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**VERBATIM REPORT**  
*(Hansard)*

*Speaker: Honourable Patrick McNicholas*

Wednesday

11 June 1986

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):  
Order, please!

Statements by Ministers

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

MR. RIDEOUT:  
Mr. Speaker, included in my department's estimates for the current fiscal year, were repairs to our marine haulout facility at Port Au Choix. This facility has been heavily damaged during recent years.

Public tenders were called recently for the fabrication of a new boat cradle, since the existing one was too extensively damaged to be economically repaired. The new cradle will be of heavier construction which will mean it will be better suited to handle the majority of boats in the area.

Mr. Speaker, I am pleased to announce today that the Department of Fisheries is now in the process of awarding this contract to Steelfab Limited of St. John's, the lowest of five bidders, at their tendered price of \$120,960.

In addition to the new cradle, Mr. Speaker, my department will be carrying out extensive repairs to the slipway portion of the haulout which will facilitate the use of the new cradle. Tenders for this second contract have already been called and will close on June 12. We anticipate that all repairs will be completed by early Fall, at a combined cost for the cradle and slipway of approximately \$200,000.

Mr. Speaker, the upgraded haulout at Port au Choix will be used to complement our marine service center at Port Saunders, until such time as that facility can be upgraded to accommodate all the longliners in the area.

MR. W. CARTER:  
Mr. Speaker.

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

MR. W. CARTER:  
Mr. Speaker, we on this side welcome the minister's announcement of the spending of this amount of money to upgrade facilities at Port au Choix. Of course it ties in very well with the \$7 million expenditure that took place in that area by the previous federal government for the construction of certain fishery-related buildings.

Mr. Speaker, this concept, which was started some years ago, I think is probably one of the great innovations in the fishery in this Province in a number of years, but unfortunately, in some cases the facilities are not capable now of handling the type vessels that are being used in the respective areas. For example, in the Twillingate area, in Durrell, we have a marine haulout but, again, unfortunately, the lift is not capable of handling the size vessels that are being used in that area. Consequently, a person now wishing to remove his boat from the water must take it to another part of the Province, and this situation, I am told, exists in a large number of such centers.

We, again, Mr. Speaker, welcome the announcement. It is a good programme and we are glad to see

that Port au Choix will benefit from it. Again, I would strongly suggest to the minister that serious thought be given to taking a hard look at the other centers, for example, Twillingate, and I think there is one in Wesleyville, one up in St. Joseph's, McCallum, Admiral's Beach. A lot these centers, as I said, are incapable of handling certainly a large number of the vessels that are fishing in the areas.

MR. SPEAKER (McNicholas):

At this stage I would like to welcome to the gallery Sean Power, Mayor of Buchans.

SOME HON. MEMBERS:

Hear, hear!

#### Oral Questions

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I wonder if the Government House Leader (Mr. Marshall) could indicate to us whether the Premier and/or the Minister of Public Works and Services (Mr. Young) is going to be back into this House during this week or early next week?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, as the hon. gentleman knows, I believe the hon. the Premier is gone to attend the Conference of the New England Governors and Eastern Canadian

Premiers and the Minister of Public Works and Services is in Ottawa for meetings with his federal counterpart, and to attend meetings of the Canadian Committee on Procurement Standards, and he is also attending the conference of the Purchase Management Association of Canada. So the hon. gentlemen will not be back this week.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, will -

MR. PEACH:

Say it out. Members of your caucus have left. Tell us about that. Tell us about that.

MR. SPEAKER:

Order, please!

MR. BARRY:

It must have been a different caucus from the one I was at.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

MR. BARRY:

Mr. Speaker, I can understand the hon. member for Carbonear (Mr. Peach) being upset because we went down to a new Board Room today and he could he could no longer eavesdrop through the wall.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

I understand his frustration.

MR. TULK:

He got his ears beat to pieces on the wall this morning.

MR. BARRY:

Mr. Speaker, I wonder if the minister would answer the full question. I asked would they be back this week or early next week, so that we can plan. This will help the Government House Leader in expediting the legislative programme, which I know he wants to see completed and we would like to see expedited, Mr. Speaker. There is legislation on the Order Paper -

SOME HON. MEMBERS:

Threats.

MR. BARRY:

No, it is not threats. It is just simply a matter of -

MR. J. CARTER:

Threats are unparliamentary, Mr. Speaker.

MR. SPEAKER:

Order, please!

MR. BARRY:

Mr. Speaker, there is enough legislation, there are enough bills on the Order Paper that unless the Government House Leader wants to cut and run and leave the Order Paper in tatters as they did the last session, we could continue this well into July, Mr. Speaker.

SOME HON. MEMBERS:

Good! Good!

MR. SPEAKER:

Order, please!

MR. BARRY:

Now will the minister indicate whether the Premier and the Minister of Public Works and

Services will be back early next week? In that case we can move on to other business. If they are not going to be back early next week, will the minister indicate whether he will obtain from the Department of Public Works and Services, and table in this House, the information we requested from the Premier?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, I am neither impressed nor shaking at the hon. gentleman's telling me that we may be here until July or we may be here until August. The longer this House sits the more ineffective the Opposition appears to the people of this Province, so this government looks forward to it.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

Under the leadership of the hon. member we will not even have to wage a campaign because he is waging it for us here in the House.

I told the hon. gentleman that the Minister of Public Works would be away this week, so presumably, if he is going to be away this week, he will be back here next week.

MR. TULK:

What?

MR. MARSHALL:

I told the hon. gentleman that the Premier is away for the balance of this week, so I would presume he will be back next week. Now if the hon. gentleman wants to ask any questions with respect to the matters that he brought up, try me.

SOME HON. MEMBERS:  
Hear, hear!

MR. BARRY:  
Mr. Speaker.

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

MR. BARRY:  
Mr. Speaker, we do not intend to unduly delay any legislation. We are somewhat amazed that the Premier has not taken the opportunity of speaking in the Atlantic Accord debate except for I think it was eight minutes in February and was so shamed, Mr. Speaker, by what has occurred since then -

MR. SPEAKER:  
Order, please!

MR. BARRY:  
- he would not even participate in the debate yesterday.

MR. SPEAKER:  
Order, please!

The hon. the Leader of the Opposition was beginning to make a speech.

MR. BARRY:  
Mr. Speaker, I would like to ask the minister to answer my previous question. Will he see that we are supplied with the information which we requested of the Premier and the Minister of Public Works before they left?

MR. SPEAKER:  
The hon. the President of Council.

MR. MARSHALL:  
Mr. Speaker, the hon. gentleman should know that the hon. the Premier demolished the hon. gentleman many times. He

demolished him in that eight minutes last February so he need not be in the House yesterday. As far as the Atlantic Accord is concerned, we are still scratching our heads when we saw the look on the hon. gentleman's face when he had to stand up and vote for it, after all he said with respect to the Atlantic Accord, and more importantly what he did against the vital interests of the people of the Province of Newfoundland. After all that he stood up and voted for it. The only thing that was wrong was he did not hang his head in shame yesterday, Mr. Speaker.

My understanding is that the hon. gentleman wants some recitation of facts. Now I can give the hon. gentleman a recitation of facts. If he wants to ask and pose questions I will respond. My understanding was that one of the questions was when were these temporary jobs filled for the first time. That was the question and the answer is the Spring of 1985.

SOME HON. MEMBERS:  
Oh, oh!

MR. MARSHALL:  
If the hon. gentlemen want the answers I will give the answers.

What happened then was there was a competition held, under Section 14 of the Public Service Commission Act, which closed on August 16, 1985. Now, as the hon gentlemen will know, Section 14 of the Act is a provision which allows the Public Service Commission to delegate to a committee in the department the right to select. That is what was done then, and the competition was held under that delegation and there were interviews held in early October

with respect to it. And, lo and behold, when the results of the interviews came in there were eight people recommended. Four of these who were recommended were not the people who had filled the positions before, who had already been working in them, so the hon. the Minister of Public Works and Services, being the faithful public servant that he is, being the best Public Works Minister in the history of this Province, scratched his head and said, how could this possibly come about?

SOME HON. MEMBERS:  
Shameful!

MR. MARSHALL:

It was not shameful. So what the hon. gentleman did when he saw that four people who already had the jobs were recommended to be replaced without any good and sufficient reason, the hon. Minister of Public Works on November 7, 1985, wrote to his deputy and he clearly said to his deputy that he was inclined, because there was going to be a disruption of jobs that people already held, and because it was inconsistent with the status quo at the time and people were going to be dislodged, he said, before they are dislodged they have to be dislodged with reason and I would not presume to dislodge them so what I think we should do, because we want this government to continue as clean as it has been all the time, is refer it to the independent Public Service Commission itself for assessment, and that is what happened. He also instructed, at that particular time, the two people on the board who had done the interviews because he is in charge of the department and was dissatisfied with the way in which they had conducted their duties,

displacing people who already had jobs without giving any good and sufficient reasons, that they should be reviewed as far as future interviews are concerned. In the meantime his instruction was it was to go to the Public Service Commission, and so it did.

Hon. gentlemen should copy this down now: November 20, 1985, the competition was cancelled. The matter has been referred to Public Service Commission -

MR. BARRY:  
November 28th?

MR. SPEAKER:  
Order, please!

MR. MARSHALL:  
No. November 20, 1985.

The matter was then referred to the Public Service Commission. It was instructed to be referred to the Public Service Commission by the minister, who gave instructions to his public servants, and it will be, in due course, very shortly, referred to the Public Service Commission.

SOME HON. MEMBERS:  
Ha, ha!

MR. BARRY:  
Mr. Speaker.

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

MR. BARRY:  
I would like to ask the President of the Council, whom I thank for supplying this information after much pressure, whether he thinks that November 20, 1985 to June 11, 1986 is a reasonable period to see action taken to refer this matter to the Public Service Commission?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, sometimes, admittedly, the wheels of government turn slowly. All I can say to the hon. gentleman is that the Minister of Public Works and Services, in a written memorandum to his deputy minister on November 7, 1985, issued the instructions and made the comments to which I referred, and that was then given to the public servants to carry out and refer. Now the wheels of government sometimes move slowly, admittedly, but the slowness of the moving of the wheels had no relationship directly or indirectly in any way to the good Minister of Public Works and Services, who, I repeat again, has been a faithful steward of the people of Newfoundland in seeing that we have the most honest and direct operation in the fields of contracts and hiring for which he is responsible in this Province.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I wonder if the minister would agree to table this memorandum of the minister, dated November 20, 1985? Would the minister table this memorandum and any other memoranda from the minister relating to this decision? Would he table the response of the deputy minister? Would the minister indicate whether any enquiries have been

carried out to determine whether of the four temporary employees some or all have been political supporters of the Minister of Public Works and Services?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, first of all, will I table the memorandum? Normally I would have no hesitation but I will take that under advisement. One of the reasons why I have some hesitation about tabling the memorandum is that in the course of the memorandum the minister mentioned the names of two public servants who conducted the interviews, whom the minister did not feel at that particular time were suitable to carry out those particular duties, and I do not necessarily want their names bandied about. So what I can tell the hon. gentleman, having almost approached the great and gigantic intelligence of the Leader of the Opposition, that I have half a photographic memory and since I cannot table my memory, I can just quote to the hon. gentleman what the memorandum says as I remember it.

He said, "I am concerned about the recommendations of the board in these selections of candidates for the MED Center and why none of the four were not recommended." These are the four that were already in the job. "I am inclined," he said, "to place it on hold and maybe go to the Public Service Commission to fill them," being the minister he is. "In the meantime, I would like to have Mr. Blank and Mr. Blank" - now I have already revealed they are from one half of the population; they are misters, they are not missuses,

they are two men - "removed from all interviewing boards in the future as I discussed with you previously." The reason why he did it was he did not feel comfortable with those recommendations because he did not think it was fair and he wanted it put to the Public Service Commission.

