that film or just what is the status of the film that Mr. George McLean is holding, paid for by the Department of Tourism, and that he seems not to be able to get back?

SOME HON. MEMBERS: Oh, oh!

MR. RIDEOUT: Mr. Speaker.

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

MR. RIDEOUT: Obviously the question should  
have been directed to the seat mate of the Minister of  
Tourism. They are on speaking terms now.

MR. SIMMONS: The seat mate but not the  
soul mate.

MR. RIDEOUT: Mr. Speaker, I want to ask a  
question of the Minister of Health. In view of this  
ambulance study that was released publicly yesterday,  
could the minister tell the House whether or not his  
department has any plans to implement the recommendations  
that the drivers of ambulances, especially in the rural  
areas of the Province, be given some degree of training?

MR. SPEAKER: The hon. the Minister of Health.

MR. H. COLLINS: Mr. Speaker, first of all I might  
say we are very proud of the fact that we have been  
successful over the past few years in bring ambulance  
service to almost every community in this Province -

SOME HON. MEMBERS: Hear, hear!

MR. H. COLLINS: - something which was never  
accomplished before.

SOME HON. MEMBERS: Hear, hear!

MR. H. COLLINS: We are also aware that there  
could very well be some little flaws in the operation of  
the ambulance service, and ways and means will be found  
to train all of the drivers which we can train as we can  
get the funds and so on through the co-operation of the  
hospitals, the St. John Ambulance and any other groups.  
We are very proud of the system, Mr. Speaker.

MR. RIDEOUT: Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary, the original  
questioner.

MR. RIDEOUT: Mr. Speaker, I just want to say to the minister that a number of those ambulances have been provided and operated by volunteer associations throughout this Province; I point to the Kinsmen Club of Baie Verte as one example.

Now, Mr. Speaker, I want to ask the minister this question. Would the minister like to tell the House why his deputy minister says that the only problem with the implementation of the recommendation of that particular committee is that the Department of Health "is not a political priority those days"?

MR. SPEAKER: The hon. minister.

MR. H. COLLINS: Mr. Speaker, I think it should be said here that this report was done by a group of students from the university whom we know had the best of intentions. They had an interview with the Deputy Minister of Health in the person of Dr. Klippert, and from what I can find out - and I think Dr. Klippert defended himself pretty well when he was questioned by the press - the whole situation has probably been taken out of context. But as I said before, and hon. members opposite should realize, the road ambulance service, and the air ambulance service for that matter, which we have in this Province, we are very proud of it. And I believe that hon. members opposite if they were honest with themselves would also say that they are proud of it, and they should be trying to find ways and means of helping us and assisting us in bringing about a better programme than we have now if that is possible.

#### ORDERS OF THE DAY

Motion, the hon. the Minister of Education to introduce a bill, "An Act To Amend The Memorial University Act," carried. (Bill No. 91).

On motion, Bill No. 91, read a first time, ordered read a second time on tomorrow.

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MR. HICKMAN:

Motion 9.

Motion, the hon. the Minister of Justice to introduce a bill, "An Act To Amend The Public Utilities Act," carried. (Bill No. 93).

On motion, Bill No. 93, read a first time, ordered read a second time on tomorrow.

MR. HICKMAN:

Motion 10.

Motion, the hon. the Minister of Mines and Energy to introduce a bill, "An Act To Amend The Brinco Limited (Labrador Agreements) Act, 1974." (Bill No. 94).

On motion, Bill No. 94 read a first time, ordered read a second time on tomorrow.

On motion that the House resolve itself into Committee of the Whole on Supply, Mr. Speaker left the Chair.

MR. CHAIRMAN:

Order, please!

MR. HICKMAN:

Bill 56.

MR. CHAIRMAN:

The hon. Minister of Justice.

MR. HICKMAN:

Mr. Chairman, if I could have one minute. There are a couple of questions that I did not have an opportunity to answer last night, or yesterday afternoon before we adjourned.

One, I think an hon. member asked what the interest in sinking fund payments were in 1971 for the Province. The interest was \$29 million, the sinking fund \$10 million. At that time, as I pointed out, the sinking fund, most of our loans at that time did not require sinking funds. The other question, I believe, and both of them came from the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons), was the amount of the sinking fund. It is approximately \$200 million now and our earnings this year from the sinking fund, which goes back into the debt retirement, will be approximately \$20 million unless there is a dramatic change in the interest rate.

The figures for the debt servicing costs, which would be a few more million, are just to - I have not got them and it will take some time to get them. I think these were the only questions I left unanswered yesterday, but there may have been more. If there are, and I think of them, when the hon. Leader of the Opposition concludes I will try and answer them.

MR. CHAIRMAN:

The hon. Leader of the Opposition.

MR. W. ROWE:

I would like to say a few words on this

MR. W. ROWE: bill, which is a very important bill, not only for what it itself does, it gives the government permission to raise \$150 million, which is not chicken feed, but Sir, because of some of the principles involved in this bill, which I would like to make mention of.

First of all, Sir, like the member for St. John's East (Mr. Marshall) who seizes every occasion, and rightly so, to warn this House and Newfoundland about the precarious financial condition of the Province, I too am very concerned that this Province may, if we are not careful, reach the end of the line, the end of the rope, as far as borrowing money, the money necessary to provide much needed public services in this Province are concerned.

Early in September, I and a couple of my colleagues went down to New York for the sole and express purpose mentioned at the time, of going to see officials of Moody's and Standard and Poor, in order to find out what they thought, in confidence, about the financial condition of the Province. I did not expect any confidential information from them, Mr. Chairman, nor did I try to root or probe around and try to get anything confidential from them, but to talk in confidence, not in public, in private, about the financial condition of the Province generally.

Mr. Speaker, I must say it was a very interesting encounter that we had with those people, these financial analysts, and rating analysts and so on.

This Province, as everyone is aware, has the rating which falls into the category of Moody's category of Baa, it is actually Baa 1, but it is in the category of Baa which parts our Province in

MR. W. ROWE:

the group which is fourth from the top, fourth from the top, Sir, in terms of our credit worthiness as perceived by Moody's and Standard and Poor, of course, have an equivalent rating as well - they use other figures - an equivalent rating as to the Province's credit worthiness. The 1 which we have on our BAA has been described as provisional, Baa-1 was described as provisional by Moody's in public documents and in our conversations, It is in Moody's bond survey of August 15, 1977 that we see Baa and the 1; the 1 which gives us a slightly higher rating is described as provisional. It is interesting, I think, and we should mention it for the record what this Baa rating of Moody's means to potential investors. How is it described? Moody's describes their Baa rating group as follows; "Bonds which are rated Baa are considered as medium grade obligations, that is, they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds," says Moody's, "Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well." Now, Sir, I do not know if I were an investor and I had a choice as to whether I would invest money in bonds which were characterized and described in that way, Sir, I would have some question, naturally I would. We are in the middle ground there; we have not slipped down into the purely speculative nor have we gone upwards into the highly secured. We are in the middle ground, medium range bonds. But what is significant, Sir, is that if we were to slip any further - and Moody's and Standard and Pools gave me no indication at all that there was any danger of this, I should hasten to say and to stress - but if we were to slip any further down below the Baa rating then I would say this Province would be in very

MR. W. ROWE: . . . grave and serious difficulty. Now there are some bond ratings going on this Fall. Perhaps when the minister rises to his feet to talk on the bill again he can give us an indication as to whether Moody's or Standard and Poor's have indicated to him what are rating is. Has it remained the same? Do we still have the 1 added on to our Baa in the case of Moody's? I would assume that we have not slipped. What kind of a rating do they give us now? The 1 was added, by the way, according to my discussions with Moody's, the 1 added to the Baa, which gives us a slightly higher rating on a provisional basis, according to them was added because of the economic buoyancy which appeared to accrue from the fact that Labrador Linerboard and the Come By Chance refinery were then in operation and did not appear to be in grave or serious difficulty.

MR. HICKMAN: . . . Because the Province grappled with the Linerboard situation and shut it down they put it on.

MR. W. ROWE: . . . Well, that may be so. They may be what they told the hon. minister and I hope that is so.

MR. HICKMAN: . . . That is what the report said too did it not?

MR. W. ROWE: . . . But they told me that the Linerboard mill and the Come By Chance refinery did significantly increase of widen the economic base of this Province. Whether it was grappled with or not is immaterial. I mean, I am not trying to take or give political credit or discredit on the matter. What I am saying is that the rating was based on the existence in operation of these two companies, these two corporations, the Come By Chance refinery and the Linerboard mill, and therefore since they are now shutdown I am wondering if this might have some adverse effect on our credit rating. I do not know and I hope it does not, especially since every indication now is that these two operations



Mr. W. N. Rowe: well become viable again. I was led to understand during my discussions with both these credit rating agencies that there is no reason at all to be believe that this Province should fall below the Baa rating so long as the Province has adequate financial management, balanced budgets especially, and the continued stability of revenue resulting from the equalization payment from the federal government. This was a point touched on by the hon. member for St. John's East (Mr. Marshall) yesterday. Half of our income comes from Ottawa as a Provincial Government. And it is this revenue from Ottawa which, I have no doubt at all, allows us to keep this medium grey financial credit rating which we have in the bond markets of North America. It is very important that this government, this government, it is very important that this government make sure that Ottawa is impressed as to this fact - they probably already know it, very well aware of it - and that nothing is done to disturb the stability of that flow of money into the Government of Newfoundland because that, I would say, Sir, would have a drastic effect on our credit rating. And if we were to fall below the Baa, which I will advert to in a moment or two, I think the results for this Province would be drastic. We have 15 per cent or more of our revenue going out in interest payments now. If you look purely at the Provincial revenues, you are up to 30 per cent or 35 per cent, nearly 40 per cent of our revenues, Provincial revenues, going out in interest payment on our debt. I would say, Sir, that if there is ever sense of jeopardy as to our income from Ottawa at the present time, that anyone looking at the ratio of our interest payments to our Provincial income would not have very much faith in the security of investment in this Province.

So I just make mention of these points, Sir, first of all so that the people of the Province will know we are very much aware of them here in the Opposition, in the Liberal Party, number one; and number two, to make sure that the government itself while they have the reins of power in this Province do nothing, in fact,

Mr. W. N. Rowe: do everything to make sure that the stability of revenue comes in because in the absence of that we would be in very great trouble.

Let us look at the bond rating which is just below the one which we have, we have Baa. Let us look at Ba in Moody's. I am not referring to the Standard and Poor, they have other ways of rating it, I have it all here, Mr. Speaker. But just look at Moody's for the moment because basically we are talking about the same thing. Let us look at the Baa, which is the rating group immediately below the one we have now, the Baa, and let us see how it is described by Moody's and how it could be read by potential investors were we to suffer the drastic result of tumbling into that bond rating, that category on the North American bond markets, in fact, the international bond markets. Let us see what it says, "Bonds which are rated Ba are judged to have speculative elements. Their future cannot be considered to be well assured. Often the protection of interest and principal payments may be very moderate, and therefore not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class." "Uncertainty of position characterizes bonds in this class." And I would say, Sir, if we were to fall into that bond rating, that category Ba, it could very well drastically affect our ability to get capital at all in the first place on the international markets, or certainly, if we are able to get it, at anything approaching reasonable rates of interest. And one of the vicious circles of the position we are in as a Province is that the less money you have, the less revenue you have for all the purposes of government, your money that you have to borrow is going to cost you more in addition. If you are well off, flush, tremendous income and revenues coming in, then you are going to be able to borrow even more money on the markets at much lower rates of interest.