Now, as to the other part of his question, Mr. Speaker, I made enquiries on this. I do not believe that one single one of them resided in the district of the hon. gentleman. As a matter of fact, one of the people who was employed resides and works and lives in the blessed district of St. John's East. I can tell the hon. gentleman that neither the member for St. John's East (Mr. Marshall) nor the member for Harbour Grace had anything to do with the appointment because they came from St. John's East or Harbour Grace or what have you. All the Minister of Public Works was doing, as he has done assiduously with respect to the awarding of contracts - compare that to the record of the hon. gentlemen there opposite when their government was in corrupting the institutions of this Province - was adhering to his usual practice of maintaining honesty and integrity in the government, a mark that neither the hon. gentlemen nor some of our friends in a certain media are going to be able to take away from us.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, would the Government House Leader indicate whether it is now the policy of the Department of Public Works, and of the administration generally, to give preference to those temporary employees who have been working in a position, who have been hired without going through the Public Service Commission, and who have, on the minister's own admission, been hired regularly on the basis of political patronage? Is the minister saying that it is the policy of the administration in any subsequent hiring to give preference to those individuals because they have been doing the particular job, filling that position on a temporary basis?

MR. SPEAKER:

The hon. the President of Council.

MR. MARSHALL:

Mr. Speaker, how he tries to beat a dead horse. The policy of this government was, is and will remain, for the next thirty or forty years it is in office, to appoint people to positions in the Public Service on the basis of merit. It is on the basis of merit that this administration appoints people.

I do not know whether the hon. gentleman, but one of the members of the Opposition - I think the hon. jealous Tory would never make any concession of this nature - one of his bench mates I believe conceded the fact that the Public Service Commission operates and operates very effectively, very well, has delivered a public service that this Province can be proud of, where promotions and appointments are on the basis of merit. That is the basic criterion of this government in the appointment of anyone, either



for permanent or for temporary positions, and it will remain so.

MR. TULK:  
Mr. Speaker.

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

MR. TULK:  
Mr. Speaker, I have a question for the Government House Leader. He has just told us that the Minister of Public Works did issue a memorandum in which he asked that the two people, Mr. Blank and Mr. Blank, as the Government House Leader says, not be allowed to sit on any other selection board in the department. Now I want to refer the Government House Leader to a question that was put to the Minister of Public Works by the Leader of the Opposition, in which the minister was asked had he issued a memorandum regarding who should or should not sit on future selection boards - a direct question. The reply of the Minister of Public Works and Services was, "No, Mr. Speaker." How do you explain that contradiction?

MR. SPEAKER:  
The hon. the President of the Council.

MR. MARSHALL:  
Mr. Speaker, the question was obviously asked in context. Because this is the picture that the hon. gentlemen are trying to paint in this House, that the Minister of Public Works and Services sits on the public chest like a certain Liberal member said in Ferryland many years ago and he was always directing that certain people shall not-

SOME HON. MEMBERS:  
Answer the question.

MR. SPEAKER:  
Order, please!

MR. MARSHALL:  
- and he was determining who should sit on interview boards. The minister's answer was perfectly and completely correct, because he was asked the question in the context, does the minister do this? And the answer -

SOME HON. MEMBERS:  
Answer the question.

MR. MARSHALL:  
Wait now! I mean, the hon. gentlemen want to put imputations on the context of the way the minister has responded. The minister's answer was perfectly and absolutely consistent. This was one particular case where he was dissatisfied with the performance of two people who were executing a duty in the public service, and he said in the future they should be removed from interviewing because he did not think that they were capable. That is a far cry from the insinuation of the hon. gentleman that this is a practice of the Minister of Public Works and Services. I repeat once again: The Minister of Public Works and Services action taken in this matter was completely honourable and aboveboard because he wanted the independent Public Service Commission to be the arbiters of who got these jobs.

SOME HON. MEMBERS:  
Hear, hear!

MR. TULK:  
Mr. Speaker.

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

MR. TULK:

Mr. Speaker, I would refer the hon. gentleman again to page L2751 in Hansard -

MR. BARRY:

On June 5.

MR. TULK:

- of June 5. I would also tell the hon. gentleman that I asked the Minister of Public Works and Services the same question, the member for St. Barbe (Mr. Furey) asked him the same question, the Leader of the Opposition asked him twice, on two separate occasions, the same question.

MR. SPEAKER:

Order, please!

MR. BARRY:

Read the question there.

MR. TULK:

I would ask how he explains the contradiction, and this was the question put: 'Will the minister answer the question? Let us break it down. First of all, did the' - and this was the third time - 'minister issue a memorandum regarding who should or should not sit on future selection boards?' And the answer of the Minister of Public Works and Services was clearly, 'no'.

Now I would ask the Government House Leader to, first of all, table the memorandum.

MR. BARRY:

No, that is not allowed.

MR. TULK:

That is not allowed in this House. - and then ask the Minister of Public Works and Services for his resignation.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

A sad day it would be in this Province if the Minister of Public Works and Services in this government resigned. The Minister of Public Works and Services in this government, as I say, has given admirable service, has been the protector of The Public Service Commission Act, and if the hon. gentleman wants to take things, as they like to, out of context, if he examines the whole line of questioning during that Question Period, the hon. gentleman will see quite clearly that the nature and import of that question was put to the hon. gentleman on the basis of, does he as a normal course interfere with selection boards and remove people from selection boards in the public service?

In this particular case, he was exercising a duty that was perfectly reasonable and responsible for him to do, and he was executing his duties properly.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Fogo.

MR. TULK:

Let me again ask the Government House Leader will he do the honourable thing that has to be done? In view of the fact that the Minister of Public Works and Services on at least three, really four occasions in this House denied that he has said the things that he had said in this memo,

namely, that those two people were not to sit on any future selection boards - and the Government House Leader knows full well what it means when you say no in answer to a question that requires yes, the Government House Leader knows what that is, that it is a word that you are not really allowed to use in this House as a parliamentarian. He knows that it is against anything that a minister should do in this House, and he knows full well that ministers have been required to resign for less - so let me ask him again will he now do the honourable thing and advise the Premier, even though he is away - Mr. Mulroney, I think called for a resignation when he was in Asia - contact the Premier down in the New England States, or wherever he is, and ask him to ask the Minister of Public Works and Services for his resignation so that the public morality of politics in this Province can be upheld? Is he just going to sit there?

SOME HON. MEMBERS:  
Hear, hear!

MR. SPEAKER:  
The hon. the President of the Council.

MR. MARSHALL:  
Listen who, Mr. Speaker, has the gall and who is bare-faced enough to talk about public morality in politics in this Province. It would make you laugh if you did not get sick first when you heard it.

Now, the fact of the matter is if anyone examines the Question Period in the House on the whole basis of what the hon. the Minister of Public Works and Services said, what I have given

today is entirely and completely consistent with the hon. gentleman's answers. The way in which the hon. gentlemen were trying to pose questions of the Minister of Public Works and Services and attack this whole issue was to attempt to try to show in this House that the Minister of Public Works and Services was continually interfering in interview boards which the hon. gentleman was not doing, he never did and the action which he took was that he was dissatisfied in the way in which the interview board had conducted its interview and wanted it referred to the Public Service Commission. I ask you, what more reasonable action could the hon. gentleman have taken?

MR. FENWICK:  
Mr. Speaker.

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

MR. FENWICK:  
My question, Mr. Speaker, is to whomever will answer it, and I am not sure who will. I want an answer on the salary, indemnities and expense allowances for members of this House. I am not sure which of the ministers of the Crown is willing to answer for that.

MR. BAIRD:  
We are all responsible.

MR. PEACH:  
Mr. Speaker, boy.

MR. FENWICK:  
Well, somebody must be responsible for the amount of money going out here, so I will ask the question of the House Leader. Back at the end of December an Order-in-Council was passed ruling

on the report of the Select Committee on Accommodations and Benefits. Virtually everything in that committee report was rejected.

MR. SPEAKER:  
Order, please!

Would the hon. member please pose his question?

MR. FENWICK:  
My question is this. Since the Order-in-Council passed in December called for an increase for members of this House on expenses and on salaries that corresponds with increases given the General Service on April 1, can the Government House Leader explain to me why a 6 per cent increase is being put through for the members of the House on both expenses and salary, and perhaps for Cabinet ministers as well for all I know, without the authorization of an Order-in-Council?

MR. SPEAKER:  
The hon. the Government House Leader.

MR. MARSHALL:  
Mr. Speaker, I will have to take notice of that question. I am really not aware of the fact that any such increase has been approved, so before I could respond I will have to take notice of the hon. gentleman's question.

MR. FENWICK:  
A supplementary, Mr. Speaker.

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

MR. FENWICK:  
That raises a problem.

SOME HON. MEMBERS:

Did you get yours?

MR. SPEAKER:  
Order, please!

MR. MARSHALL:  
I was wondering if the hon. member might restate his question. The Minister of Finance (Dr. Collins) might be more familiar with that.

MR. FENWICK:  
Well, can I just assume that the Minister of Finance heard the question or do you want it repeated?

DR. COLLINS:  
Could you repeat it?

MR. FENWICK:  
The question is this. I have been informed that there will be a 6 per cent increase on basic indemnity for the members, on the expense allowance and, for all I know, on Cabinet ministers' salaries as well. I would like to know if the Minister of Finance has passed a separate Order-in-Council or are we still working on the previous Order-in-Council that said that the increase would correspond to the increase given the General Service on April 1, 1986?

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

DR. COLLINS:  
I am not aware that I pass Orders-in-Council, Mr. Speaker. I think Cabinet passes Orders-in-Council. I usually follow Orders In Council but to my knowledge Cabinet did not pass another Order-in-Council on that matter, nor can I see any need why it should want to pass another Order-in-council.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Menihek.

MR. FENWICK:

The question then is are the members of this House getting a 6 per cent increase upon the adjournment of this particular period of the House? Are we getting a 6 per cent increase, are our expenses being increased by 6 per cent and are the Cabinet ministers \$30,000 indemnities also being increased by 6 per cent?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, in regard to the sessional indemnity, the Department of Finance follows an instruction that it received from time to time from the Speaker's office, the Speaker being the Chairman of the Internal Economy Commission. As far as I recall, The House of Assembly Act empowers the Internal Economy Commission to set from time to time sessional indemnity.

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

Thank you, Mr. Speaker. I had questions to ask of some other ministers, but since what has happened here in the House this afternoon has greatly shocked me, the way in which the President of the Council answered questions, I want to direct my question to the President of the Council, Mr. Speaker.

The Premier on public television on Thursday night last said that regardless of what Mr. Young has said with respect to government's hiring practices, the government's official policy is to hire on the basis of merit, competence, experience and so on. I would like to ask the President of the Council will he not admit that in tradition and in the practice of British parliamentary democracy, neither a Cabinet minister nor the Premier can publicly pursue policies which are diametrically opposed? Does the minister and the government not subscribe to the principle of Cabinet solidarity and collective Cabinet responsibility?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, my response to that is that it is quite clear that this government has always abided by the principle of appointing on the basis of merit. Indeed, the actions taken by the Minister of Public Works, which the hon. gentlemen are trying to make such a great issue of, reflect exactly that. I repeat once again, he himself did not interfere in any way in the appointments. He did not interfere in the selection. He did not wish to substitute his own judgement, Mr. Speaker, so what he did was he wanted to put it over to the independent Public Service Commission because he was afraid that the results of that interview would have detracted from the basic policy of this government and he wished to assure, through the Public Service Commission, that it was on the basis of merit.

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Port de Grave.

MR. EFFORD:

Would the minister not admit that in this particular case we have a serious conflict between the Premier, the Minister of Public Works and, indeed, the minister himself in the statements he has made, and the statements that the Minister of Public Works himself made on public television? I would like to ask the minister this: How are the people of this Province to know with any degree of trust and confidence which is the correct and practiced policy of the government?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, there is no inconsistency between the Minister of Public Works and the Premier, and the policy of this government is perfectly clear. Now you can get inconsistency any time you wish to if you want to pick things out of context, which is really what happened in that particular interview itself. And if anyone knows the Minister of Public Works in this Province, and his dedication to the job, and his determination to protect the integrity of this government and the Public Service Commission, they would know that and they would know that full well.

I mean, you can pick things out of context either in interviews, in the public media, or you can pick things out of context in Hansard. If you read on the Hansard that was quoted today, you will see the hon. gentleman answered, "Yes" and "No", and all the rest of it, but

if you read the whole thing in its total context I challenge any reasonable fair-minded person to come up with the interpretation the hon. gentleman came up with.

MR. SPEAKER:

Order, please!

The time for Oral Questions has elapsed.

We started Oral Questions at 3:07 and actually, we have gone over the half-hour.

MR. BARRY:

Mr. Speaker, on a point of privilege.

MR. SPEAKER:

On a matter of privilege, the hon. the Leader of the Opposition.

Mr. Speaker, we have had various forms of parliamentary process in this Province. I think everybody here in this House of Assembly has believed in a Question Period in this House as being important. I think not just here, but in other parts of Canada and, I suppose, in every part of the British parliamentary system, if we only look at where the media focus and where the general public show their interest, Mr. Speaker, it is Question Period. And it is a matter of privilege, Mr. Speaker, not just because members on this side are upset if the truth is not stated by a minister, it is because it goes to the integrity of the legislative process. It goes to the integrity of the parliamentary process if ministers of the Crown do not answer truthfully when they are asked questions by the Opposition.

AN HON. MEMBER:

It is nobody's business.

MR. BARRY:

Well, you see, that is very interesting. Now, because members of the press have gone out of the legislature, members opposite assume that there is nobody listening.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. BARRY:

Mr. Speaker, if the Government House Leader (Mr. Marshall) today accepts that it is proper for a minister of the Crown to stand in this House in response to questions, not just one question, four different questions by four different members, if the minister acknowledges or accepts that it is proper for the Minister of Public Works to answer these untruthfully, then, Mr. Speaker, the whole system breaks down, because what is the point of Question Period? If ministers can get up and answer whatever they want, even though it bears no relationship to the truth, what is the point of asking questions? And, Mr. Speaker, how can the Opposition hold ministers of the Crown accountable if ministers of the Crown are not expected to give the truth to this House?

Now, time after time in this House and in other Parliaments, we have seen ministers resign for this very thing, whether it be Mr. Profumo in Great Britain, that Your Honour has had the opportunity to refer to, which was a completely different type of case, Mr. Speaker, but the principle upon which that gentleman resigned was because he had lied to the British House of Commons.

Mr. Speaker, in our own House we have members with honour and members who are back in this House after having done the honourable thing, resigned their position as minister because they did not answer a question truthfully. Even though they subsequently gave the truth to the House, Mr. Speaker, in order to protect the integrity of the system and the integrity of the process, they resigned and they have subsequently been invited back into Cabinet.

MR. J. CARTER:

That is a speech.

MR. BARRY:

Yes, and it is a very serious matter and a point of privilege that the member for St. John's North knows is important.

MR. J. CARTER:

Do not be so foolish.

MR. SPEAKER:

Order, please!

MR. BARRY:

Because what we are involved in here, Mr. Speaker, is not just the issue of patronage in appointments. That was how the issue started, but it has moved on from there to the question of whether ministers of the Crown should give a truthful answer when they are questioned in this House.

Now, Mr. Speaker, the Minister of Public Works and Services has not given a truthful answer. And there is no ambiguity about the question. I broke the question down because the minister was hedging and stonewalling and playing games and saying yes and no. I said, 'Will the minister answer the question?' Let us break it down. First of all, did

the minister issue a memorandum regarding who should or should not sit on future selection boards? Now, I would submit to Your Honour that what the Government House Leader has done today, what he has stated, even though he will not table that memorandum - we will deal with that subsequently, because that is a very surprising approach for the minister to take - and we would accept his deletion, Mr. Speaker, of the names of the public employees - blank those out - we do not want to know the names of the members who the minister referred to, but we would ask that the minister reconsider and table that memorandum with those names blanked out.

Let us get back to the question just briefly before I close. I asked, 'Did the minister issue a memorandum regarding who should or who should not sit on future selection boards'. The minister today - and again I thank him for finally giving the information - has confirmed that the minister did issue a memorandum regarding who should or should not sit on future selection boards. The Minister of Public Works, this is his answer, and it was not hedging, it was not in context with something else, he said, 'No, Mr. Speaker,' and he sat down.

AN HON. MEMBER:  
That is not correct.

MR. TULK:  
It is correct. Read Hansard. It is exactly what he said.

MR. SPEAKER:  
Order, please!

MR. BARRY:  
Now, Mr. Speaker, I have copied that page for the press and I will

be happy to copy this page for other members of the House. Members do not have to stick to that page, they can go on and they can look at the three other occasions where the member for Fogo (Mr. Tulk), the member for St. Barbe (Mr. Furey), asked the same question. The minister, if he had made a mistake the first time, was given time to reconsider it. He said, 'No, Mr. Speaker.' 'No, Mr. Speaker.' 'No, Mr. Speaker.' Deliberately, with malice aforethought, Mr. Speaker, he did not give a truthful answer to a question put by the Opposition on a matter of public importance and I submit to Your Honour that it is a matter that goes to the privileges of every member of this House. The whole process becomes a farce if Ministers of the Crown are not to be held accountable, if Ministers of the Crown are allowed to say otherwise than the truth in response to questions.

SOME HON. MEMBERS:  
Hear, hear!

MR. MARSHALL:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the President of the Council.

MR. MARSHALL:  
The Leader of the Opposition (Mr. Barry) has been grossly out of order in this House himself in raising that point of privilege, imputing that the Minister of Public Works and Services did not tell the truth, but I will let that go for the moment. It is equally, Mr. Speaker, a breach of privilege for somebody to get up and distort the proceedings of the House. Now, I do not say that the hon. gentleman deliberately does



it, because the hon. gentleman cannot, in effect, help himself. He sees things as he interprets them, as we all do, but more times than not with the hon. gentleman they are not in accordance with the general interpretation of most people. He sits in a group, whether it is an Assembly or a Cabinet, or whatever, and it is his way or no way. That is the way the hon. gentleman has operated. Now, if the hon. gentleman also, if he wants to quote, does not quote in context. There is a question here in this very proceeding and when the Minister of Public Works and Services was asked that question he used the words, 'yes and no'. You have to take the whole tenor of the Question Period, not one specific, particular question, and you have to judge it within the entire context.

In the final analysis, Mr. Speaker, the Minister of Public Works and Services, who has discharged his duties admirably in this particular case, as in others, was taking steps to see that the policy and the procedure used was the one which follows the policies of this government and the determination of this government, that appointments be on the basis of merit and that be the prime criterion, no matter what one takes out of context.

MR. TULK:

Mr. Speaker, to that point of privilege.

MR. SPEAKER:

To that point of privilege, the hon. the member for Fogo.

MR. TULK:

Mr. Speaker, if the hon. gentleman who is supposed to be the author of all public morality in this

Province did not go through this whole case in his own mind, let me take him through it again.

We will contend that there is a breach of privilege here because the Minister of Public Works has impeded every member of the Opposition, in particular, from doing their job. There is a difference in being given false information on one occasion and having somebody come back and say, 'Well, I was off on that one occasion.' But, as the Leader of the Opposition has said, this happened on four separate occasions that day. As a matter of fact, Your Honour ruled, I believe it was on that day, that we were asking the same question over and over. It has been pointed out now why we asked that question over and over, because we knew we were getting information that was untrue.

First of all, I can read from Hansard, page L2747, where I asked the Minister of Public Works and Services two separate questions, and I will just read the second one for Your Honour: "Would he confirm for this House whether or not it is correct that he was in such a rage that the four people had not been employed permanently, had not been selected by the Selection Committee, that he circulated a memo saying that those two public employees were never again to sit on a public Selection Committee?" The Speaker recognizes the Minister of Public Works and, of course, the Minister of Public Works says specifically, 'No, Mr. Speaker.' Let me go to the member for St. Barbe: "Will the Minister of Public Works and Services confirm that he was in such a rage after receiving these recommendations concerning the Kelligrews Marine Centre, which

did not include his four temporary appointments for those permanent jobs, that he issued a memorandum barring two of his departmental civil servants from ever sitting on a Public Service Selection Committee again? Was there a memo circulated from the minister respecting this matter?" The Minister of Public Works and Services stands up and he says, "I have already answered that question, Mr. Speaker." In other words, no again.

The Leader of the Opposition, page L2750, the same day, June 5, "Would the minister confirm whether he issued a memorandum, following receipt of the recommendations of this Selection Board, to the effect that the representatives of his department who had sat on the board should never again be allowed to sit on a Selection Board?"

The hon. the Minister of Public Works, "Yes and no, Mr. Speaker."

Then it goes on, the Leader of the Opposition again, who breaks down the question for the Minister of Public Works because he was stonewalling: "Will the minister answer the question? Let us break it down" - this is the member for Mount Scio - first of all, did the minister issue a memorandum regarding who should or should not sit on future Selection Boards?"

Now, Mr. Speaker, this is the fourth time the minister has been asked the question. And what was his answer? Unequivocally, Mr. Speaker, the answer that came from the Minister of Public Works was, no.

The President of the Council, the Government House Leader, got up in this House today and he has said

that that was not the truth. He admitted that by saying that there was a memo circulated and that the Minister of Public Works did say that those two public servants were never to sit on a Public Selection Board again. He did say that.

Now, Mr. Speaker, you cannot have it both ways. You cannot stand in this House one day and say 'no' on four separate occasions and then allow somebody else to walk into the House on another day and say yes, this happened. One statement, Mr. Speaker, has to be untrue. And I would submit to Your Honour, with all due respect to the Chair and to the Minister of Public Works and Services, that the statement given by the Minister of Public Works and Services was untrue. Those four separate answers were untrue. I am not allowed to say what I regard it as, Mr. Speaker, and I do not intend to.

If the Government House Leader refuses to do what is the honourable thing to do, advise the Premier to ask the Minister of Public Works and Services for his resignation, then Your Honour has to take this matter into his own hands. Because if this is allowed to continue, I can stand up tomorrow and ask the Minister of Fisheries (Mr. Rideout) a question, I can ask the Minister of Health (Dr. Twomey) a question, I can ask the Minister of Forest Resources and Lands (Mr. Simms) a question, and so on down the line, and the answers they come back with each time I ask a question can be untrue. Now, how am I to function as a member of this House if that kind of thing is allowed to continue?

MR. BARRY:

Is that democracy?

MR. TULK:

So I would submit to Your Honour that it is as clear as can be that the Minister of Public Works and Services has misused his office as a minister of the Crown and that he should be asked to do the honourable thing? Failing that, I would ask Your Honour to deal with him?

MR. J. CARTER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. John's North.