Once the vice tightens on you and you do not have enough money to provide the necessary services, you do not have enough money to run the government, what do you get? A break from

Mr. W. N. Rowe: the international markets? No, Mr. Chairman, that is when the noose tightens around your neck and your interest payments for your borrowing goes up even more. So the vicious circle is there, a very vicious circle which can have a very

MR. W.N. ROWE: disastrous effect on the Province if we are not careful. For example, the importance of this bond rate I am talking about is not just an academic thing. The importance of it is if you compare the Baa which we have to the Aa which is immediately above ours - I believe Nova Scotia has the Aa Moody's bond rating. I believe there is only - what? - there are two Provinces of Canada with the top rating, Ontario -

MR. HICKMAN: Alberta.

MR. W.N. ROWE: Alberta. Well, Alberta has never been rated. It has never borrowed money.

MR. HICKMAN: They did. They went and asked our advice as to how you got into the market about two years ago because they wanted to go in and borrow some money even though they did not need it. They wanted to get a rating.

MR. W.N. ROWE: That is right. But there are two, I believe Ontario and perhaps Quebec, and there is a reason for Quebec.

MR. HICKMAN: I would suggest that Saskatchewan is soon going to be there.

MR. W.N. ROWE: Saskatchewan will soon be there, Alberta is there already. But in any event just to show that it is not academic nonsense that I am talking here, the rating above ours, the Aa rating in Moody's Municipal Bond Yield, which is what they use for the purposes of the Provinces of Canada as well, if you look at that in this book, look at the rates of interest paid by people who are rated Aa, and look at the rates of interest paid traditionally over the last number of years by provinces and municipalities which are rated Baa, which is the one we have compared to the aa which is immediately above us, if you look at you will see that the difference in interest payments is at least  $\frac{1}{2}$  of 1 per cent, at least that much, and in some cases more than 1 per cent in interest. But even if you take the rate of  $\frac{1}{2}$  of 1 per cent which we are "losing" as a result of having the lower bond rating than, say, Nova Scotia has, the difference in cost to

MR. W. M. ROWE: our Province on our \$2.5 billion debt, direct and indirect, but the difference in cost to this Province generally on our \$2.5 billion debt is probably well over \$12 million or more, \$12 million at least every year because we have the Baa rating rather than the higher Aa rating, \$12 million or more down the drain every year on the dead for no other reason than we had this one step lower rating compared to, say, the Province of Nova Scotia or some of the other provinces of Canada who have a higher rating. Just the one immediately above ours, \$12 million just on that alone. A small amount of money, perhaps, compared to what is spent but when you look at what can be done with \$12 million the Minister of Health would not have to worry about statements being made that health is not a political priority, \$12 million would go a long way to getting some of the health facilities started at least that are drastically needed in this Province. That in monetary terms is important. Of course, what is vitally important is that we at least keep the bond rating we have, that we do not allow ourselves to slip any further because I would say then the difference in the interest we are paying would be perhaps 2 or 3 per cent more than we are paying or than Nova Scotia is paying if we can get money at all, which would be a doubtful proposition at best.

I am going to mention briefly, Sir, one or two items which caused me some concern presently as far as our bond rating is concerned, and also a couple of matters which are a source of great hope to me personally for the future of our Province. Standard and Poor in a summary on Newfoundland dated October 17th., 1977, just a year ago-I believe this is the last time they had rated the Province up until then-stated that the real gross of the gross provincial product has lagged behind the growth of the gross national product from 1972 to 1976. It was 2.94 per cent versus 3.9 per cent, 3 per cent versus 4 per cent from 1972 to 1976 compared to the federal growth rate. I am not going to make anything of the fact that this decline in gross provincial product happens to coincide with the advent of this government. But

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MR. H.M. POPE:

it is a fact that this present  
PC Government over the past seven or eight years it has been in  
power has seen a

MR. W.N. ROWE: dramatically decreased Gross Provincial Product. We should keep that in mind and the people of the Province should keep it in mind. Whether it is their fault or not, opinions will differ. I happen to think it is; they will probably say it is not, Mr. Chairman.

But it has to be the statement made in Standard and Poors that our Gross Provincial Product has lagged behind the Gross National Product in these years, 1972 to 1976, that this government has been in power, has to be a source of real concern to us and to the people of the Province.

MR. HICKMAN: It lagged behind long before that.

MR. W.N. ROWE: They also mention, Standard and Poor, in their same report on the Province, that the total public sector debt has been steadily increasing between 1973 and 1977 at an annual growth rate of 17 per cent. They take those years, which happen to correspond, again, with this government's advent into power, they take those years and show an annual growth rate of our debt at a steady increase of 17 per cent. "The debt burden of Newfoundland" they say "is heavy in comparison with other Provinces." And Moody's bond survey makes the same kind of statement as well.

Mr. Speaker, I make mention of these points, I am not going to belabour them, they should be made for the record. I am proud of the initiative we took as a party and as an opposition in going to New York in the first place to sit down and talk to these people in a responsible fashion in order to let them know that the alternate government in this Province, the alternative to this particular administration, was concerned enough to do that kind of thing, go down and find out from the horse's mouth, so to speak, what they thought our financial condition

MR. W.N. ROWE:

was.

Somebody mentioned that it was the first time that any members of oppositions had ever done it as far as they could remember. It was an initiative that we are proud of, a positive initiative to try to ascertain where we stand and what we should do. And the message came back loud and clear we must do nothing to endanger our stability of revenue coming in. If we want to remain where we are, if we want to get a better bond rating and have additional money to provide the needed services for the Province we have to increase our revenues drastically, there has to be a stable increase of revenues. And when I put the question about the Upper Churchill power and whether if we turned off the switch in order to force Quebec to give us a fair share of the value of that power, what effect that would have on the bond markets, whether it would turn Newfoundland into a Banana Republic, I was impressed by the man at Moody's, who is very familiar with the Province, who said, "No, not at all."

MR. HICKMAN:

Not at all?

MR. W.N. ROWE:

"It would depend entirely"

he said, "on the results that you obtain; the means you use are irrelevant." Then we had a long interesting discussion about the Arabian countries, where everyone was going to say, "Oh, when they double the price of oil" - the OPEC countries got together and doubled the price of oil - everyone was going to say, "They have ruined themselves on Wall Street. They have ruined themselves on Wall Street now, they have turned themselves into Banana Republics," only to find that the Arabian countries now having done it, the result is that they could buy and sell Wall Street five times over.

AN HON. MEMBER:

That is right. Moody's too.

MR. W.N. ROWE:

And Moody's and Standard and Poor and all of them. It depended entirely on the result; the means they used, which shook the Western World at that time,



MR. W.N. ROWE: we are still suffering the results of it now, had no more effect on their credit worthiness - no more effect? What am I saying? It had a tremendous effect on their credit worthiness, it drove it up from a dismally low one right up to the very top.

So, Sir, we should not be afraid to take dramatic, bold moves which could affect our revenue situation here simply because some young credit analyst down on Wall Street may say, Well, you know, you better watch yourself there, and this sort of thing.

MR. HICKMAN: Now what did they say, yes or no?

MR. W.N. ROWE: He said, well I am talking about - this fellow here in Moody's who was a senior, a senior man, I believe he is a vice-president, I have his name here somewhere - indicated quite clearly - I could tell the hon. minister his name in confidence, obviously - indicated quite clearly that it would have no effect, it would depend entirely on the result.

MR. PECKFORD: No adverse effect.

MR. W.N. ROWE: No adverse effect, it would depend entirely on the result of our negotiations. Now, if we were to fail for some reason or other

MR. W. ROWE: which eludes me for the moment, I have no doubt at all it would affect our bond rating if we suddenly -

MR. HICGMAN: Bond rating! We would be gone. all hands.

MR. W. ROWE: Yes, but do not mind the hon. Minister of Finance who makes Attila the Hun look like a communist, that is how far right he is, and cautious, and unventuresome. He should be running a bull's-eye shop and keeping books, little columns, you know, three bull's-eyes sold today, forty cents.

MR. SIMMONS: - photograph.

MR. W. ROWE: That is right. We are talking about, you know, if we are going to do anything with this Province there has to be a bold new approach to what we do with our resources.

MR. HICGMAN: Like in fisheries.

MR. W. ROWE: That is all I am saying. And you take these kinds of risks. And this senior analyst down there, I believe he is a vice-president, I have his card and letters and so on here, indicated that quite clearly. What I am saying is that if the minister were to go down and sit down with some junior financial advisor, either on Wall Street or in the government down here, is the point I am trying to make, and he said, "Oh, he is going to turn us into a banana republic if we try that." I am saying to him, do not listen to it, that it would depend entirely on the results that we obtain.

MR. MARSHALL: What is the hon. member saying? If we tried what? Could he just explain that briefly?

MR. W. ROWE: No, what I am saying is that we have a resource in Labrador known as the Upper Churchill Power Development which is yielding \$800 million or \$900 million a year in value to the Province of Quebec in various ways. Pure profit when they sell power to Con-Ed down in New York State at thirty or thirty-two mills, whatever they are getting for it. In terms of the low rates they have to pay, comparatively speaking, domestically for their power, the

MR. W. ROWE: industrial development they are attracting, all of these things makes the value of the power worth \$800 million to \$1 billion a year to the Province of Quebec, through Quebec Hydro. It gives Quebec Hydro the top possible ratings on the bond markets of the world and drags the Province of Quebec along with it - it is the tail wagging the dog - as a result of our Upper Churchill power.

AN HON. MEMBER: Interest savings.

MR. W. ROWE: Interest savings, all of these things. That is right. What I am saying is that we in this Province, this is nothing new obviously, we have been saying it now for two or three years, The hon. Chairman of the Public Accounts Committee, I believe in fact publicly mentioned the matter first of all in this House or outside, he and the member for Eagle River (Mr. Strachan), and it was picked up by the member for the Straits of Belle Isle (Mr. Roberts) and myself and others who thought it was a brilliant suggestion, a good idea, legally and politically, to take whatever action is necessary to get back a fair share of the value of the Upper Churchill power for this Province. And if that is considered to be half, that if \$400 million, \$500 million a year, the same income as we now get from all other provincial sources. I mean the stakes are so high that I would not be willing to listen to the advice of the hon. Minister of Finance on the matter because he is too cautious, too conservative in his approach.

MR. SIMMONS: Cowardly.

MR. W. ROWE: No. Oh no, he is not a coward. No. No. No. No. He is a brave fellow. But he is cautious and conservative and extremely right wing on all of these things and would not want to hurt the feelings of his corporate friends, I am sure.

MR. HICKMAN: I wish I had some. The first time you meet one that I know, because you move in that circle, introduce me.

MR. W. ROWE: Oh yes, I move in that circle a lot. That is what I am saying, Sir, and that what we need is a government - this one if it will do it, I would support the initiative, or another

MR. W. ROWE: government - which will take whatever action is necessary.

One of the actions that can be taken is to realize first of all that both the power and the switch are on either side of the border and the implications are simple there, as one and one is two, and that we should for a variety of reasons renegotiate the deal we have in Quebec.

Now I am going to be talking with Quebec on the Upper Churchill power. We will be talking about this as the session goes on and into the new session of the House. I am not going to belabour it here now, but the amount of money that could come to this Province would be astounding in its affect on our economy, the services we could provide, with a full employment. We would be one of the have provinces of Canada, instead of dragging along at the tail end of Canada, begging for more hand outs, hoping they will not cut off our equalization payments, as I mentioned earlier, so we will lose our bond rating in the international markets. What are we, anyway? Talk about welfare bums!

MR. SIMONS: Knuckling under in the competition of bonds.

MR. W. ROWE: Knuckle under, play no role up there at all as the Premier and Minister of Justice and Finance did there a couple of weeks ago, no impact at all, not

MR. W. N. ROWE: so much as a pebble thrown into a pool, a puddle of water. I saw the hon. the Minister of Finance make a little speech, Sir. Before I settled back in my chair it was all over. I said, 'What is going on? What did he say?'

MR. SIMMONS: At least he spoke.

MR. W. N. ROWE: At least he did have a word or two to say. No impact made, treated as a joke by all Premiers and ministers and members of the Government of Canada! Now they are going to go up again for another joke, hoping that we will not hurt anybody's feelings up there because we want to make sure we do not hurt our revenue from Ottawa and so on. I do not have a philosophy of 'turn her into a barren land' or anything like that, but I must say, Mr. Chairman, at some point along in our future we have to decide whether we are going to grapple with these problems in a forthright, bold, adventuresome manner or whether we are going to just let her go on as she has been going, a welfare recipient from the rest of Canada.

Are we going to go on

doing that? As years go on, people of vigour, people of energy and industry and intellect moving out and going to other places because there is nothing here to attract them, do we want that? I do not want it. I want Newfoundland and Labrador to keep what it has and to become and to remain vigorous economically, Mr. Chairman, and to have something here which can keep our young people here, a quality of life that can keep our young people here, and the dignity and prosperity and pride that comes from full employment and a high level of income. That is all I am talking about. And in order to achieve that we are going to have to make some moves which may ruffle some

MR. W. N. ROWE: feathers and which may frighten some people to death. I am sure the hon. the Minister of Finance would be frightened to death at the prospect of it.

MR. HICKMAN: Call out the Constabulary.

MR. W. N. ROWE: Of course, he has a lawyer's mentality, which is good, he is an excellent lawyer, he is an excellent Minister of Justice in some respects. But when he ventures into politics he is not so good because he has a tendency to ballsthat up. But when it comes to the exercise of the legal side of the ministry of Justice he is alright. As Minister of Finance he is simply too cautious, too right wing and too conservative.

Mr. Speaker, let me ask the minister to answer this question when he rises a little later on - give us some indication as to when the bulk of the debt which we now owe has to be rolled over in the financial markets of the world. Maybe he can give us some indication as to what is coming up now. Every now and then you look at some of the bonds which we owe, when they come due, when they have to be paid back and so on; can he tell us if there is sort of a day of reckoning which is fast approaching where we have to roll over, where we have to borrow money to replace bonds which are fast coming due, and when substantial amounts are coming due of the \$2.5 billion currently owed directly and indirectly? The reason I ask it, it is not just a simple question, you see, Sir, of rolling over. If we owe say \$20 million on a particular bond at 5-3/8 per cent interest, it is not just a matter of rolling that over, because the way the markets are now and are likely to be for the next two or three years you are going to have to pay perhaps 10 per cent or 11 per cent - 9-1/2 per cent, 10 per cent, 11 per cent for that money in order to roll it over. In other words, what I am saying, Mr. Chairman, is that there may be coming

MR. W. N. ROWE: a time when in order to just sustain the debt which we currently have, our interests rates are going to go up phenomenally. Instead of being 15 per cent or 16 per cent of our income, they could be up to 20 per cent, 22 per cent, 25 per cent. These are questions which should be answered by the Minister of Finance, Sir, and I hope he does when he stands up. When do they come due? What are the interest rates now on them? Five per cent? When we roll it over is that going to turn into 11-1/2 per cent or 10-1/2 per cent, which is going to increase the strain on this Province? We should not hide our heads in the sand on these matters. Let us know what is likely to happen, what is upcoming, forthcoming and what action is being taken by this government to try to cope with some of these serious problems. That I consider to be a very serious problem. I know my hon. friend, the Chairman of the Public Accounts Committee (Mr. Simmons) has been doing some research on it to see what the impact of that is likely to be as some of these bonds come due and we have to roll them over, not to get fresh money for new services, but just to pay back these bonds, pay back the bondholders. We have to borrow new money merely to pay our debts, but unfortunately

Mr. W. N. Rowe: we are going to have to borrow at a much higher rate of interest and increase the debt burden, the interest ratio, the ratio of interest to income in this Province. I believe that is a serious problem. Have we heard a word from the Minister of Finance on that?

MR. HICKMAN: Yes.

MR. W. N. ROWE: Not a word on that serious problem which is coming up now in a few years, a couple of years, 1980, I believe, if I am not mistaken, that area of time is a period during which a great number of bonds come due. Is that correct?

MR. HICKMAN: Yes, every year they fall due.

MR. W. N. ROWE: Yes, I know. But there is an area - I know every year some bonds come due and that is a cumulative effect - but there is a time coming when a greater number of bonds than ordinary, than usual will come due in one fell swoop, so as to speak, and our roll over problems are going to be very much more difficult than they have been over the last number of years. I would like for the minister to say a word on that if he would, and what the pitfalls are and what the problems are.

Now, Sir, one is tempted to range a little broadly on this bill, since it is a bill to raise money by way of loan by the Province. But I am not going to get into a budget speech debate on it. I think, the government has been sufficiently clobbered and chastized for its sins of commission and omission over the last six or seven years. But there is one thing I am going to mention because I consider it to be a matter of high principle, and I am talking about the Public Accounts Committee which was appointed by this House in a resolution of this House passed, I would assume, unanimously by this House - I was not in the House at the time, but I doubt if there was a dissenting voice - naming the members of the Public Accounts Committee, naming the Chairman of the Public Accounts Committee, the present Chairman, the member for Burgeo-Bay d'Espoir (Mr. Simmons).



Mr. W. N. Rowe: And then we saw, subsequent to this House having done that, Mr. Chairman, which, I would submit to the hon. Minister of Finance, has been the practice in nearly all the Committees set up, that is, to name the Committee and the Chairman of the Committee by resolution in this House, if not all of them. Does the hon. Chairman of the Public Accounts Committee, can he remember an occasion where a committee was set up where the chairman was not named by this House?

MR. SIMMONS: No. We researched that. There is no occasion since Confederation in the House that the chairman was not named in the resolution.

MR. W. N. ROWE: Now, Sir, now, Mr. Chairman, a resolution sets up a committee which is consistent with the ongoing practices and procedures and traditions of this House, names the Chairman - it is true there may be a rule in the Standing Orders talking about electing a Chairman by the members and so on and so forth. That may be a rule.

MR. SIMMONS: It says, "Where necessary".

MR. W. N. ROWE: "Where necessary," it says, "Where necessary." For example, if there is a resignation; for example, if there is a sickness, or an incompetence, some mental incompetence of some sort, which clearly was not the case here except on the other side perhaps. And we get -

MR. HICKMAN: Just for purposes of clarification.

MR. W. N. ROWE: Pardon?

MR. HICKMAN: Just for purposes of clarification, would the hon. gentleman indicate where in the rule it says, "where necessary"?

MR. W. N. ROWE: I do not know. I do not have the rule book in front of me here.

MR. HICKMAN: I thought it said each of the said committees shall elect a chairman, but I may be wrong.

MR. SIMMONS: Not in the context. Read the whole thing.

MR. HICKMAN: And at the commencement, and if necessary. Obviously if somebody resigns or -

MR. W. N. ROWE: And if necessary.

MR. HICKMAN: All right.

MR. W. N. ROWE: The point, Sir, is that the precedents and the procedures and traditions of this House have been clear and that is that-maybe against that particular rule. I do not know. It has never been raised before - and everyone has been clear about what the procedures have been, namely, get your committees set up and get your chairman appointed in the resolution setting up the committee by this House.

Now, Sir, suddenly this rule so-called is dragged out of oblivion and applied. What is it applied to? Is it applied to the Resources Committee because some member has died or gotten sick, some chairman, rather? Is it applied to the Social Policy Committee of the House, which I suppose has probably never been struck or never met, to the chairman of that to get a new chairman because he has resigned, is that is what has happened? Oh, no, Sir. What has happened is this, it is clear what has happened, everybody in the Province is aware what has happened. And the reason I am mentioning the Public Accounts Committee if Your Honour thinks I am being irrelevant is that the Public Accounts Committee, of course, is the watchdog on government financing, and this loan will be spent by this government, and there will be no watchdog on

MR. W. ROWE: the spending of this loan if this government has its way, except two or three puppets in the Premier's Office or in the Cabinet.

Now, Mr. Chairman, what do they do? They single out the Public Accounts Committee, which has been headed up by my hon. colleague, the member for Burgeo - Bay d'Espoir (Mr. Simmons) for a couple of years, and which has creamed this government by his superb chairmanship, rooting out scandal after scandal and evidence of corruption after corruption and skulduggery and underhandedness for a two or three year period. He has creamed the government publicly and in the Committee. This is characterized as political action on his part, doing his duty as a member, as the Chairman and as a member of that Public Accounts Committee. This Committee is singled out and against all the precedents and procedures and traditions of this hon. House since Confederation, he is singled out by these four puppets of the government in an effort to get rid of him so he cannot dig up any more evidence of wrongdoing, or mismanagement or incompetence or skulduggery of this government either independently or as mentioned by the Auditor General, a servant of this House, in his annual report. That is what they try to do, Sir.

I do not know whether to blame the Premier or not. I have blamed the Premier publicly, if not for directing this to be done, then for condoning it.

MR. SIMMONS: But a puppet must have a puppeteer.

MR. W. ROWE: That is the point. The thing is this.

I do not know whether the Premier was a little like Henry III when he said to a couple of his puppets that were around him, "Who will rid me of this meddlesome monk?" referring to St. Thomas Beckett. And his puppets go out and stab St. Thomas to death thinking that the king wanted that done, when the king in fact was merely grumbling out

MR. W. ROWE: loud. I do not know whether they fall into that category where the Premier said, "Who is going to get rid of Simmons for me?" And these fellows, Sir, these hon. members trying to curry favour with the Premier and with the government, trying to advance their own interests within the Premier's eyes, go out and stab the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons) as these puppets of Henry III did to Beckett. I do not know if that is the situation.

MR. SIMMONS: Their problem was they did not know which end was the blade.

MR. W. ROWE: Yes, that is right. They did not wield the broad sword too well, Mr. Chairman. As a matter of fact they hacked off their own ears and assorted limbs rather than doing the job on our Thomas Beckett on this side of the House. I do not know if that was the situation, Sir, or whether in fact the Premier gathered them all together and in a conspiracy said, "Okay now, here is what we will do. We have to get rid of Simmons. He is exposing too much corruption. He is making us look like crooks. He is digging up too much that we hope to keep covered up."

MR. HICKMAN: The hon. member knows that that type of language is not only unparliamentary but it is about ten times unparliamentary.

MR. W. ROWE: I said he is making us look like crooks. I am not characterizing anyone as a crook. The Committee is making us look like crooks. That is what I am saying the Premier said to his puppets.

MR. SIMMONS: I rise on a point of order. Judge for yourself what you call people who rob \$13 million to \$20 million out of public treasury and share with their buddies. What do you call them? I call them crooks.

MR. HICKMAN: Mr. Chairman, on that point of order, That comment even made from the seat by the hon. gentleman, so-called

MR. HICKMAN: hon. gentleman, from Burgeo - Bay d'Espoir (Mr. Simmons) is not only unparliamentary, not only is it unparliamentary, not only is it unprecedented, but I ask Your Honour to take the necessary disciplinary action forthwith, order complete, absolute withdrawal. If he wants to get back, if he wants to drag this place again to the gutter let him do it all by himself, and not embarrass his colleagues on the other side who shudder every time he opens his mouth.