MR. J. CARTER:

I do think that some general remarks here would help to clarify this situation. The Minister of Public Works and Services (Mr. Young) is a very conscientious person, who would not willingly see government funds wasted or useless people hired. You know, the analogy I would use is you would not hire a firebug to work in a fireworks factory. The Liberals, generally in this Province, pillaged and practically destroyed the government for twenty-three years and, I must say, if I were Minister of Public Works and Services, I would be very, very careful and I would screen applicants for a job very carefully if they were known active Liberals looking for a job. Now, the minister would not go as far as myself, I must say. If the members opposite think the minister is being a little overcautious in his screening of applicants, I can assure them that I would be much blunter about it and I would not knowingly hire active, hot-to-trot Liberals. I just would not do it. Because the record of the first twenty-three

years of Confederation speaks for itself.

Now, I think the minister has been extremely sensible and sensitive to the feelings of all political parties, far more sensitive than I would have been and, I would suggest, far more sensitive than members opposite would be, because when the government was in the possession, God help us, of members opposite, or of their predecessors, there was no way that a person could get a job working for the government or working for a firm that had contracts with the government unless they were an active, participating, contributing Liberal. That is a fact. That is an absolute fact. The record speaks for itself.

So, Mr. Speaker, I think it is the height or the depth, or both, of hypocrisy for members opposite to even comment, I think it is the height of hypocrisy for any member to even comment upon anything resembling the comments of the Minister of Public Works and Services. I think, in fact, that it is unfortunate that there is not a system of promotions in this House. I think the Minister of Public Works and Services should be promoted, not demoted.

MR. BARRY:

Mr. Speaker, could you ask the member to withdraw the word 'hypocrisy'.

MR. SPEAKER:

Maybe the hon. member would like to rephrase that.

MR. J. CARTER:

Mr. Speaker, if I say it is the height of hypocrisy to say such and such a thing, I do not think that this is the use of that word

in an unparliamentary manner. Obviously I am in your hands, but this was the sense in which I used it. In other words, to say something or other is the height or depth of hypocrisy I do not think is using the word 'hypocrisy' in an unparliamentary fashion, and, unless Your Honour directs me to do otherwise, I will let it stand.

MR. SPEAKER (McNicholas):

To that point of privilege, I am going to take that under advisement. I will just study what the hon. the Leader of the Opposition (Mr. Barry), the hon. the member for Fogo (Mr. Tulk), and the two hon. gentlemen to my left said and I will rule tomorrow or the next day if there is a prima facie case. I will also take the opportunity of studying what the hon. member for St. John's North (Mr. J. Carter) said and I will deal with that, if necessary.

MR. BARRY:

On another matter of privilege, Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Maybe the Government House Leader did this inadvertently but he gave the impression, Mr. Speaker, that delegation to the Minister of Public Works and Services took place under the Newfoundland Public Service Commission Act. I refer the minister to Section 14 of that Act which says: "Subject to the regulations the Commission may, in writing, and subject to such regulations" - maybe there are regulations that have been done but we have not seen them - "delegate to a chief executive

officer the authority to exercise any of the powers of the Commission." Now, the chief executive officer means, Section 2, 'deputy minister.' It does not mean the Minister of Public Works and Services.

MR. DINN:

That is right.

MR. TULK:

That is right? Thanks!

MR. BARRY:

That is right! So what was the Minister of Public Works and Services doing giving orders as to who should be hired and who should not be?

MR. FUREY:

So haul your foot out of your mouth, 'Dinn'.

SOME HON. MEMBERS:

Hear, hear!

MR. DINN:

There is nothing wrong with that. That answered your question. You are totally wrong.

MR. TULK:

Prove it.

MR. BARRY:

No. If the minister is prepared to indicate that that was an inadvertent misleading of the House, is the minister prepared to set up a public enquiry to determine why it was that the Minister of Public Works and Services, in breach of this statute, in breach of the Newfoundland Public Service Commission Act took over this function from the Deputy Minister of the Department?

MR. SPEAKER:

The hon. the President of the

Council.

MR. MARSHALL:

Mr. Speaker, he used to be, when he was over on this side, called the school boy debater. He gets tied up in all of these technicalities and thinks he has made a great find which is going to shake the government. In the first place, Mr. Speaker, I am not sure, I will check Hansard, whether I said the minister or whether I said the department.

DR. COLLINS:

The department, you said.

MR. MARSHALL:

In any event, in case the hon. gentleman does not understand it, the deputy minister is the deputy minister, and 'deputy' means underneath the minister himself. A department of government is not conducted by just a deputy minister, but under the aegis of a minister himself. The hon. gentleman wants to make mountains out of mole hills. What he cannot get over, Mr. Speaker, is the unassailable fact that the Minister of Public Works and Services acted properly in this case and referred it to the Public Service Commission because he was concerned it be determined on the basis of merit. I told the hon. gentleman that on November 20 the Deputy Minister cancelled the competition. It was the Deputy Minister who cancelled the competition. What else can you expect but inconsistency from a man who talked the way he did about the Atlantic Accord and then yesterday got up and voted for it?

MR. BARRY:

To that matter of privilege, Mr. Speaker. That is not adequate, Mr. Speaker. That is not an adequate explanation.

MR. DINN:

Too aboveboard for you, is it?

MR. BARRY:

Well, let us see what is aboveboard now. Section 14, sub-section 1, says: "Recommendations for appointments to and promotions within the Public Service shall be based on merit principles and made by the Commission." Then sub-section 2 says, "The Commission may delegate to the Deputy Minister", and it is done very deliberately to the Deputy Minister so that there will be no political patronage by the politician, the minister of the department. When the Minister of Public Works and Services takes it upon himself to tell the Deputy Minister, 'I do not like the four people you recommend to be hired', he is in breach of this section of the Public Service Commission Act.

MR. DINN:

Come off it, boy. Come off it!

MR. SPEAKER:

Order, please!

MR. BARRY:

Mr. Speaker, apart from the fact that it has not yet been sent back to anybody, the minister had no business, there was no authority because the statutory authority, a statute passed by this Legislature gave the authority to the Public Service Commission and then to the Deputy Minister, not to the minister.

MR. DINN:

Do it your way, like in Marystown.

MR. SPEAKER:

Order, please!

MR. BARRY:

I kept a few mines open, unlike the minister. I kept a few mines

open in this province.

MR. DINN:

What did you visit the (inaudible).

MR. BARRY:

Mr. Speaker, Clause 2 of the Tory Procurement Policy, which presumably the minister is now elaborating at his conference, presumably now says that a minister of the Crown can overrule the deputy minister. That is what the Government House Leader is now saying, can overrule the chief executive officer, the deputy minister, who has been given the statutory authority by legislation. Would the minister care to explain that?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, we enjoy it, we can go on all afternoon, if Your Honour wants to suspend the business of the House and extend Question Period. Now, I tell the hon. gentleman, he does not need to quote me the Public Service Commission Act. That particular act was drafted by me personally. If memory serves me correct, Mr. Speaker, as the hon. the Premier has indicated, when the hon. gentleman was over here he was not too fussy about the compliance with that particular act. He certainly was not as fussy as the Minister of Public Works is with respect to that act.

The fact of the matter is, he can quote all the laws he wants to. The chief executive office is there, and he is defined in there as the deputy minister. But it is also a fact that the deputy minister is under the minister himself, and it is also a fact, as

I indicated, Mr. Speaker, that it was the deputy minister, on November 20, who clearly cancelled the competition. So there you go. That is the situation. The hon. purile Leader, why does he not get down to substance and start debating the issues instead of making the public fool of himself that he continues to do. Make no wonder we want the House to remain open all Summer.

MR. SPEAKER (McNicholas):

To that point of privilege, I will be quite happy to look into that. My impression now is that it is not in my jurisdiction at all, that this is a matter of interpreting an act. But I will certainly look into it when I am looking at the others, and rule on it tomorrow or the next day.

MR. BARRY:

Another point of privilege, Mr. Speaker.

MR. J. CARTER:

Mr. Speaker, this is absurd!

MR. SPEAKER:

A point of privilege, the hon. the Leader of the Opposition.

MR. BARRY:

I realize it may be becoming a little tedious for members opposite to listen to the fact that the Public Service Commission Act, as drafted by the Government House Leader (Mr. Marshall), is now being put into tatters by the Government House Leader's interpretation of that act, but I refer the Speaker to page 2747 of Hansard, the right hand column, of June 5, 1986, Mr. Speaker, where the member for St. Barbe (Mr. Furey) asked the following question. "Did the minister cancel, nullify or in any way interfere with the recommendations

of the Public Service Commission for four jobs at the Kelligrews Marine Center? Did the minister interfere in any way whatsoever?"

Now, under the act, when this decision is made by the chief executive officer on the recommendations of his selection board, is that not the decision of the Public Service Commission and is the minister not interfering in that decision? And is that not, in fact, what he did? Do you know what the minister's answer was?

MR. MATTHEWS:

You cannot even read now.

MR. BARRY:

Is the minister interested in the answer? The Minister of Public Works, a very lengthy ambiguous answer which there was a great risk of taking out of context, "No, Mr. Speaker."

MR. TULK:

That is not right. He did not, did he?

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, I am interested in everything the hon. gentleman says. Just as his world revolves around everything he says, my world revolves around everything he says and everybody's world revolves around everything the Leader of the Opposition says.

Look, let us make it understood what we are doing now. We are not in privilege or points of order or anything like that, we are continuing Question Period. What

in fact the actions of the Minister of Public Works constituted was to perfect the rights of the Public Service Commission. He wanted to be sure that the people who were employed were people who were selected by the independent Public Service Commission so that there would be no doubt whatsoever that the appointment was on the basis of merit. He had an unsettled feeling, Mr. Speaker, as sometimes you get, that the recommendations were not entirely on the basis of merit. And I may, Mr. Speaker, although it is not relevant, indicate, and maybe this is why the hon. gentleman is getting het up under the collar, that I do not know whether one of them recommended was a constituent of Mount Scio or not. It may or may not have been, but the fact of the matter is, that had nothing to do with it. It may have something to do with the hon. gentleman's attack, but nothing to do with the minister's actions. What the minister was doing was preserving the integrity of the act, the policy of this government to have appointment on the basis of merit. That is precisely what he was doing. Instead of criticizing the minister, the hon. gentleman should be up on his feet praising the minister for his very competent and honest stewardship of his portfolio.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

To that point of privilege, the hon. the member for Fogo.

MR. TULK:

Mr. Speaker, I know that the hon. gentleman is interested in the media, he is afraid the truth will get out to the public. This

afternoon, the first point of privilege raised was raised on the basis that the Minister of Public Works (Mr. Young) -

MR. SPEAKER:

Order, please!

The hon. member is speaking to this one now.

MR. TULK:

I am referring to the third one, as well.

MR. MARSHALL:

The hon. leader is going down for more books. He is going to consult Rex, to get Rex to interpret the Statute for him.

MR. TULK:

When the hon. gentleman is finished, I will continue.

MR. SPEAKER:

Order, please!

MR. MARSHALL:

He and Rex want to be Premier.

MR. SPEAKER:

Order, please!

MR. TULK:

Mr. Speaker, this afternoon, referring to the first point of privilege, it was pointed out that the Minister of Public Works had given information to this House which was untrue and which opposed and impeded members from doing their duty. Now, Mr. Speaker, here is another example of where the Minister of Public Works and Services - on this particular point of privilege - has again given untrue information and, I would submit to Your Honour, has impeded the progress of members of this House. He was asked the question, 'Did the minister cancel, nullify or in any way

interfere with the recommendations of the Public Service Commission for four jobs at the Kelligrews Marine Service Center?' His answer was, 'No.'

MR. SPEAKER:

Order, please! Order, please!

The hon. member is not giving me any new information. I have heard that.