MR. W. ROWE: What is the point of order? If I may speak, what is the point of order? Would the hon. Minister of Finance care to indicate?

MR. HICKMAN: "Crooks, robbers." What more?

MR. W. ROWE: What is he talking about?

MR. HICKMAN: You.

MR. W. ROWE: We will have to get Hansard and have a look at this. I did not hear any of this, as directed against the government -

MR. HICKMAN: I heard it and I am not prepared to take it from that gentleman of all people.

MR. W. ROWE: - and the ministers, his former campaign manager.

MR. HICKMAN: I do not mind debate. I do not mind accurate debate. But I am not going to be a party to dragging this place down the gutter.

MR. W. ROWE: Oh, let us not hear this pious nonsense, Mr. Chairman.

MR. CHAIRMAN: Order, please!

MR. W. ROWE: The point is that no point of order was made.

MR. CHAIRMAN: Order, please! Order, please! If I may just have a word on this. It seems to me that a point of order was raised by the hon. House Leader at the word 'crooks' which was

MR. CHAIRMAN: (Dr. Collins) mentioned was applied against someone, that he feels would raise a point of order in this House. This is the issue. I would seek clarification from members of Committee if this is an issue that we will have to go back to Hansard over or whether it can be clarified without going back to Hansard.

MR. SIMMONS: I think we can clarify it pretty easily, Mr. Chairman. I said from my seat - first of all my colleague, the Leader of the Opposition, was speaking at the time, was putting some words for the purpose of making his point, dramatizing, putting some words in the mouth of the Premier, who in his scenario had gathered together his group of people and had said to them, 'Now this fellow, Simmons, is doing things and making us look like a bunch of crooks.' He was putting that in the mouth of the Premier as a possible scenario. And then at that point the Minister of Justice interjected, took some umbrage from it - I can understand he would be sensitive on these points - and it was then I interjected with a question, I admit somewhat rhetorical: perhaps this is my sin - I interjected with the question, "What do you call a group of people who squander - these are not the words, but the essence - who take \$18 million to \$20 million of the Public Treasury and lash it out to your friends without tender?" I said, "What do you call them if you do not call them crooks?" Now, Mr. Chairman, I call them crooks. If it is unparliamentary, I will not say it in this Chamber.

MR. CHAIRMAN: Order, please!

Members of Committee know that one attempts if at all possible to be courteous to one another. As a matter of fact, if one is discourteous to another, a close reading of Beauchesne would say that

MR. CHAIRMAN: (Dr. Collins) that is unparliamentary. We seem here to be in an area where the phrase or word used could be considered in that context although clearly this is an area that is perhaps legitimate debate as to how money was spent and how it was not spent and whether it was spent wisely and so on. So at the risk of appearing discourteous, I would invite the hon. member if he would clarify that his word was not used in that context, it was not meant in a discourteous way; and perhaps in that vein it might be as well to withdraw it in this context.

MR. SIMMONS: I only assume, Mr. Chairman, from the fact that several people were looking at me, you were probably talking to me. If that is the case, no discourtesy is intended. But, Mr. Chairman, if the Chair insists as it should on insuring that there be no discourtesy, it puzzles me that the Chair would allow the Minister of Justice just a few moments ago to refer to a member of this House, in this case me, as a so-called hon. member. Now, Mr. Speaker, what is sauce for the goose is sauce for the gander, and if the Minister of Justice knows of anything which I have done in this House which is dishonourable, let him have the guts to stand up and say so. But in the meantime, I believe that the same requirement is incumbent on him as any other member that he observe the rules of the game and the courtesies of this exercise, and it puzzles me that the Chair did not intervene when he said it. But I guess the Chair has an explanation.

MR. CHAIRMAN: Order, please! I invited the hon. member to withdraw the imputation that he was using a word that would be discourteous and I understand from his remarks to me that he is doing so. He brought up another point with regard to the word 'so-called'. I must admit that that escaped me and if I should have brought

MR. CHAIRMAN: (Dr. Collins) it up at the time, it was not done for that reason, it quite escaped me.

I do have to point out to the hon. the Leader of the Opposition that his time has now elapsed, the forty-five minutes have elapsed.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please! I have made an incorrect statement there.

The hon. the Leader of the Opposition.

MR. W. N. ROWE: I quite frankly was not aware of whether I had spoken for forty-five minutes or ninety minutes, I got so carried away by trying to make my point on the hon. the Minister of Finance, a bit like knocking your head up against a brick wall, I guess; it has a tendency to render you semi-conscious.

Mr. Chairman, I am only going to speak for another five minutes or so, and then some of my colleagues may want to say a few words on this bill, but I do want to stress as strongly as I can the violation of great principle involved in the members of this Public Accounts Committee on the government side of the House scuttling the Chairman duly appointed by this hon. House for purely political reasons and to safeguard their own political positions, to save the skins of their colleagues in the government politically, to try to keep matters which should see the light of day and have a breath of sunshine brought on them, keep them under wraps and under cover, under rocks,



MR. W. ROWE: stop these rocks from being turned over and see what is underneath them, a job, by the way, which is not very pleasant for anybody, Nobody likes doing it. Nobody like the connotation or the description of being negative but if you are dealing with a government and ministers whose actions are entirely negative, whose actions are the opposite of positive, the opposite of beneficial, are to the detriment of the people of this Province, then it is pretty hard when you are describing those actions or when you are uncovering those unsavory actions to not fall under the bane of being described as a little negative yourself, Mr. Chairman. That is unfortunate and nobody enjoys doing that. But, Sir, the people are entitled to the truth, the people are entitled to know how their money is spent including this \$150 million presently being borrowed by the authorization of this House. They are entitled to know that. And they are entitled to know that the sin of the member of Burgeo Bay'Espoir (Mr. Simmons), the Chairman of the Public Accounts Committee, is that he did his job to well. That is his crime, that is his sin and for that the hon. members on the other side of the House, particularly the four sitting in the Committee representing the government and so on, in doing that these members have decided to try to punish him politically and publicly, to try and humiliate him.

MR. SIMMONS: You cannot blame the members. They are more to be pitied than blamed, those four.

MR. W. ROWE: The puppets, Sir, are not to be blamed. They are just doing what they are told by the Premier." Go and get rid of Simmons."

DR. WINSOR: A point of order.

MR. CHAIRMAN: A point of order has come up.

DR. WINSOR: I would think that the word 'puppet' is out of order in this House. At least it was last Summer when the word was used by a member on this side describing some members of the Opposition being puppets of the power in Panama. The word

DR. WINSOR: puppet was ruled out of order and I assume that ruling would still stand in this context.

MR. W. ROWE: On that point of order, Sir. The point then, Sir, was that somebody was characterized on this side of the House as being the puppet of somebody outside the House altogether, as being under the influences of somebody outside the House. What I am saying is perhaps to be considered to be a compliment by many people- party discipline, party solidarity and so on. What I am saying is that there are members on that side of the House who follow, a bit slavishly perhaps, who support their leader, the Premier of the Province, who support him, adhering to the principle of party discipline -it is two party politics -support him even to the extent of knifing the Chairman appointed by this House. That is all I am saying. And if that characterizes a puppet I would say it is characterized correctly. But I would not, Sir, in anyway describe any member of that side of the House or this side of the House as being under the undue influence of anyone outside the House or being a puppet in that respect. I would not do it. That would be disgraceful, Sir, But I see nothing wrong with characterizing a member as being under the control or supporting slavishly his own government or his own Premier. And that is the context in which I meant it, Mr. Chairman.

MR. HICKMAN: On that point of order, Mr. Chairman. This is certainly a new approach to the interpretation of a point of order that if it is said on one side of the House and it is not true and then if it comes from the other side of the House you can use it. This would be the new Rowe-Simmons-Beauchesne. Either a word is unparliamentary, despite the context in which it is used, or it is not. But if we want to write a new book of rules I suppose we can do it and throw Beauchesne out the window as well as the rules of decency and common sense.

MR. CHAIRMAN: Order, please! If the Committee will permit at this stage because I have heard statements from both sides which I think clarifies the matter.

MR. SIMMONS: (Inaudible)

MR. HICKMAN: Is the hon. gentleman casting reflection on the Chair?

MR. SIMMONS: Yes, yes.

MR. CHAIRMAN: Order, please!

MR. HICKMAN: A point of privilege. The hon. gentleman from Burgeo - Bay d'Espoir (Mr. Simmons) says he

is casting reflection on the Chair. That cannot pass, Mr. Chairman.

MR. SIMMONS: Indeed I am.

MR. HICKMAN: - and that has to be dealt with and cannot be allowed to pass under any circumstances.

MR. SIMMONS: Mr. Chairman, the member asked me a question and the answer is yes, I was indeed casting reflection on the Chair and I thank him for the opportunity. The Chair has just allowed two members from one side to speak to a point of order and only one from the other side. I think that is disgraceful and I am prepared to say so. If the Chair is offended it also has my apology for having to say so.

MR. HICKMAN: Mr. Chairman, it cannot be passed that way here. There is no conceivable way that this legislature of parliament can ever be allowed to deteriorate to the position where any member, no matter what the reason, and certainly there was no reason in this case, but reason is not relevant,

MR. HICKMAN: can cast reflection on the Chair, and Your Honour has an obligation to deal with that issue right now in precedence over the one that I raised on a point of order.

MR. CHAIRMAN: Order, please! My understanding is that the actions - not a ruling because a ruling was not made by the Chair. At that point in time it was in the process of being made, it was not made because interruptions did occur, I might point out - but the actions of the Chair have been called into serious question, that the Chair is not being impartial in its handling of the Committee. Now clearly this puts the Chair in an impossible position. It would make the Committee inoperative because presumably the Chairman does have a function here, or the House would not see fit to put a person in that position. The Chairman does have a function. If the Chairman is not accepted by the Committee, and that means both sides by the Committee, clearly the Committee cannot function.

With that in mind I would therefore ask the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons) if he would withdraw unequivocally any imputations along the lines I have just mentioned and of course if that cannot be done clearly the Committee would have to take another action.

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

MR. SIMMONS: Mr. Chairman, I made an observation about what had taken place. I think the records show that two from one side spoke and one from the other side spoke. I then recorded my disaffection with that sequence of events.

MR. CHAIRMAN: Order, please! If the hon. member will permit me? I am afraid that my options are extremely limited here. The Chair has been reflected upon and I just have to ask that either that reflection be withdrawn or I have to take another action. So whether word of explanation afterwards would be in order and therefore be permitted by the Chair I cannot say at this moment. All I can say

MR. CHAIRMAN: is that the Chair is limited in what it can do. It can just accept withdrawal or it has to take another action.

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

MR. SIMMONS: Mr. Chairman, without equivocation I withdraw any suggestion of any reflections on the Chair. And my comment, if I may be permitted, is that not only the Chair, Sir, but I too am put in a very embarrassing position by the Minister of Justice who keeps suggesting to the Chair that such reflections have been made. He may think they are made. I made none and if there is any -

MR. HICKMAN: You admitted you made it.

MR. SIMMONS: No. I admitted I was very disgruntled about what happened and I am, but I withdraw.

MR. CHAIRMAN: Order, please! My understanding is that any reflections on the Chair in its handling of Committee have been withdraw unequivocally and the Chair certainly accepts it. I think at this point, to clarify matters, I might make a brief statement. When a point of order is raised it assists the Chair immeasurably if the actual matter is pointed to very quickly rather than an explanation or an elaboration on the matter is raised. So if a point of order comes up the actual matter that is out of order should be stated very briefly. At that point in time it is the prerogative of the Chair to hear argument from members, both sides of the House. It is left then to the discretion of the Chair whether these arguments will be heard, firstly; secondly, to what extent they will be heard; and finally, whether the Chair now feels itself in possession of enough information to make a ruling. Now that may come after no arguments are heard, it may come after one argument is heard, it may come after an argument heard on both sides, it may come after a preponderance of argument is heard on one side as opposed to the other, but at some point in time the Chairman does decide he is in possession of enough information

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MR. CHAIRMAN:

in regard to a point of order to  
make a ruling. I just bring that to the members' attention and  
this is the action I was taking at the time.

Now getting back to the point of  
order, if I can recall it in

MR. CHAIRMAN: it in detail, that the point of order was raised by the hon. member for Mount Scio (Dr. Winsor) in regards to the matter of the use of the word 'puppet'. I think I can handle this one of two ways. I can take the information given me, that is, that the word was used previously and ruled out of order in a very similar context, and I am afraid that if I were challenged on that I would have to go back to the record to make sure that the context was the same. I can either do it that way, or I could say that I will take it under advisement so as to be able to bring in a ruling that is based in fact. At this point I would ask the hon. member for Mount Scio does he wish to press this point now before going any further? Does he wish to press his point of order?

DR. WINSOR: Mr. Chairman, it has put me in a difficult situation. I certainly on behalf of my constituents of Mount Scio do not want it to be on record or assumed by the public that I am being a puppet for any reason.

MR. CHAIRMAN: Order, please! Do I understand the hon. member would like to have the point of order resolved?

DR. WINSOR: Yes, Mr. Chairman.

MR. CHAIRMAN: The point of order therefore is before the Chair and I would inform the Committee that I think it is best if I took the point of order under advisement and I will bring in a ruling as quickly as possible.

Hon. Leader of the Opposition.

MR. W.N. ROWE: Thank you, Sir. While Your Honour is considering whether the word 'puppet' as applying to a person who supports the government is out of order as compared to characterizing somebody, I believe my hon. colleague for LaPoile (Mr. Neary) as a puppet of someone outside the House, whether those two things are the same, Sir, I will refrain from using the word 'puppet' and say that in his slavish devotion, his

MR. W.N. FOWE:

unthinking, slavish devotion

to the Premier and to the party as Chairman of the PC caucus. He got together with the Premier and the other members of the Committee, obviously, conspired to scuttle the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons) because he has done such a good job in exposing wrongdoing, skulduggery underhandedness and whatever adjectives or nouns the Roget's Thesaurus may yield on the subject of general wrongdoing in government. This hon. gentleman on our side of the House did too good a job, Mr. Chairman, and therefore in an unprecedented action never before done in the history of this House the members of the Committee, acting on the instructions of the Premier, confirmed by the Premier in public statements afterwards, 'It will not be Simmons', he said, smarting under the blows that the Committee had inflicted on him as Premier and his colleagues under the Chairmanship of the hon. member, the Chairman of the Public Accounts Committee, they decided to get rid of him. Now, Sir, if that is not the worst violation of all principle affecting this House since 1949, Sir, I do not know what is. To try to destroy a Committee which is the watchdog of the government, which is following up on the work of the Auditor General, who is the servant of this House, to destroy that Committee by getting rid of the Chairman who is a member of the Opposition, Sir, that is the worst, single worst action ever taken by a government into my mind since Confederation. It is a blatant use of partisan politics for a wrong purpose.

We have seen other examples which have come close. The hon. Minister of Tourism admitted quite freely before the Public Accounts Committee or a segment of it that they broke the Public Tender Act as a government and as ministers solely and purely to win votes in the Ferryland by-election. He even bragged about it.



MR. SIMONS: To try to defeat the present member for Ferryland.

MR. W.N. ROWE: To try to defeat the present member for Ferryland, that is right, who is now there right behind the Premier.

MR. SIMONS: How hard must he swallow every morning?

MR. W.N. ROWE: Right behind the Premier, if I were the Premier I would have him to one side or in front.

MR. SIMONS: I would get a mirror. I would get a rear view mirror if I were the Premier.

MR. W.N. ROWE: Two, one on either side just in case he happens to wink. He wants to keep his eye all the time on that hon. member.

MR. W.N. ROWE: Two rear-view mirrors. As a matter of fact, if I were the Premier looking after my own skin, I would be sitting where the hon. member is and have him up there. I would be behind him watching the back of his neck.

MR. SIMMONS: And he would make a much better Premier, too.

MR. W.N. ROWE: That may be so. I will not comment on that. But I would not have that hon. member between my shoulder blades, Sir, I would not. But then the Premier probably is brave. Anyway, in order to try to defeat that hon. member down in Ferryland district, the government comes out and admits publicly that they broke the Public Tender Act, blatantly and knowingly broke the law of this Province.

I would say they probably had good legal advice before breaking it to say, Look, do not mind the Public Tender Act, we put this across, we heralded this as a great reform in government spending practices, we put this across as something which was going to bring honesty back into government spending and so on, we trumpeted that far and wide, but we took an elementary precaution when we were drafting this in the Department of Justice - headed by the present minister - we took an elementary precaution, we made sure that the act had no teeth, we made sure that there were no penalties in the act so that we could break it to our heart's content and nobody would ever have to answer for it.

MR. SIMMONS: Thank God for George Macaulay.

MR. W.N. ROWE: Mr. Macaulay, the Deputy Minister of Justice.

MR. SIMMONS: The very guy who said the act was stunned was the Deputy Minister for the department.

MR. W.N. ROWE: Was the Assistant Deputy Minister at that time.

MR. W.N. ROWE: And he will answer for that because certain questions will be put to him and the minister as time goes on as to the role they played in that. But a Public Tender Act broken knowingly and blatantly by the government and the Minister of Highways, solely for the purpose of getting votes. If that is not the worst example of political blackmail and bribery combined in the one ball of wax that I ever heard of, I do know of an example, Mr. Chairman. But that was the second worse breach of principle by this government since it came into power.

MR. SIMMONS: While you are on 'Morgan' do not forget what he said he would do if he resigned.

MR. W.N. ROWE: Oh yes! The Premier was about to take him by the scruff of the neck and the slack of the pants and fling him out of the Cabinet when he came out publicly and said, "If I go I will tell the truth."

SOME HON. MEMBERS: Hear, hear!

MR. W.N. ROWE: And suddenly we see him back, ensconced more solidly than ever as Minister of Tourism.

MR. SIMMONS: Why? He did not tell the truth.

MR. W.N. ROWE: "I will tell the truth if I go" and that gave him a security of tenure as long as this government is in office. That threat or promise -

MR. SIMMONS: That is a powerful reason to keep him in the Cabinet.

MR. W.N. ROWE: That promise to tell the truth will keep him in the Cabinet forever. He does not have to worry about his job. But that was the second worst breach of principle and everything that a government or a House should stand for, when a minister will get up and not be disciplined by the Premier for not saying it, and say that we broke the law in order to win votes, does not everyone do that? Now, Mr. Chairman, everyone does not do it. Some people

MR. W.N. ROWE: will obey the law. Thank God they do, because if it were an ordinary citizen of this Province who had done that he would be in jail now.

MR. HICKMAN: Done what?

MR. W.N. ROWE: Broken the law.

AN HON. MEMBER: For breaking the law.

MR. HICKMAN: The Public Tender Act?

MR. SIMMONS: Right.

MR. W.N. ROWE: Yes, broken the Public Tender Act, he would have been nailed under the Summary Jurisdiction Act long before now. But fortunately, Sir, the crime or the breaking of the law was not detected within the one year time limit, therefore these ministers could not be charged under the Summary Jurisdiction Act.

MR. SIMMONS: Free on a technicality.

MR. W.N. ROWE: Right, free on a legal loophole.

No charges brought on a legal loophole. So every minister in the government knew the law had been broken, the Public Tender Act had been broken. Every official or most of the senior officials of the Department of Transportation knew the law had been broken by this illegal extension of a contract contrary to the Public Tender Act, they all knew it, yet the Department of Justice is blithely unaware of any breaking of the laws and only have them brought to their attention after the time limit has gone by whereby anyone who broke the law could be charged.

Now there are many any ordinary common citizen in this Province who would like to have the Department of Justice so blithely unaware when they break the law so that they can get off scot-free when laws are broken.

MR. RIDEOUT: Now we know why the Committee did not meet last week.

MR. W.N. ROWE: That is right.

MR. SIMMONS: They managed to cover it up pretty good.

MR. W.N. ROWE: That is why the hon. member for Mount Scio (Dr. R. Winsor) who - by the way, consider the braveness of what I am doing here, Mr. Chairman; in ten days from now I will submit to a drill under this hon. member's hands. You have to give me 'A' for courage.

MR. SIMMONS: Nobody has ever said he was not a good dentist.

MR. W.N. ROWE: He is an excellent dentist. He is one of the best dentists this Province offers, but consider my courage and bravery. There is the measure of my trust in his professional ethics and his professional ability, that I am saying all these nasty things about him and will submit to his tender mercies in ten days or so from now. I hope by that time I will have an opportunity to say something nice to him.

MR. SIMMONS: We are going to have another leadership convention.

MR. W.N. ROWE: I would say we are. I am going to have a drill go right through my neck

MR. W. ROWE: and end up on the floor of his office. Well, Mr. Speaker, I am willing to trust the hon. member to do his job, but I cannot, merely because a drill may slip, I cannot keep back the truth and we have to call the shots as we see them, Sir.

The hon. member and his colleagues kept the Public Accounts Committee from meeting all last Winter and delving into this breach of the Public Tenders Act until the time had expired and ministers could not have charges laid against them under the Summary Jurisdiction Act. for breaking the law, the Public Tender Act. Now we know what is going on, Sir. This is clear, as obvious as anything could possibly be, what is going on.

MR. SIMMONS: One thing they are good at is beating the statute of limitations.

MR. W. ROWE: That is right. They are good at legal loopholes and getting the proper - where do they get their legal advice I wonder, to come up with that little loophole, legal technicalities?

MR. SIMMONS: George Macaulay is Deputy Minister.

MR. W. ROWE: Yes. Maybe he offered it. I do not know. But the point, Sir, is that having stymied justice in that regard then we say, "Well, let us take the bull by the horns and let us get rid of the Chairman of the Public Accounts Committee who has caused us all this trouble to begin with." And this is what they have been doing. And as my hon. friend said yesterday in the latest meeting of the Public Accounts Committee, consisting of, by the way, of the four government members, the Chairman of the PC caucus, two Ministers of the Crown, colleagues of the Premier, and the Premier's Parliamentary Assistant over there. That is who is supposed to be watchdogging the government.

MR. RIDEOUT: Their own departments are being investigated.

MR. W. ROWE: They have got ministers whose own departments are being investigated and what do we see? We see a trip, a \$3,700 bill which was presented to the Department of Tourism and rejected, as I understand it, presented to Treasury Board and rejected, submitted to the Premier's Office, sent down to Treasury Board with instructions to pass this thing, \$3,700, and passed by Treasury Board.

AN HON. MEMBER: That is incorrect, \$3,100.

MR. W. ROWE: \$3,100. He wants the government to be hung for lambs rather than being sheep. That is okay as long as they are hung, Mr. Chairman, for these matters. It does not make any difference if they are hung for lambs or sheep. \$3,100.