MR. TULK:

I want to say to Your Honour that in view of what has just been read from the Public Service Commission Act by the Leader of the Opposition, it is obvious that not only has he contradicted that act but, in this particular case, by replying, 'No', to that question, he has again, by giving untrue information to this House, impeded and stopped members from being able to do their jobs. As a result of that, I would say to the President of the Council (Mr. Marshall) that that it is one thing to write the Public Service Commission Act, which he is so proud of, but it is another thing to implement it. And I would also say to the hon. gentleman right now, I presume he is one of the Premier's chief advisors, to ask that hon. gentleman to preserve the Public Service Commission Act, of which he is so proud, by asking the Minister of Public Works and Services to do the hon. thing, as was asked before, at one particular point, when a member gave untrue information to this House, and submit his resignation.

MR. MARSHALL:

Mr. Speaker, I have to respond just quickly to that.

MR. SPEAKER:

The hon. the President of the Council.



MR. MARSHALL:

In the same way, Mr. Speaker, all the points of order are matters of interpretation, differences of opinion as to the importance -

MR. TULK:

No, Sir.

MR. MARSHALL:

Yes. The hon. gentlemen over there are so childish, they almost look at Your Honour as being the teacher and putting up their hands they say, Mr. Speaker, 'Mr. Young' lied to the House. He did not tell the truth in the House.' No wonder the hon. gentlemen, Mr. Speaker, are looked upon as being consummately ineffective in this House as an Opposition. Why do you not deal with the issues that are at hand?

Mr. Speaker, I repeat again, his leader wants to be Premier, Rex wants to be Premier and he wants to be Premier, and that is what it is all about. Mr. Speaker, that is what it is all about. I repeat once again for the House that we are very proud, in this case, of the actions taken by the Minister of Public Works and Services because each and every act of the Minister of Public Works and Services is indicative of the fact that he wanted to preserve that priceless Public Service Commission Act which provides for the impartial appointment and promotion of public servants in this Province. All of the actions that the Minister of Public Works and Services took were purely and simply for this purpose, and he acted completely and absolutely properly.

MR. SPEAKER:

To that point of privilege, I will look into that matter and rule with the other ones in the next

day or two.

Today is Private Members' Day and the motion is in the name of the hon. the member for Windsor - Buchans.

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

Thank you, Mr. Speaker.

Mr. Speaker, this resolution was tabled in the first place, and it will become obvious why a resolution such as this is needed and needs to be debated and needs to be considered. Every other Province in Canada, including the federal government, has an Auditor General's Act, has an act of the Legislature that sets out the terms and conditions under which the Auditor General operates. We are the only province in Canada, Mr. Speaker, who do not have, and one has to ask why. This is the only province that treats its Auditor General as a department of government. The only legislation existing in Newfoundland, under which the Auditor General can operate, is the Financial Administration Act. Well, every other department of government in Newfoundland operates under the Financial Administration Act and, because they operate under the Financial Administration Act, they are responsible for their actions to the Minister of Finance (Dr. Collins).

The Auditor General in Newfoundland today is responsible to the Minister of Finance in the same sense, Mr. Speaker, as any other government agency or any other government department and one has got to ask why. Why does Newfoundland not have an act governing the Auditor General?

Why do we not permit the Auditor General to act independently? Why must the Auditor General be always cognizant of the fact that the President of the Council, Mr. Speaker, can criticize him under the Financial Administration Act? Why, Mr. Speaker, can we not have in this Province, as in the other ten provinces and the federal government, an act of the Legislature that makes the Auditor General independent, allows him to operate independently of the wishes of government?

The Auditor General answers to the House of Assembly, Mr. Speaker, yet, the Minister of Finance has categorically refused to permit legislation that takes the Auditor General away from the purview of the minister and lets him operate independently so that he can report on the accounts of this Province without fear of repercussions or without concerns that the Minister of Finance or the Premier or any other government department or any other minister may question whether or not he is within the purview of an Auditor General. The only act, Mr. Speaker, that he operates under is the Financial Administration Act.

We have an ombudsman in this Province, Mr. Speaker. It was only a week ago the ombudsman tabled his report and everybody got up in this House and said what a great job the ombudsman is doing. Well, the ombudsman, Mr. Speaker, operates under his own act. There is a statute in this Province that sets out the terms of reference, sets out the jurisdiction under which the ombudsman can act. He is completely independent. As long as he follows the guidelines of that legislation, he is completely

independent of the government and the ministers. When one compares the role of the Ombudsman with the role of the Auditor General in this Province, one would have to say that people look to the Auditor General.

Mr. Speaker, there has been a debate ongoing here this past hour that would tell one who heard the debate that if ever there has been an administration that needs the Auditor General unincumbered by the whims of the Premier or the President of the Council, then it is this government that needs that kind of a watch-dog, Mr. Speaker. He does not have the freedom that the Auditor General needs in this Province to audit the accounts of this Province, to report to this Legislature and report to the people of Newfoundland, Mr. Speaker. He does not have that right. He always has to be looking over his shoulder wondering, I suppose, if he is within the purview of what is acceptable for an Auditor General. Mr. Speaker, I do not know why.

Former Premier Moores, Hansard will show, in this House recommended that this Legislature should consider legislation, Mr. Speaker. Yes, the President of the Council shakes his head. But the record will show that the former Premier said in this House that a bill should be enacted in this House that would set up legislation under which the Auditor General operates.

Why, Mr. Speaker? I am sure the President of the Council (Mr. Marshall) will speak in this debate, as will the Minister of Finance (Dr. Collins), and as will the Minister of Forest Resources and Lands (Mr. Simms). Why are we

different from the other nine provinces of Canada? Why should we feel that the Auditor General in Newfoundland does not need legislation, does not need terms of reference, does not need legislative guidelines to operate under?

Mr. Speaker, the government will indicate and it has been indicated that the Auditor General of Newfoundland is doing a good job. Undoubtedly he is doing a good job, but he is doing it under a very restricted mandate, Mr. Speaker. He is doing it possibly wondering in lots of cases as to whether or not it is his jurisdiction. There is nothing stating how far he can go and how far he should not go. Just imagine the job he would do, Mr. Speaker, if he were operating independently; if he had no concerns about the attitude or the responses of the government that he is auditing and, in lots of cases, forced to criticize.

Why should the Auditor General be in that position in Newfoundland? Imagine the job he would do if he were mandated and had legislation under which to operate, legislation that would put him in a position not to worry as long as he stayed within the realm and confines of that legislation. I want to hear the President of Treasury Board (Mr. Windsor), if he takes part in the debate, tell us why. He is always talking about the various legislation he is going to bring in, like the Elections Act, that we have not seen yet.

MR. MARSHALL:

The Atlantic Accord.

MR. FLIGHT:

The Atlantic Accord. Look at

this. Here is legislation. This legislation is still waiting to be debated. Why would not one of these be an Auditor General's Act? Why would there not be legislation setting out the terms of reference and the jurisdictions of the Auditor General? Is the President of Council not prepared to make him independent? Does the President of the Council want to keep the Auditor General under his thumb? There can be no other reason, Mr. Speaker.

Mr. Speaker, back in February the Auditor General in last year's Auditor General's report pointed out that the Province had paid a premium of \$5 million in negotiating bond issues, \$5 million that was lost and paid out by this Province in order to borrow money on the money markets. The Auditor General questioned it, said it was, in effect, unnecessary; that it was a waste. It was a \$5 million cost to the people of this Province by the incompetence of the Minister of Finance (Dr. Collins) and the government in general.

Mr. Speaker, for a couple of weeks, and the members will remember, we were wondering whether or not the present Auditor General was going to survive. The minister was going on TV and criticizing the Auditor General. The minister was standing up in the House and saying the Auditor General had no business to refer to this particular issue. The general public were wondering. We could alleviate all that, Mr. Speaker, by having an act and then every member of the House -

MR. SIMMS:

Send us all a copy of your speech.

MR. FLIGHT:

Mr. Speaker, the member for Grand Falls (Mr. Simms) will be tabled one of these days. As a matter of fact, he is pretty well tabled in Grand Falls right now. If floored means tabled, then he is pretty well tabled in Grand Falls right now.

MR. SIMMS:

How would you know? You have not been out there for about two months.

MR. FLIGHT:

Is that right? Do you want to check the latest edition of The Grand Falls Advertiser?

MR. SIMMS:

My. God, he has one story.

MR. FLIGHT:

Mr. Speaker, the member for Grand Falls is touchy.

MR. TULK:

He should be touchy.

MR. FLIGHT:

You see, he is not used to having somebody looking over his shoulder.

MR. SIMMS:

I was bored by the Leader of the Opposition when he was speaking.

MR. FLIGHT:

The member for Grand Falls for three or four years could say anything he wanted, or say nothing, like he usually did on anything, -

MR. SIMMS:

Boring.

MR. FLIGHT:

- and he did not have to worry about some one in his own district raising the issue. Now, the minister is edgy.

MR. SIMMS:

How boring!

MR. FLIGHT:

He looks around, there is an issue that concerns forestry in Grand Falls, there is a issue that concerns bridges in Grand Falls and the member for Windsor - Buchans (Mr. Flight) is prone to raise these issues you see. So what the member for Grand Falls is doing is after the member for Windsor - Buchans, who is doing his job on behalf of his constituents and, in lots of cases, doing the minister's job, -

MR. SIMMS:

How about telling us (inaudible.)

MR. SPEAKER (McNicholas):

Order please! Order, please!

MR. FLIGHT:

- doing the minister's job, like the member for Windsor - Buchans is prone to do.

MR. SPEAKER:

Order, please!

MR. FLIGHT:

He raises issues that are the concerns of the people of Central Newfoundland. What I find the Minister of Forest Resources and Lands doing is going back to the media two days after the member for Windsor - Buchans has raised an issue, that was never raised before, the member for Grand Falls goes back and makes a press release and he says, 'I think the member for Windsor - Buchans is playing politics with this.'

MR. SIMMS:

Precisely what you were doing.

MR. FLIGHT:

The fact that it has never been raised before does not matter and,

Mr. Speaker, as a result of those press releases -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. FLIGHT:

- he has blown his credibility. It was bad enough as it was but that tactic is going to blow him out of the water in Grand Falls.

MR. SIMMS:

(Inaudible.)

MR. SPEAKER:

Order, please!

MR. FLIGHT:

So, Mr. Speaker, the member for Grand Falls should sit there quietly and get used to his new glasses and read his correspondence. It is probably another press release showing everybody how hurt he is when somebody questions something that was his preview and did not open his mouth on for five years.

MR. SIMMS:

If the member for Windsor was (inaudible.)

MR. SPEAKER:

Order, please!

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (McNicholas):

Order, please!

MR. FLIGHT:

No, Sir, I concede.

MR. BAIRD:

Mr. Speaker, on a point of order.

MR. FLIGHT:

The member for Windsor is not all! You have to worry about your constituents.

MR. SPEAKER:

Order, please!

MR. FLIGHT:

The member has to worry about -

MR. SPEAKER:

Order, please!

MR. FLIGHT:

- all the people going around Grand Falls today.

MR. SPEAKER:

Order, please! Order, please!

On a point of order, the hon. the member for Humber West.

MR. BAIRD:

Mr. Speaker, we have the Auditor General's report. Whether we should have an Auditor General's act, I think, is what the private members' resolution was for today. For the past five minutes, all I have heard about is the member for Grand Falls (Mr. Simms). I suggest the member for Windsor - Buchans has strayed a long way from the topic we are discussing this afternoon.

MR. SPEAKER:

Order, please!

To that point of order, there is no point of order, but I must say, I am finding it very difficult to hear because there is far too much heckling going on.