Now I was reading with a great deal of hilarity. I must say the press reports on what transpired at this so-called Public Accounts Committee, this smelly sort of herring was thrown in to their laps and they all jumped back. They did not know what to do with it. They poke at it with sticks. They did not know what to do with it. What are we going to do with this? They were quite willing to leave the whole thing hanging. They were quite willing to say, these four members, to say, "We will do nothing about these allegations that the Premier, or the Premier's Office, was instrumental in getting Treasury Board to pass what appeared to be expenses for a private trip." They were quite willing to leave it hanging, Mr. Chairman, do nothing about it. And I understand that there were one or two pregnant silences on the matter until finally goaded beyond endurance by this show of lack of action by the so-called Public Accounts Committee, the Auditor General himself says, "Well, why do you not see what the Premier has to say about it?" That nearly killed them all, all four of them.

MR. RIDEOUT: Call him as a witness.

MR. W. ROWE: Nobody suggested the Premier be called as a witness to explain this very strange thing. The Auditor General

MR. W. ROWE: finally had to take the bull by the horns himself and say, "Well, I will go and see the Premier and look for an explanation for what appears to be on the surface at any rate, something wrong."

MR. SIMMONS: They tried this thing before. Remember the stunt before over at the Arts Centre and signed the bill for \$1,500 -

MR. W. ROWE: Yes, that is right.

MR. SIMMONS: A PC orgy. Remember that one? We caught them at it.

MR. W. ROWE: Yes. That is right. They were also caught apparently using government funds to film the Fisheries Conference here the other day to use for political purposes. They were caught on that.

MR. SIMMONS: That is shameful! Shameful!

MR. W. ROWE: Using the fishermen of the Province as political tools of the PC Government. This government, Sir, simply cannot do anything right anymore. That is the problem with it. What should have been something which could have been worthwhile, which could have raised hopes and expectations realistically for fishermen and so on, turns into a shambles where there is no credibility,



MR. W. N. ROWE: where it is being used for political purposes for the P.C. Party and fishermen are gone back home now saying, 'None of this is going to come to pass.' No credibility whatsoever!

MR. SIMMONS: They have the morality of an elastic garter, very stretchy.

MR. W. N. ROWE: That is right. There will be an opportunity, Sir, to touch on these matters at more length later on.

MR. MORGAN: I do know. You should know. That is why I (inaudible).

MR. CHAIRMAN: (Mr. Young) Order, please! Order, please!

MR. SIMMONS: Can not somebody tell the truth?

MR. CHAIRMAN: Order, please! I would remind the hon. gentleman -

MR. W. N. ROWE: I will be finished in a moment, Sir, but let me say this before I sit down.

MR. SIMMONS: (Inaudible) the other hon. gentleman too, Mr. Chairman.

MR. CHAIRMAN: I called the Committee to order.

MR. W. N. ROWE: Let me say this before my hon. colleague, the member for St. John's West (Dr. Kitchen) gets up and has a few words to say, or maybe someone on the other side. Let me say that we have no intention whatsoever of compromising the principle that the Opposition has the right to name the Chairman of the Public Accounts Committee, specifically the Leader of the Opposition, obviously taking advice from his colleagues and with the consent of his colleagues. We have no intention of compromising that sacred principle.

SOME HON. MEMBERS: Hear, hear!

MR. W. N. ROWE: Let me say something else.

My predecessor, confirmed by me, named the hon. the member for Burgeo - Bay d'Espoir (Mr. Simmons) the present Chairman

MR. W. N. ROWE: of the Public Accounts Committee. He did a tremendous job of work as Chairman. He did a job of work which each member of this House who was interested in honesty and morality would be proud of - we certainly were and are-and we support him 100 per cent as Chairman of the Public Accounts Committee. We will not consent to anyone else being rammed down the throats of the people of this Province, I do not care what side of the House he is on. We will not consent to his being scuttled and thrown to the wolves because of the job he did. We will not consent to anybody else being rammed down the throats of this House or this Province by the slavish supporters of the government. We will not, Sir! I give notice here now that as long as the hon. member desires to be Chairman of the Public Accounts Committee he has my 100 per cent support for that position.

SOME HON. MEMBERS: Hear, hear!

MR. W. N. ROWE: And that is what I will be forcing in this House and publicly.

SOME HON. MEMBERS: Hear, hear!

MR. W. N. ROWE: And to deviate one iota, Mr. Chairman, from that principle that the Leader of the Opposition or the Opposition generally has the right to name the Chairman would be to give in, in terms of breach of principle, to the worst kind of wrongdoing and immorality and skulduggery in politics. Be sucked in by the Premier or the House Leader saying, "We do not want 'Simmons', but I tell you what, name somebody else and we will see if he is acceptable to the Opposition."

MR. RIDEOUT: And if he does a good job, he will get it.

MR. W. N. ROWE: "And if he does a good job" - as the member for Burgeo - Bay d'Espoir d'Espes - "then we will knife him out of the position until we finally get somebody

MR. W. N. ROWE:                   in there who is a tame Chairman,"  
- possibly from the government side of the House or somebody  
from some other side of the House representing someone else,  
who will make sure that things are not uncovered, that  
wrongdoing and skulduggery are not brought to light and  
that a ray of sunshine is not brought to bear on the  
nefarious operations of several departments of this  
government. We are 100 per cent behind him, Sir,  
unanimously as an Opposition, behind the member for Burgeo -  
Bay d'Espoir (Mr. Simmons) as Chairman of the Public Accounts  
Committee. And as far as we are concerned he will remain  
there as long as he wants to be there and we will not consent,  
no matter what carrots are dangled or what threats are uttered  
we will not consent, Sir, to a violation of that principle  
that I, as Leader, have the right to name on behalf of the  
Opposition, acting on behalf of the people of this Province,

MR. W. ROWE: Her Majesty's loyal opposition, that we have the right to name the Chairman of the Public Accounts Committee and we have named him and we support him one hundred per cent, the member for Burgeo-Bay d'Espoir (Mr. Simmons)

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: Order, please! I would inform the Committee that after consultation and seeking references I would make a ruling in regard to the point of order that was raised by the hon. member for Mount Scio (Dr. Winsor). The point of order pertains to the word 'puppet' and a dictionary definition of 'puppet', a dictionary that would be accepted by all, Webster's Dictionary, defines the term as "one who acts or is controlled by outside force or influence." Also Beauchesne in Section 155, subsection (3) states that "No member can be allowed to attribute any intention or to insult another" or, and further down in that section, "That he is a servile follower of the government," in other words, that he is practicing servility. So clearly the word puppet in the dictionary sense and also in the parliamentary sense as outlined by Beauchesne is an unparliamentary one and I would ask the hon. member if he would withdraw that phrase.

MR. W. ROWE: Truth is obviously no defence, Sir. I unequivocally withdraw the characterization of the member for Mount Scio (Dr. Winsor) or his colleagues as 'puppets'.

MR. CHAIRMAN: Thank you very much.

The hon. member for St. John's West.

DR. KITCHEN: Mr. Chairman, we have been asked to support the borrowing of \$150 million and that is the question before us now. \$150 million is not a large amount of money. It comes to about \$300 per man, woman, and child in the Province. The interest on that is the crucial point. The interest on that for a year at ten per cent is about thirty dollars, about six cents a day, six or eight cents a day. I do not consider that to be particularly

DR. KITCHEN: a large amount. If we deny the government \$150 million or six cents a day we could take it off the welfare. I suppose. Probably the hon. member for St. John's East (Mr. Marshall) will say take it off the welfare, let us deny them the six cents a day. We could close the schools for half a day throughout the year and that would give us our \$150 million. Maybe that would be a good thing. We could decide not to pay some of these consultants that the government uses or abuses or whatever, those consultants that seem to be doing quite well. There are other ways than borrowing money that we could save. We need not borrow. We might just cutback on the expenditures of the government. But borrowing money is no sin. Borrowing money can be a good thing if it is properly spent. Many businesses borrow money to make money. This government could borrow money to make money. This government could borrow money to do good things for the Province, to increase our capability of generating revenue in the future. We are never going to get out of the problems we are in in this Province unless we borrow money. We are never going to generate the industry that is required in this Province unless we borrow money. So the question comes up, the real question facing us is not whether we can afford to borrow it. The real question is: what are we going to use the money for? If the government is going to use this money appropriately then we have no alternative but to support their borrowing it. On the other hand, if they are not going to use the money appropriately then we have no alternative

DR. KITCHEN:

but not to allow them to borrow

it. I do not believe that they are using the proposals for using this money are good proposals. If they were to use this money to come up with a tactic to get back the Upper Churchill power, as the Leader of the Opposition has stated, that would be a good thing; if we could somehow with respect to the strategy that is being used in the north that might be the best thing to do, to use that money to get back the power from the Upper Churchill the \$500 million or more that is being taken from us every year. If we were to do that then we would get many times our return. But that is not what it is proposed to be used. There is nowhere, anywhere are we asked to approve any programme for spending money to do that.

I am sympathetic, very sympathetic to some of the proposals that the Minister of Fisheries is coming up with. I can see where if we put money in the fisheries we might very well borrow to spend that money, if it is properly spent on fisheries. And one of the ways we have to advance in this Province is by spending money in a capital way on fisheries. There is no question about that. I am not sure that the conference that was called recently, or the proposals that are presently before the Province are the best proposals, but at least this is a step in the right direction. We are moving in the area of fishery, I believe we should, and borrowing money to spend on the development of the fishery would be a good thing. But looking at the way the money is to be spent this year there is no money there for fishery. I think there is \$20 million in total which is not very much really. If that is what the money were to be spent for perhaps we could have some thought about it.

If there was good plan to develop the great resources of Labrador I could go along with that. I was very much surprised yesterday by the manner in which the Minister

DR. KITCHEN: of Mines and Energy proposes to develop the resources of Labrador. If he had a good plan we could support the borrowing, but is this a good plan? His plan to develop these vast resources of Labrador, vast beyond almost all imagination in oil and iron ore and hydro electric power, is to turn it over to a corporation. He going to turn it over to a corporation; he is going to lose control right from the very beginning. Because if there is anything worse - I cannot imagine anything worse than a Crown corporation that is not that is not under the government's control. It is the House of Assembly that has to run this Province and the major policy groupings of the future. It is the House of Assembly, the people that the people elect, who have to control and recall the final shots. It is not the government even, it is the House of Assembly. And what we are doing if this present proposal, which is so wrong and which why we should not allow people to borrow money to finance it or to finance any of the government's operations really. Now what they are proposing to do is to set up a Crown Corporation that will be controlled by Ottawa and by Newfoundland. This makes no sense. It is bad enough to turn it over to a Crown corporation like we have turned over our hydro to Newfoundland and Labrador Hydro. All that means is people can get fat salaries, fatter than they can get in civil service. This is what happened with Newfoundland and Labrador Hydro, a glorious rip-off by people who would not get that much if they were working in the civil service and doing it properly. But it is worse than that. This is a Crown corporation something like the St. John's Housing Authority, half federal and half provincial, and as a result of that we have the worst housing policy in this Province, the worst housing policy because no one can come to grips with it. If I have a constituent who cannot get a house from St. John's Housing Authority there is nothing I can do about it. This is a group that is controlled federally and provincially. How do we get at it?

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DR. KITCHEN:

There is no point in going to the Minister of Housing even if you do create it a separate department. He is powerless. All you can do is change the provincial members on it in time. The reason that housing is in such a mess in this Province-it is in a mess. We have RAP programmes operating on one side of the street in this city and not on the other side of the street, people who



DR. KITCHEN: cannot get their homes fixed, while landlords are getting their houses built up at public expense. What kind of a crazy programme do we have in housing? We have an old folks housing programme in this Province by which developers can put old folks homes on every street corner in this city, and then they can get the governments to subsidize people to go into them, but not a copper for that old person to get their roof fixed so they can stay in the house that they developed over the years. That is what happens when we get a housing policy that is not under the control of anybody, and that is what must not happen with respect to the development of Labrador resources, the proposal the minister made yesterday, and which is why we cannot allow this government to develop anything because there is an incompetence here, an unwillingness to come to grips with the real problem.

You cannot turn the development of the North over to a joint federal-provincial corporation with its terms unspecified. The minister said yesterday, "Oh, after we have signed the deed we are going to bring it in here and you can talk about it." I do not want to talk about it after it is done. We want to get the best possible arrangement set up. And we want the House of Assembly - our whole future, whatever future we have in this Province lies in two directions; it lies in the fishery, and it lies in the development of Labrador resources. It lies nowhere else. It lies in these two major areas. And we are going to turn over the development, the whole plan for development, to some sort of a corporation, he tells us. And you want money to finance that kind of an operation? You want us to borrow money, to go to the bond markets for that? Why are we going to turn it over to, a federal-provincial corporation? What powers are going to be given that? Are they going to be given the

DR. KITCHEN: power to study? Are they going to study it? Is that all they are going to do, more studies? Must year after year after year slip by while these resources go undeveloped and the iron ore keeps going down into the United States and into Ontario to provide jobs there, but not our jobs, while we continue as the Leader of the Opposition says, to have such poor relations with the rest of Canada.

It is sickening the way the rest of Canada looks upon this Province. It is sickening, and part of the reason is our fault. Part of the reason is we have resources that we must develop and we must put the proper machinery in place, and the proper machinery is not what may be proposed. We are proposing that we are going to turn it over to some corporation and this House of Assembly must not, must never, give a blank cheque. We do not even know what the powers of this corporation are going to be. We do not know what the terms of reference are. "Oh, I am going to set up a corporation, and I am going to name some people on it." Are you indeed? No, Sir, you are not going to do it that way! We are not going to turn over the billions and billions and billions of dollars of resources of this Province to any federal-provincial corporation. We are going to keep control in this House of Assembly. We did it before. We thought we could develop the North by turning it over to a private corporation. That was what happened before. And the wrong deal that was made - if it was a wrong deal at the time, it looks to be now like a wrong deal - was not done by the government, we are told, it was done by a private corporation.

We must not turn control to private corporations, or to public corporations, or to corporations that are half provincial and half federal. We must maintain control of the development of this Province in this House of Assembly, and that is why we cannot allow people to borrow money, this government to borrow money when it has no concrete plan to develop this Province.

DR. KITCHEN: Who is going to be on this corporation?

MR. HICKMAN: That is what we want to debate in this session of the House.

DR. KITCHEN: No, Sir. What you want to debate is after the fact and that is not what we are going to allow you to do. That is why we are going to keep you from borrowing money here.

MR. HICKMAN: Are you?

DR. KITCHEN: Yes, Sir. That is what I am going to do. I speak for myself.

MR. HICKMAN: Is that a threat? Is that a threat?

DR. KITCHEN: I will do what I can to keep you from borrowing a copper because you cannot spend it appropriately, and that is the whole burden of the thing. You are not spending your money wisely.

MR. HICKMAN: We will announce the shutdown of the road work because we cannot pay for it and we cannot borrow the money because of the member for St. John's West (Dr. Kitchen).

DR. KITCHEN: I am telling you that what we will expect from this government is a decent plan for developing Labrador. You have been there seven years now, seven long years, and you still do not know what you are going to do. You are going to turn it over to another corporation so that some other people can be highly paid. Who are you going to put on it? Are you going to take some of the directors from Newfoundland and Labrador Hydro and put on it? That is not enough. There is more than hydro development going on here. We are talking about iron ore. We are talking about oil, we are talking about the whole thing. We have seen you have taken no steps on the development of that port, none whatever,

DR. KITCHEN: and Labrador is losing money. What kind of a plan do we have now? Look at the ports development going on in this Province. There is a great to-do in the West end of St. John's, they are developing a harbour arterial, they are trying to turn this little postage stamp port into the great port for the whole of Newfoundland. What stupidity!

My hon. colleague across the House there talks about Argentia. Argentia is a port that should be developed for the distribution point of all Eastern Newfoundland. And I hear silly proposals coming forth that not only is St. John's too large, but we are going to put a tunnel under the Southside Hills and develop over there when we already have a great port in Argentia that should be the great distributing point of Eastern Newfoundland.

My other hon. colleague here, the Minister of Fisheries, he is quite right, we do need a strong port on the Eastern and the Northeast coast. We do need it. We need the fisheries developed. But I will venture that the way the power is in this Province, and the way it controls this government, that they will quite probably try to put it in the City of St. John's. It is wrong.

AN HON. MEMBER: In your area.

DR. KITCHEN: They will not put it in my district. There is nothing happening in my district. What you do with my district is not even give us a bit of housing. Not one copper has been spent in housing in my district where virtually every other part of this city is receiving RAP funds. And it is sickening the way this thing is progressing.

MR. HICKMAN: Creating more jobs on the John's waterfront will not help St. John's (inaudible).

DR. KITCHEN: What you are talking about is the creation of the future of this Province which transcends

DR. KITCHEN: district boundaries and we have to do it not with a pork barrel, not dealing with the old financial interests of St. John's who seem to control our every breath, every breath.

AN HON. MEMBER: Careful now. Careful now.

DR. KITCHEN: Why are we building up the port and bringing in the great - taking over the railway now, part of the plan is to close down the railway in the West end, is it not? somebody has said, so they can turn it into a great dockyard. The trucks will come up and roll off all over the Peninsula, an antiquated system of transportation that increases and the price of oil will put out of business. We must not build a transportation system based on trucks in this Province in the future; it has to be a little more sensible than that with the price of oil destined to go higher and higher and higher. There has to be a little more sense in it than that, and similarly with the development of Labrador our great one remaining resource apart from the fishery that we have yet to develop.

Who are you going to put on it? Are you going to put on some of those young mandarins in the civil service who stay there long enough so they get enough information so that they will go to work with some other corporation and sell what they have learned to foreign corporations like National Sea and these others? Is that what we are going to do here? I say we cannot leave control of this Province anywhere except in this House of Assembly. We must retain control of the development of Labrador and the development of the fishery in this House, not pass it off to Crown corporations that are half provincial and half federal. It makes no sense. It is ours and not theirs. This is our resource and not theirs.

Who else are you going to put on it, some of the foreign community at Memorial like you put on Newfoundland and Labrador Hydro? Is that what you are

DR. KITCHEN: going to do, turn it over to these people from Ontario? Is that what you are going to do?

MR. HICKMAN: I do not know any of those fellows at Memorial. They all worked with you. Do not look at me.

DR. KITCHEN: Is that what you are going to do? You do not know what you are going to do.

SOME HON. MEMBERS: Hear, hear!

DR. KITCHEN: Why do you want to lose control of the development of Labrador? Why do you want to lose control of it? Do you feel that you are incompetent to handle it? The simple solution is to resign and give it to us, because we will handle it. We will handle it.

SOME HON. MEMBERS: Oh, oh!

DR. KITCHEN: We must have a proper development strategy for this Province and this is what we do not have. We saw here today in the Question Period the Premier display an abysmal ignorance of what is going on even with the Come by Chance oil refinery. How can you have allowed this major development in this Province go by, be turned over, be passed to this one and that one without the Premier of the Province

DR. KITCHEN: being in total knowledge of what is going on? I cannot imagine it! How can anyone be so - what is the word - stunned? Is that a parliamentary word or not?

MR. FLIGHT: Indifferent.

DR. KITCHEN: Indifferent. Maybe it is indifferent, maybe it is stunned. But can you imagine any member here being Premier of a province and not know what is going on with a \$600 million asset? That is something, is it not?

SOME HON. MEMBERS: Oh, oh!

DR. KITCHEN: What about another one? What about Linerboard mill? What are you holding on to that for? What is going on there? The whole problem with this government is that they are not governing. They will turn it all over to somebody else. You must not turn the development of this Province over to any joint Crown corporation with unspecified powers. These powers must be specified in the House of Assembly. Whatever you do has to be passed in this House of Assembly. Because I feel that if you do not bring it to the House of Assembly then perhaps we should repudiate any such deal that you make as soon as you get out of office, because the future of our children and grandchildren is much more important than treating certain people in a proper fashion.

Again, the Leader of the Opposition made the proper point. We have an enormous asset in Labrador already developed. Perhaps the proper structure there is to get back that asset first instead of trying to develop 25 and 30 mil power, and higher, when we have a 2.5 mil power that is going down the drain. Maybe there is a structure. Why do we not come to grips, why does not the other side come to grips

DR. KITCHEN: with the real problems facing this Province? Why do we not meet more often? Why do we not keep the House of Assembly going all through Christmas? The Minister of Mines and Energy says, 'Well, that would delay it. If we had a debate on the development of Labrador the way this corporation - it might delay the establishment of it, and I want to sign that thing next week.' - to get it out of the way. I am prepared to give up Christmas Day to come here and talk about the proper way to develop Labrador. I am prepared to stay here Sundays, any day of the week, all day long, twenty-four hours a day until the right thing is done in this Province. There are too many people who are doing part-time work here, who are not paying much attention to what is going on, and that starts at the top of the line. We have to take our responsibilities seriously.

I mentioned earlier that I give the Minister of Fisheries credit. I believe he is one minister who is working, and working overtime under very difficult circumstances, and I sometimes appreciate what he says about federal fisheries. I believe that that is an area that this Province has to have more control over. I agree with him, we have to control the development of the fishery in this Province and federal fisheries has far too much power, that is my personal view and I will say it. I have said it in other places and other contexts and I will say it here. We have to have more control within this Province of the development of our resources, and then, Sir, you can come and you can borrow whatever you want; I will vote for \$150 million, that is only peanuts. We are going to need to borrow billions of dollars to get on with this development. But the reason we are borrowing - I do not care if we slip from Aa to



DR. KITCHEN: Bb to Cc, we will borrow it if we can sell to the bond markets or anywhere else what it is we are doing and it will pay off at the end. If you have a good idea we can do it. And that is what is going to happen.

What we have done is abdicate. We have a government there sitting on its haunches waiting for the next election so that they can pass into oblivion. Boys, it is not too late yet, you know, You have two years to bring her back. Get at it! Do it right. Maybe the people will even vote for you if you do it right.

AN HON. MEMBER: I doubt it.

DR. KITCHEN: Do it right. I would vote for you if you do it right. If you will put together the proper corporation here we will all vote, because we are all one. This is one Province and we are all Newfoundlanders here and Labradorians, and we all want basically the same things. You bring in good legislation and we will back it up. You bring in good proposals for the development of Labrador, we will support you. You bring in good proposals for the disposal of the Come By Chance oil refinery and we will back that. But for gosh sakes, know what you are talking about when you come into the House of Assembly, at least know what the proposals are.

I wonder why you made that silly vote in Gander? Why did you not get rid of him when you had the chance, for gosh sakes? What a wonderful opportunity you had!

SOME HON. MEMBERS: Hear, hear!

AN HON. MEMBER: You know, they were eight Cabinet ministers who voted against him.

DR. KITCHEN: The question is, which ones of the eight? I look around me and I see all my good friends over here and I look at the member for St. John's North

DR. KITCHEN: (Mr. J. Carter) and I know  
he did not vote for the Premier, I feel sure that he  
did not.

MR. SIMMONS: Who is that? Who is that?

DR. KITCHEN: That is the member for  
St. John's North over there.