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

Thank you, Mr. Speaker.

I would appreciate your protection

from the hon. the member for Grand Falls. Mr. Speaker, if the people in Grand Falls had heard the minister for the past three minutes, they would have heard more from him than they have ever heard from him in five years on any issue. So, Mr. Speaker, I would be grateful for the protection of the Chair from the member for Grand Falls while I try to wind up my few comments and make a very sensible request to the President of the Council (Mr. Marshall), the writer of all legislation in this Province, or so he indicates.

If he would entertain in the better interest of the House of Assembly, in the better interest of the Auditor General being able to do a competent job, a job that all Newfoundlanders want done, if he would entertain bringing into this House legislation setting out the terms of reference and creating an independent Auditor General - there is no purpose served by keeping the Auditor General under the thumb of the government. It was not meant to be so. The other nine provinces and the federal government have recognized that the Auditor General cannot operate unless he is independent. He can only be independent if the government is prepared to make him independent.

Mr. Speaker, listen to quotations coming from a very knowledgeable source as far as Auditors General are concerned: "A number of conditions must be satisfied if Auditors are to serve their legislatures effectively. They must have sufficient powers and resources to perform an appropriate audit. They must have sufficient stature to give them credibility."

What credibility does the Auditor General in Newfoundland have, the only Auditor in Canada who does not have legislation saying that he is an Auditor General? He is at the whim of the government, Mr. Speaker, and God knows, it is not a safe position to be in to be at the whim of this particular government. But the Auditor General is, Mr. Speaker.

He must be sufficiently independent of government and the public. Why will this administration not bring in the legislation required to make the Auditor General of this Province independent?

"They must discharge their duty in a responsible and effective manner." Well, Mr. Speaker, there is no question that the present Auditor General will do as past Auditors General have done, discharge his duties in a responsible and an effective manner.

Auditor Generals have the right to have the dignity that goes with legislation, that sets them free from the attitude we saw from the Minister of Finance when the Auditor General dared question a \$5 million waste, a \$5 million faux pas, \$5 million spent unnecessarily by this administration. When the Auditor General dared to point that fact out to the Newfoundland public through this Legislation in the PAC, Mr. Speaker, the Minister of Finance (Dr. Collins) came within a hair of firing him.

Mr. Speaker, the Minister of Finance should not be able to fire the Auditor General. The Minister of Finance should not be able to threaten the Auditor General.

MR. BAIRD:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order, the hon. the member for Humber West.

MR. BAIRD:

An allegation was just made by the member for Windsor - Buchans that this was a waste and a fraud and whatever else that goes with it. Mr. Speaker, the Public Accounts Committee, to which this matter has been referred, has not met yet and I think the hon. gentleman, being a member of the Public Accounts Committee, certainly I think now has disqualified himself or certainly should be disqualified from sitting on that Committee because it seems to me that he has his mind made up. He has a preconceived idea. I would suggest that the hon. member resign from the Committee if we are going to have fair hearings in this Province.

MR. FLIGHT:

To that point of order, Mr. Speaker. What a stupid, frivolous point of order, Mr. Speaker!

MR. SPEAKER:

There is no point of order.

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

Mr. Speaker, the Auditor General's report has been tabled in this House. If the member was doing his work as a member of the Public Accounts Committee, he would have been on his feet himself, Mr. Speaker, and asking questions about things reported in the Auditor General's report. The PAC will decide what in the Auditor

General's report they want to look at. The Auditor General's report is the property of every member of this House. It just goes to show how unconcerned the member for Humber West or Humber wherever is - he will not be Humber anywhere after the next election.

MR. BAIRD:

I have never been defeated.

MR. FLIGHT:

Mr. Speaker, in closing this part of the debate, as far as I am concerned, I have suggested that we have nothing to lose and everything to gain if we bring in legislation that creates an independent Auditor General. I appeal, Mr. Speaker, to the Minister of Finance and to the administration to look at bringing into this House of Assembly an act that sets out, as I said, the terms of reference or the legislative parameters under which the Auditor General will operate so that from thence on he can operate totally independently, as it was intended that he operate, and not operate on the basis, as he knows, Mr. Speaker, of being under the thumb of the administration.

Now, Mr. Speaker, there is another clause -

MR. SPEAKER:

Order, please!

The hon. member's time has elapsed.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, I will respond for just a few minutes on behalf of the government.

The first thing is, Mr. Speaker, I am amazed that the hon. gentleman and his advisors could get up in this House and talk about the need for an Auditor General's Act as if there is no act that covers the Auditor General. I do not believe that there was one mention made by the hon. gentleman of the Financial Administration Act. That act, Mr. Speaker, as the hon. gentleman knows, governs the duties of the Auditor General and it sets forth the duties of the Auditor General in the normal, traditional manner that Auditor Generals have possessed. It sets forth the powers and the duties that the Auditor General has possessed over the years.

When the hon. gentleman talks about an independent Auditor General, he obviously has not read the act. He does not know Section 58 (5) of the Act or 58 (3) provides that the Auditor General was appointed by this House and appointed from the time of good behavior until age 65. I believe that was in the 1973 act and I believe it was amended subsequently to give him a ten year term. But during his tenure, Mr. Speaker, he has complete and absolute independence.

MR. FLIGHT:

That is not so.

MR. SPEAKER (McNicholas):

Order, please!

MR. MARSHALL:

His independence is guarded by this government. This government and this party has done more to enhance the Office of the Auditor General than any other government

in the history of this Province.

Prior to 1971 there was no such animal as the Public Accounts Committee in this Province. It just did not exist. It was never formed and members were not given the opportunity to call in the Auditor General and, at the same time, give the Auditor General the opportunity to speak before the Committee publicly and to give his views with respect to the state of accounts of the Province. Now that was brought in.

It was not only brought in, Mr. Speaker, and it was put in the Standing Orders of this Assembly so that there is now a Standing Committee of the House of Assembly appointed which each year goes over the accounts of the Auditor General, which has the Auditor General in and has power to call any witnesses that it wishes in connection with observations that the Auditor General has made. We have very, very much enhanced the Office of the Auditor General.

Every year now the Auditor General's Report is tabled in the House. It is a matter of public information and it also is a matter of public debate, as it should be. Now that is the way in any democratic society or any democratic province or state that the Auditor General should function but I would point out to the hon. gentlemen that it was this party that brought that about and continues to protect the Auditor General's independence.

So, when he says that the Auditor General has no independence and he has no act under which to operate, he is completely and absolutely incorrect. There is an act, it is the Financial Administration Act, and there is independence and that



has been guarded by this government.

The main part of this resolution relates to comprehensive auditing or value-for-money auditing. What the Auditor General's functions are, which are normal functions for an Auditor General, is to determine whether or not monies have been spent as they were appropriated by the Legislature.

Every year the Legislature passes a budget. The estimates are put out and there are expenditures earmarked for certain purposes. It is the Auditor General's appropriate duty to report to this House in such instances where expenditures have, in his view, been made incorrectly. That is the purpose of the Auditor General. What the Auditor General wishes to do is to expand that duty to allow the Auditor General to do comprehensive auditing or value-for-money auditing. In other words, to determine not whether monies were spent in accordance with the directions of this Chamber, but whether or not value have been gained for money.

Mr. Speaker, I am categorically against that and I am against that mainly because, ineffective as the present Opposition is, I wish to preserve the rights of the Opposition because it is not an unelected person like the Auditor General, no matter how competent that person may be, who should be the person to determine whether or not value for money has been obtained. That is solely the purview of the elected members, and it should be and it ought to be the basis of examination of any government by an Opposition.

Unfortunately and sadly in this House, Mr. Speaker, we see very,

very little of that. Instead we see the Opposition going off on the train that leads to, as I say, its own disaster and is one of the reasons why this government hopes the House of Assembly will stay open continuously, year after year, because, as I said this morning, Mr. Speaker, we would not have to wage a campaign. The only thing is there would be no Opposition left in the House after the next election.

It is, Mr. Speaker, the basic right of parliamentary government that it is the right and, indeed, it is the duty of elected members to determine whether value has been obtained for money and to criticize the government accordingly, and for the government to justify and respond.

It is not, I would suggest to you, appropriate that a non-elected person, not responsible to the electorate of this Province, should exercise that office.

MR. FLIGHT:

What should he do?

MR. MARSHALL:

Well, what the Auditor General should do is what he and his predecessor over the years have very competently done in this Province, determine whether monies have been spent in accordance with the way that the Legislature authorizes. As to the value for money, whether money should be expended, say X millions of dollars should be spent on health services or some of that should be transferred over to another department, indeed whether in the Health Department, to take an example, whether more money should be put in the hospitals, or more money put into medical services,

or more money put into old age citizens homes or what have you, and what is obtained from what is spent, that is entirely within the purview of this House. This government has taken steps to see what it can do to enhance these particular powers by, in a very timely fashion every year, tabling the Auditor General's Report with its legitimate comments with respect to it, and also assembling and seeing that the Public Accounts Committee functions as the Public Accounts Committee does. Mr. Speaker, so that is really the basic response.

The hon. gentleman referred to the Auditor General here and let me also say this: Every year in his report the Auditor General, not only this one but others - it is understandable because everybody needs money, money is in short supply in this Province - always has a note that he would like to have more money in order to conduct his duties. This government has given a substantial vote, a very generous vote in relation to the resources of this Province to the Auditor General. The staff of the Auditor General happens to be in this Province, much bigger than the staff provided in our neighbouring Province in Nova Scotia, notwithstanding the fact that Nova Scotia has a population base almost twice the size of the Province of Newfoundland.

So we make no excuses for what we have done to enhance the office of the Auditor General. Now what the Auditor General has said in this report as well, as he does again - this is where the hon. gentleman got his resolution - he had a section in there on Canadian comprehensive auditing and he mentions the Canadian

Comprehensive Auditing Foundation and what have you. The present Auditor General feels, and there is no doubt about it, he holds this view reasonably and logically and I am not quibbling with the view he holds, but reasonable men can differ I would hope, the Auditor General of this Province feels, in my understanding, that he should be empowered by this Assembly to comment upon whether value is received for money and to do comprehensive reporting.

MR. FLIGHT:  
And why not?

MR. MARSHALL:  
Because it is the function of the members of this House. It is the function of a member like the hon. member for Windsor - Buchans (Mr. Flight), hopefully much more informed than the hon. the member for Windsor - Buchans was when he got up and introduced this resolution.

MR. FLIGHT:  
On a point of order, Mr. Speaker.

MR. SPEAKER (Greening):  
A point of order, the hon. the member for Windsor - Buchans.

MR. FLIGHT:  
Perhaps the President of Council would indicate how a member of this House of Assembly would have picked up \$5 million premium paid by the Newfoundland Government when they went out to borrow money in the money markets? By what mechanism? What way is there for members of the House of Assembly to be aware of that kind of incompetence?

MR. SPEAKER:  
The hon. the President of the Council.

MR. MARSHALL:

Well, Mr. Speaker, first of all the hon. gentleman - this is the problem and this is probably why, the remedy is not to give the Auditor General the opportunity to enquire into whether value is achieved for money. The remedy really is for the electorate to elect people other than the hon. gentleman there opposite, because if the hon. gentleman were informed at all -

MR. FLIGHT:

Your time is up.

MR. MARSHALL:

No, the media want me to go up and talk about the hon. gentleman again, which I will do. I will be delighted.

MR. FLIGHT:

They want to take about 'Haig.'

MR. SPEAKER (Greening):

Order, please!

MR. MARSHALL:

I tell the media I will be delighted to do it as soon as I am through with the hon. gentleman.