DR. KITCHEN: And I am sure that the member for Pleasantville (Mr. Dinn) , he could not vote for him. How could he after this Bill 59? Good Lord! I am sure the member for St. John's East (Mr. Marshall) could not vote for the Premier after the terrible things he has been saying.

AN HON. MEMBER: No way.

DR. KITCHEN: And similarly the member for Kilbride (Mr. Wells), the Minister of Fisheries, Harbour Grace - after the way he treated Harbour Grace, he could not vote. So what I am saying is - look, here is another one, here is another one, to the effect that he did not vote. And after the way they treated Labrador I am sure that the member for Naskaupi (Mr. Coudie) could not possibly have voted for the Premier. But the question is what happened? I have ten now and I can go on more. They say there were eight. I cannot understand it. What happened?

MR. SIMMONS: The count was rigged.

DR. KITCHEN: There had to be a rigged count. Nobody in their right mind would vote for this Premier when you had the chance to get rid of him. Any member on the other side would do a better job, any member. At least you would know what is going on in Come By Chance, would you not? Would you not know that? Would the member for Bay of Islands (Mr. Woodrow) know what is going on in Come By Chance? Of course he would know. He would make it his business to find out because he is a person who thinks of his constituents. And I know darn well he thinks of his constituents because his constituents told me so. He would do it because he has a feeling for this Province, we all have a feeling for this Province. But this particular Premier that we have, this government that we have, this Minister of Mines and Energy who proposes, "The hell with Labrador," he says, "Let us turn it over to a federal-provincial corporation and let them develop it. I am bored with this. Let me find oil and get my hands into the gushy stuff. That

SP. KITCHEN:

is all I am interested in."

But let me tell you that the big decisions on oil are not being properly made. It is one thing to have companies under some sort of control with development but the major point of the development of Labrador has got to be a port. Unless we have a year-round port there then no further development will occur of any great consequence. And already it is getting far too late for that because the oil decisions, the ports that serve the oil industry, are now being developed. and unless Goose Bay or some other port comes up then we may not. The future of oil is very great, apparently, in Labrador. Why does that have to go outside this Province? Why does it have to go South? Why does it have to go to Montreal? Why can we not develop our own industry here in this Province based on it? Some of the decisions that have already been taken are going to prevent the proper development of that industry. And that is what bothers me, the fact that the government is not on top of the situation. I would like to see the government on top of the situation and if that means that you have got to put in more industry, put in more Civil Servants, borrow more money then by all means do it. If your purpose is good we will support it. But if you have not got a clue as to what you are going to do, as in Come By Chance, as in the Linerboard mill, as in this corporation or whatever you call it, this committee called corporation, where you do not know what they are going to put on it, you do not know what powers they are going to distribute to it - trust you, trust you - then we cannot vote for the like of that. You do not deserve any money, you do not deserve any money. I think if it were all to be spent on the fisheries perhaps we could vote for that. Borrowing money to spend on the development of the fisheries makes sense but there is no fisheries development programme, not in this thing. What is it? Some minor amount. Fisheries - \$185 million net expenditure on fisheries. That is not what you want the money for. The biggest thing facing this Province right now is the tremendous unused human resources. In the district that I represent they do not want you fellows to borrow money, they want jobs.

DR. KITCHEN:

It is no good sending young men and women to jail. What you have to do is find work, provide work, and it is the job of this government with the immense resources of this Province to develop these resources and develop them properly so that there will be jobs for our young people, and jobs for our middle aged people and jobs for our old people. We have to get control. The basic weakness in this government, and possibly to some extent the one before but certainly of this government, is that there is no attempt to control what is going on in the Province



DR. KITCHEN: People in adjacent communities are treated differently in some rural areas. One is in and one is not in a certain programme. I have never heard tell of government like that; government by accident is really what it amounts to. The thing to do is to move over on the other side of the street if you want a RAP loan, move on the other side of the street or move from one community to the other. This is not government, this is accident - government by chance, government by lot or lottery, government by dice, government not by energy and creativity and a plan.

So, Mr. Chairman, what I am suggesting is that until this government comes up with a decent plan for the development of this Province, particularly of Labrador, then we cannot allow them to borrow any more money.

And I would plead with the Minister of Mines and Energy that he get off his high horse - he is not here - but get off his high horse and tell us what is going to be in that agreement that he is making with the Government of Canada. What powers is he planning to give to that corporation? - not after the fact, there is no point in telling us after the fact what he plans to do and ask for a full-fledged debate. Who wants the debate after the deed has been consummated? We want to discuss the thing before it is done so that the input on this side of the House, the other side of the House and the public generally can come into play, and then we will make up our minds what we want to do, not allow him and a few of his officials and perhaps a few of his buddies or whatever the case might be, whoever he happens to consult on this matter, decide the future of this Province. We have to be more careful than that.

DR. KITCHEN: It is like the Minister of Fisheries when he had his conference the other day. He sent an invitation, 'Come and listen to my speech but do not stay for the discussions.'

MR. SIMMONS: Or the dinner.

DR. KITCHEN: Oh, not even the dinner. Well, I would not mind that. I will find a sandwich somewhere.

MR. SIMMONS: (Inaudible) Minister of Tourism.

MR. FLIGHT: Was there a dinner?

MR. SIMMONS: For the Tories, yes.

DR. KITCHEN: I see. Well, what we really wanted was to participate in this.

MR. SIMMONS: I would have gone if I were allowed.

DR. KITCHEN: I wonder -

MR. SIMMONS: Excuse me.

DR. KITCHEN: Go ahead.

MR. SIMMONS: 'Alex', did they (inaudible) let 'Earl' in through the back?

MR. HICKMAN: They did not want 'Earl'.

DR. KITCHEN: The wrong 'Winsor', boy!

AN HON. MEMBER: (Inaudible) take it back.

MR. HICKMAN: 'Earl' refused to speak at Holiday Inns because it is a Crown corporation as a matter of principle. He is right wing, like myself. Come on over here 'Earl'. You are on the way anyway. 'Graham', 'Hazel' - 'Kitchen' is going with John Green but Green says he is too far to the left.

DR. KITCHEN: Mr. Chairman, what we have to do here, as I said, is to regain control of what is happening in this Province, and it has to be done soon, because it is getting later and later in



DR. KITCHEN:

the day as decision after decision is made it becomes too late. Every ton of ore that is sent into central Canada is a ton less for us to process. Every amount of electricity that is developed and committed to another country or to another part of this country means that there is less hydro electricity available for us. Every decision that is made affects the manoeuvrability of this Province in the years ahead. That is why we must have a plan. We must have a plan that will develop the north and that that plan has to be developed, argued about and discussed, laid on the table here so that we can all have our say on it and we will come up with a good plan. The general philosophy of the development of the north has been agreed on in this House of Assembly. It has been agreed on and it is a good general philosophy; we process our materials, you can borrow all the money you like for the processing of materials, for the development of the north along that plan. We are committed on this side of the House to that. The Liberal Party in Ottawa is committed to do that, you will have no problem with them. You are committed as well. But you cannot have a plan that has no roots in action and that is why when the minister proposes to set up a Crown corporation in flat contradiction to that plan, to turn over the planning and the development, possibly-I do not even know what he is even going to do, maybe the Crown corporation - we do not even know what powers are going to be assessed. There may be nothing to it at all. We will never know unless he tells us and he better tells us soon rather than after. What we have to do here -

MR. DOODY:

We will build boats, not burn them.

DR. KITCHEN:

Your boat will

be burnt in the next election, buddy. Mr. Chairman, what we have to do here is to get back to the development of this Province.

SOME HON. MEMBERS:

Oh, oh!

MR. CHAIRMAN:

Order, please! Order, please!

I think the hon. member is having difficulty. Hon. member.

DR. KITCHEN:

Now presumably, Mr. Chairman, the Minister of Industrial Relations may have his finger in this little pie too, whoever he might be, but it must be. How can we develop the north unless the Minister of Industrial Relations is in on it? The problem is of course is that the Minister of Industrial Relations does not know where the north is. He gets sick once he gets outside the overpass. This is the problem: how can you have Industrial Relations run by a person who does not know the Province?

MR. HICKMAN:

Are you talking about the man who built the plant at Burgeo?

DR. KITCHEN:

I am talking about -

MR. SIMMONS:

No, Don is in Ottawa.

DR. KITCHEN:

I am talking about the development of this Province and I know that members opposite do not mind about the development of this Province, they are not committed to the development of this Province, those scoffers and laughs on the other side like the Minister of Injustice and the Minister of - what is it? - Non-Finance who attempts to borrow \$150 million without knowing what he wants it for. He does not know what he wants the \$150 million for, he has no plan for the development of this Province, he just wants \$150 million because he has asked for it. Well, Sir, you are not going to get it, not as far as I am concerned you are not. You are not going to get one copper from me until you present a decent plan that I am involved in and can have my say on for the development of the northern part of this Province.

SOME HON. MEMBERS:

Hear, hear!

MR. CHAIRMAN:

Does the resolution carry?

Hon. member for Baie Verte - White Bay.

MR. T. RIDEOUT: Mr. Chairman, having listened yesterday to the Minister of Finance again, Grand Bank's answer to Richard Burton, it is kind of breathing a new breath of air into the Committee to hear the comments of the Leader of the Opposition this morning and my colleague for St. John's West (Dr. Kitchen). Certainly it was not the same old story that the Minister of Finance got on with yesterday when he said, "What do you think we want this \$150 million for? You think we want it for luxury?" Exact words he said, "Do you think we want for luxury?" Well, as of yet, Mr. Chairman, we do not know.

MR. HICKMAN: We do not?

MR. T. RIDEOUT: We do not know. The main watchdog that we have over the public spending of this Province has been scuttled by that side of the House. We have no way, Mr. Chairman, anymore, we have no way anymore of carefully

MR. RIDEOUT: and prudently watching over the spending of this Province. That point has been made time and time again because hon. gentlemen on the other side of the House have deliberately, blatantly, taken away the one vehicle that this House set up to look into and carefully watch over the spending practices of this government. And then the minister - we know we have to give the minister authority to borrow money, Mr. Chairman. We are not that naive. We are not that stunned. This Province cannot operate without borrowing. We know that. It is necessary for this Province to borrow to do the many things that the government have to do. But we had a vehicle, we had an opportunity to carefully watch over how that money was spent, up until a few months ago.

MR. NICKMAN: You had it all last year.

MR. RIDEOUT: That is not the important point, Mr. Chairman. The Minister of Finance is being just as facetious now as he was yesterday. That is not the important point. The important point is this, is that this government have deliberately scuttled the one vehicle that this Province had, the people's representatives in this Province had, for making sure that however much money this House authorized them to spend was spent wisely. We are not naive enough to say they cannot spend or that we cannot give them permission to borrow, not naive enough for that.

Mr. Chairman, we are looking at a borrowing bill of \$150 million. We are looking at the scuttling of a vehicle for making sure that that money is spent properly. And the minister wonders why we want to talk about this bill. This bill, Mr. Chairman, is important enough that every member ought to have his say on it.

Now, Mr. Chairman, the minister wants to rise the Committee so I will move that the Committee rise and do whatever it has to do.

On motion that the Committee rise, report progress and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. SPEAKER: The hon. Chairman of Committees.

MR. J. COLLINS: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report progress and ask leave to sit again.

On motion report received and adopted, Committee ordered to sit again on tomorrow.

MR. SPEAKER: The hon. House Leader.

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, Monday at 2:00 P.M.

On motion the House at its rising adjourn until tomorrow, Monday, November 20th., at 2:00 P.M.