But let me get back to it. This is why the remedy is really to have somebody elected who understands things. Now, on that \$5 million, he picked an unfortunate example, you see, because he does not understand. That observation of the \$5 million by the Auditor General was refuted as observations will be by the Auditor General. I do not wish to criticize the gentleman. I mean, he is human, like the hon. gentleman might be human. He may be, but I know the Auditor General is human and he can make mistakes, like all of us, and he made a mistake.

The Minister of Finance (Dr. Collins) pointed out in his statement, in response to that, that the hon. gentleman was completely and absolutely wrong. This was a normal procedure taken when one borrows in large bond markets. There followed, Mr. Speaker, if the hon. gentleman will recall, a series of signed letters as well to the paper, not anonymous letters that are sometimes put in by the supporters of the gentleman opposite, but by people who have a very strong and real reputation in the financial community in this Province. They wrote to the paper themselves, and with no political connection at all, but they were so disturbed that the Auditor General could make an observation like that, that they wrote to the press and refuted it.

Besides that, even if the hon. gentleman says that is my point of view or that is the writer's point of view or it is the ministers' point of view, the fact of the matter is that that report has been referred to the Committee of the Auditor General. I have no doubt that the Committee will deal with it. By the way, we have appointed a member of the Opposition as its Chairman. This is how determined we are to see that the basic institutions of democratic government and parliamentary government are secure -

AN HON. MEMBER:

A rookie Chairman this year.

MR. SPEAKER:

Order, please!

MR. MARSHALL:

I understand it is the member for Gander. He and his colleagues on the Committee can call in the

Auditor General - this is wholesome - and I hope he will be forthcoming in his questions. I hope he will go in with an unbiased mind, hopefully to get at the truth. He can look up the letters that appeared in the paper. They have the right to call in those citizens. We will have it out with the Auditor General and ask the Auditor General if he made a mistake. I believe the Auditor General made a mistake there. That is no criticism of the Auditor General. As I say, unlike the hon. gentlemen there opposite, Auditor Generals are human beings and they do make mistakes from time to time. But the hon. gentleman was very wrong and he made a mistake and it is unfortunate that the Opposition member who got up and led this in was not more informed.

This is where he is wrong: First of all, there is no act. He wants an act. The Auditor General is already in an act, the Financial Administration Act. But, of course, for the hon. gentleman, unless it is called the Auditor General's Act, he does not think it can be anywhere else.

The next thing, Mr. Speaker, if you can imagine, he said that the Auditor General was not independent. The Auditor General is a servant of this House who can only be removed during his term on an address of this House by His Honour.

MR. FLIGHT:  
At the whim of the minister.

MR. MARSHALL:  
No, not by the whim of the minister. He is given as much independence as any other public servant is given. There are only three. There is the Auditor

General, the Ombudsman and the Comptroller General who are servants of this House.

MR. FLIGHT:  
They have acts. The Ombudsman has an act.

MR. SPEAKER:  
Order, please!

MR. MARSHALL:  
You know, honestly! I grieve for the hon. gentleman. I really grieve for the hon. gentleman. I really do. I do not know what the hon. gentleman is going to do in his old age but I dearly hope -

MR. FLIGHT:  
I will not be riding bicycles.

MR. MARSHALL:  
- I will tell you, if the hon. gentleman goes senile in his old age, he will be confined to a zoo, Mr. Speaker, because the hon. gentleman at the present time, in his young and tender years, obviously does not understand the nature and importance of the resolution which was - resolution I hope the hon. gentleman notes - obviously drafted by a member, probably the executive assistant to the Leader of the Opposition and given to the hon. gentleman. He introduced it but he did not research it.

MR. FLIGHT:  
Address the last resolve.

MR. MARSHALL:  
Okay. I gather that the hon. gentleman feels now that I have adequately answered all the other paragraphs. So if the hon. gentleman is fully satisfied with that, we will be as well. "BE IT RESOLVED that this Act contain a provision enabling the Auditor-General to conduct direct

audits on all provincial Crown Corporations." Mr. Speaker, where are we here?

One of the complaints of the Auditor General in his report, one of the reasons why the Auditor General wanted staff - listen to this. The hon. gentleman should do his homework really. Paragraph 10, Crown Corporations and other audits. "In addition to auditing the public accounts," he says, "of the Province of Newfoundland" - now get this - "I am responsible for numerous other audits." This is why he wanted more money. "These include certain Crown Corporations, Boards, Authorities, Sundry Funds administered by the Province, the City of St. John's and certain School Tax Authorities and Municipalities. These additional audits, some of which are performed from the Corner Brook office of my Department, are listed in Appendix II." He goes on, "In the case of Crown Corporations, Boards," etc. - Oh look!

The hon. gentleman brings in a resolution that says he wants the Auditor General to look at the auditing of Crown Corporations as if he does not. Guess what the Auditor General says when he is looking for more money. This is the type of representation we are getting from the Liberal Party in this Province. He says -

MR. FLIGHT:

Who audits Hydro?

MR. BAIRD:

Open your ears, shut your mouth, and learn.

MR. MARSHALL:

Wait now! - "In the case of Crown Corporations, Boards, Authorities and Sundry Funds administered by

the Province, my audits include" - now, get this, the hon. gentleman, who says he does not look at Crown corporations - "13 Crown Corporations, 19 Boards, 16 Building Corporations, 3 Colleges and the University."

MR. FLIGHT:

He does not audit the university.

MR. MARSHALL:

Yes, he does, he audits.

MR. FLIGHT:

No, he does not.

MR. MARSHALL:

Mr. Speaker, as to Newfoundland and Labrador Hydro, it is a Crown Corporation.

MR. FLIGHT:

Audited by Peat Marwick Mitchell.

MR. MARSHALL:

It is audited by Peat Marwick Mitchell, which is a quite independent body. I know the hon. gentleman thinks we have control of everybody but surely he does not think that we control the international firm of Keats Peat Marwick Mitchell, because we do not. We do not control them at all.

That firm does the same audit as the Auditor General does.

AN HON. MEMBER:

(Inaudible).

MR. MARSHALL:

No, because audit for value is the province of people like the hon. gentleman, people who have a competence that unfortunately, the hon. gentleman has not displayed in this debate.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

That is the right of the Opposition. The Opposition cannot protect itself, so what the government is doing is, in effect, protecting the Opposition.

MR. FLIGHT:

(Inaudible) we asked a question (inaudible).

MR. MARSHALL:

Let us get back to Newfoundland and Labrador Hydro, Mr. Speaker, that Keats Peat Marwick Mitchell audit. What happens then? Is that the end of it? The hon. gentleman might say, 'Well, it does not go through the Public Accounts Committee.' No, it does not go through the Public Accounts Committee but, Mr. Speaker, we have a separate commission which has been struck to look at Newfoundland and Labrador Hydro, and that is the Public Utilities Board of this Province, -

MR. FLIGHT:

God help us!

MR. MARSHALL:

- which very recently rolled back an increase that was applied for by a utility company in a decision that was written by Mr. Thomas Williams, Q.C., one of the commissioners.

MR. FLIGHT:

What did Peat Marwick Mitchell have to say about the \$8 million you gave Viking Sintra?

MR. MARSHALL:

The hon. gentleman does not really understand.

MR. FLIGHT:

The Auditor General would have mentioned it.

MR. MARSHALL:

Yes, I am sure.

MR. FLIGHT:

But Peat Marwick Mitchell did not.

MR. MARSHALL:

But the hon. gentleman does not understand. The hon. gentleman led a resolution into this House wanting first of all, independence for the Auditor General, which was there, wanting an act for the Auditor General, which is there, wanting comprehensive auditing and an audit for value because the hon. gentleman realizes that he and his colleagues cannot do the job that is presented before them and utilize the tools that are there such as the Question Period, the Public Accounts Committee and the various other aids that are there.

Then he wants the Auditor General to audit Crown Corporations and, the Auditor General, in the very report, now, and this is supposedly the critic, in his very report he is complaining about the workload he has as a result of having to audit Crown Corporations.

Now, I would suggest to the hon. gentlemen opposite, I do not know whether the hon. gentlemen - they may be embarrassed. If the hon. gentleman wishes, we could adjourn the House right now. We could allow a recess for five minutes and we could come back after hon. gentlemen have collected themselves and perhaps get on to some other resolution.

Obviously, Mr. Speaker, the hon. gentleman has brought in this resolution with all sorts of good intent and all the rest of it. I am surprised that his leader did not stop him but he has shown really how bereft the Opposition is that they would bring in a

resolution asking for things which are already provided for in the statutes of this Province and which the hon. gentlemen knows are administered by a PC administration, both of them, who provided the aids to the Opposition to carry out their jobs and now, because the hon. gentlemen have been so ineffective in carrying out their jobs, they want the Auditor General to do it for them.

MR. SPEAKER (Greening):  
Order, please!

The hon. minister's time is up.

SOME HON. MEMBERS:  
Hear, hear!

MR. HISCOCK:  
Mr. Speaker.

MR. SPEAKER:  
Before recognizing the hon. the member for Eagle River (Mr. Hiscock), I would like to welcome to the visitor's gallery the executive director, Tony Collins, Mr. Calvin Day and other co-ordinators of the Newfoundland and Labrador Rural Development Council.

SOME HON. MEMBERS:  
Hear, hear!

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

MR. HISCOCK:  
Thank you, Mr. Speaker.

Before the President of the Council (Mr. Marshall) goes out I would like to show him Bill 20. Bill 20 is titled **An Act To Revise and Reform The Law Respecting Corporations**. This law has not being reformed or not being amended since 1898. The

corporations of this Province have been operating under that law ever since 1898 and the Auditor General is still under the Financial Administration Act which was also passed in 1898.

I am sure, no matter how many points the President of the Council made, since this administration has seen fit to reform and revise the law respecting corporations that was set down in 1898, surely he was go as far as to say that another act in this Province needs to be revised and that is the Financial Administration Act, where the Auditor General's legislation presently is found.

The President of the Council said the reason why the member for Windsor - Buchans (Mr. Flight) brought up this matter was because of what the Auditor General mentioned in his last report. This is not the case. It reinforces what the Opposition has been saying for years.

Since 1979, I have always remembered Mr. Edward Roberts, the former member for the Strait of Belle Isle, who would almost always sponsor this private member's resolution. The idea, of course, was that Crown Corporations, with all the money that they were spending, should be responsible to the taxpayers of this Province.

So, we believe that the Crown Corporations should be included. The Minister responsible for Energy, the President of the Council (Mr. Marshall), whichever title he wants to take, is quite correct in saying all the different Crown Corporations, boards, the City of St. John's, as well as the other departments are

covered by the Auditor General. There is no question about that. That does not take away from the fact of what we point out as an Opposition. The Auditor General should make sure for the Newfoundland and Labrador taxpayer that all of the money that is spent to keep Marystown Shipyard going is well spent. We should at least know if we are getting a fair return on that money and there is no wastage and no corruption and there are no other problems with the administration of that shipyard. Nobody is saying there are. All we are saying is that the Auditor General should have access so as to audit the Marystown Shipyard.

Also included should be the Board of Commissioners of Public Utilities. They approve, in effect, millions and millions of dollars for Newfoundland Tel, Newfoundland Hydro, Terra Transport and various other firms in this Province. Also Workers' Compensation, which we went through the other day, have a fund of over \$42 million. Again, if the Auditor General had access, and he does have access to their books, which is quite true, but he does not audit them because they are audited by another company. Why duplicate things? But if he did audit them, the taxpayers of this Province would feel more at ease because it would be done by an independent Auditor General who is the servant of the people of Newfoundland and Labrador.

The President of the Council said the people in three positions are servants of this House. He named them, the Auditor General, the Ombudsman and the Comptroller General, but I would go so far as to say that you could put the Lieutenant-Governor in there as

being impartial; you could put in the Speaker; and after the Speaker, you could put the Auditor General; then the Comptroller General and after the Comptroller General, the Ombudsman.

Also, the Churchill Falls Corporation should be included. We found out three or four years ago with the Churchill Falls Corporation that all the cars that the supervisors and management were using over the years were put up for sale and what happened? Did they put them on tender so everybody in Churchill Falls could tender on these vehicles? No, they sold them for a nominal fee to the supervisors and to the management, much like what the Health Science Complex or the General Hospital did the other day by giving \$100 to every one of their management people. If the Churchill Falls Corporation were audited, we would find out if there are other wastes.

Of course I also have to point out that when I say the Speaker goes after the Lieutenant-Governor, I also put in that position of the Speaker the Deputy Speaker and the Assistant Deputy Speaker. I take the position in actual fact, Mr. Speaker, that when you are sitting in the Chair, you are not the Deputy Speaker or the Assistant Deputy Speaker, you are His Honour, the Speaker himself.

The Lower Churchill Development Corporation should also come under a new act, and, of course, the other corporations that have been pointed out, especially Newfoundland and Labrador Hydro. Again, if the Crown Corporations were under the act, then the minister could, through his department, have an independent auditor outside of government,



outside of the Auditor General, who would only be concerned with one thing and that is do the figures add up on the right side to the left and are they balanced? That is the only thing which an independent outside auditor is concerned about, whereas the Auditor General is concerned with whether we got fair value for our money and were things done right according to the Financial Administration Act. Peat Marwick and the other ones are not concerned with that.

The President of the Council (Mr. Marshall) said the \$5 million was an oversight; that the Auditor General was wrong in criticizing this; that he was making policy and he was entering into a gray area. This has always been said about all Auditor Generals by all political parties of whatever political stipe because, again, when an Auditor General, who is a servant of the people and a servant of this House, strikes an area that criticizes the government, obviously, the natural reaction of any government or any minister is to get their backs up and criticize the Auditor General and say that he is only human. Five independent sources that pointed out that what the Auditor General said about that \$5 million was quite right.

We do not have an Act right now. All the other provinces in Canada have an Act. I would like to read from 'Improving Accountability, Canadian Accounts Committee and Legislative Audits.' This was published in 1981 and, of course, we have another one that was published which is called 'Comprehensive Auditing in Canada, the Provincial Legislative Audit Perspective.' That was done in 1985. One of the people, and we

should be quite proud of this, one of the people who contributed to the latest book, "Comprehensive Auditing in Canada," was our own Auditor General, Mr. McGrath.

Going back to the other one, 'Improving Accountability,' this is titled 'Separate Statute for the Auditor, Why Should An Auditor General Have His Own Act?' The President of the Council said we do not need it because he is already covered under the Financial Administration Act. I pointed out that that Act has not been reformed since 1898 and all the other provinces have their own Auditor General's Act.

'Separate Statute for the Auditor' states: "There are certain advantages to having a separate Act for the auditor. First, it emphasizes the importance of the office and its functions and recognizes that properly through statute. Second, it highlights the independence of the office from the rest of government and helps clarify the distinction between the financial administration and the audit function. Third, it insures that any amendments to the Auditor General's status, power and duties will be highlighted by specific reference to the Audit Act and should not be shrouded by other proposed legislative changes. Finally, from the government's point of view, it allows beneficial changes effecting the auditor to be made without opening up the entire package of legislative provisions, rulings or the financial administration generally.

"All auditors who have separate acts within the Province" - all other nine provinces - "have reported that they feel that there

is a distinct disadvantage to revert to having their legislation as part of a more general act. Those auditors who do not have a special separate look forward to having it." Of course, Quebec, just before the last election, passed such an Act. Those are the main reasons why.

Also, in Ontario, Nova Scotia and Canada, when the Auditor General does his report, where does it go? It goes to the Minister of Finance. In those other provinces, what happens? It goes to the Speaker. The reason why it goes to the Speaker, Mr. Speaker, is to point out, and, not only to point out, but to reinforce the faith that we have in the Chair and the impartiality that the Chair shows. Therefore, the Auditor General, when he presents his report in Canada, in Nova Scotia and in Ontario, he does not give it to the Minister of Finance, he gives it to the Speaker thereby reinforcing the independence of that part of our government as a servant of the House.

I believe, Mr. Speaker, that is should be because I think we saw this Spring, when the Auditor General brought in his report, asked that it be tabled, and the Minister of Finance delayed tabling it and when he did, even before he tabled the report, he made a personal attack on the Auditor General about the \$5 million that the Auditor General reported this Province lost because of not having guarantees. The Minister of Finance went on a personal attack and said the Auditor General was at fault and was in the wrong.

If we could have had this presented to the Speaker, we would

have not had a servant of the House criticized by a minister of the Crown. It would be okay if the Auditor General could answer back but, of course, servants of the House and public servants cannot answer back, Mr. Speaker. So I feel very, very strongly about this.

The staff is okay. The Auditor General has no problem with the amount of staff that he has. The Auditor General of this Province is not concerned about the financial resources. He feels that this Province has treated him fairly in those two respects.

But when he goes to a conference anywhere in Canada, he cannot stand as tall as all the other Auditor Generals and say that he operates under his own act, that he has the confidence of all parties in this hon. House and the confidence of the Chair. I would go as far as to say that if we had the confidence in him - this side does and I assume I speak for the Leader of the NDP, the member for Menihek, that we have the confidence in the Auditor General - but if the government had confidence in the Auditor General as such, they would make sure that the Auditor General would have his own act and thereby allow him to carry out his responsibilities.

The other thing is if the Auditor General wants any improvement in his staff or resources, he has to go through the Treasury Board and the Planning and Priorities Committee, whereas the Ombudsman, another servant of this House, has his own allocation of funds and has his own act.

So I will say this to our provincial government: This is the government that said they

brought in democracy, this is the government that says they have an open and clean conscience, well, I would issue a challenge to them that if they are concerned about democracy, they will go one step further and revise the old Financial Administration Act of 1898 and bring in a new act for the Auditor General of this Province.

In closing, Mr. Speaker, I must also point out that the criticism that people often have about Auditor Generals is that they interfere with policy and they get into realms that are not included in their act. The Minister of Finance made that criticism earlier this Spring in very, very strong terms. If there was an independent Auditor General's Act by this government, then the government could set in its parameters, setting down what they want and what they do not. Now, in the Financial Administration Act, it states 'and others.' Until that is deleted and it is defined more, then the Auditor General of this Province has many rights.

There were speculations in the press and in this House that the Minister of Finance (Dr. Collins), during his personal attack in the House, would force himself or the Auditor General to resign. There was only one precedent in the history of democracies in the world and that was when Hitler took over Germany. One of the things that Hitler did was get rid of the Auditor General and he did away with that department.

So with regards to the Minister of Finance mounting a personal attack on him, saying that he wandered over into the realm of policy, all I would say to the Minister of

Finance and to the President of the Council (Mr. Marshall) and others is if you feel that the Auditor General is getting into policies, and these criticisms have always been given - they have always proven unfounded - then I would say one of the ways the minister and this government can tighten up the Auditor General's parameters is to lay down the parameters themselves.

The other thing is that Auditor General does the audit of St. John's. He gets paid for the auditing the City of St. John's, but, again, it is very time consuming. I would ask the President of the Council and the Minister of Finance to look at this fact because it is in the statute. All the other ones that he does, he does not have to do them. He can find some excuse for not doing them and under pressure, of course, there are priorities and the priorities are the servants of this House, especially the different departments. But I do believe that the Auditor General should not be required by a law of this House that was passed in 1898 to audit the City of St. John's, even though the City of St. John's pays him. I think that again should be done away with and the City of St. John's should have an independent auditor.

The other thing I would like to point out in all fairness is all the other provinces have an audit of the Auditor, whereas now the Auditor of this Province audits himself, which is a little bit ridiculous. I again feel that the Auditor General of this Province has no questions whatsoever about allowing an independent chartered accountant outside of government to audit his own division.

So in concluding, Mr. Speaker, I would like to highlight three things: Number one, the need for the Auditor General to have his own act; Two, to be able to cover more Crown Corporations, as was pointed out; Three, that when the Auditor General's Act is brought into this House that it be presented to the Speaker; And four, that the Auditor General's report itself should be brought in four or five months after the fiscal year, and not later than the end of September.

How can members of this House scrutinize the spending of over \$2 billion? How can we scrutinize that when we do not get the report? The spending stops March 31 and we do not get the report until sometime in May or June of the following year. So we are covering things that happened a year ago. So I think with our new printing technology and that, there will be no question, Mr. Speaker, that we should be able to have the Auditor General's and the Public Accounts Reports tabled no later than the end of September. Of course, they do not have to wait until the House opens for this.

So those are the points, Mr. Speaker, that I wanted to reiterate. I hope that Bill 20, **An Act To Revise And Reform The Law Respecting Crown Corporations**, which had to wait until this year to be revised from its 1898 form, I hope we do not have to wait longer for the Auditor General to have his own 1898 act, which he is still operating under, revised. I believe that the City of St. John's now should find their own independent auditor and free the Auditor General to do more analysis of the provincial

spending money and what is happening with our own money and Crown corporations.

Thank you.

MR. MORGAN:  
Mr. Speaker.

MR. SPEAKER (Greening):  
The hon. the member for Bonavista South.

SOME HON. MEMBERS:  
Hear, hear!

MR. MORGAN:  
Mr. Speaker, I feel it important to say a few words on this resolution brought in by the Opposition and to point out the weakness of the Opposition in its role as Opposition.

It seems to me now that they feel that the Auditor General is not being tough enough on government in the last few reports, simply because he has not found any wrongdoing in any departments. He has not found anything to criticize. He has found one item this past report, one item - and I will deal with matter later on because I think it is utter nonsense, what he had to say - but he has found no problems in any one of my colleagues departments and all of government, no problems with regards to the accounting of the spending of dollars and that is his role. The role of the Auditor General is to account to the public of Newfoundland what took place with regards to the \$2 billion spent by government this past year, \$2 billion.

Did the Minister of Transportation (Mr. Dawe) ensure he got fair value or good value for the dollars spent? Did he spend it wisely? The Auditor General

obviously feels, yes. Did the Minister of Municipal Affairs (Mr. Doyle) spend the money for water and sewer in a wise fashion across the Province, obviously yes. The Auditor General had no criticism. I can go on to the Department of Rural, Agricultural and Northern Development and the Department of Fisheries and on and on. There was no criticism whatsoever of the spending of government dollars by this administration.

Now, because the Opposition, as ineffective as they are as an Opposition, could not find anything wrong with the spending of government through scrutinizing the estimates through the committees, well, maybe it is because they were so ineffective in scrutinizing -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please!

MR. MORGAN:

Mr. Speaker, I sat here and listened to the Opposition member and I got more respect for the member for Bonavista North (Mr. Lush) than that. I sat here and listened first of all to the members from Eagle River (Mr. Hiscock) and Windsor - Buchans (Mr. Flight) and never opened my mouth. I listened to what they had to say. They said very little except to say the Auditor General needs more authority and needs more power.

What more power is wanted? He has absolute authority under the Financial Administration Act of this Province do exactly as he wants to do with regards to auditing the accounts of this government, but because the

Opposition has been so ineffective in finding anything other than what the Auditor General could find - I mean I sat through the estimates committees this year. I went to most of the meetings and the only thing that came out of those meetings this year was the fact that they happened to call me a hoodlum and a bum and a goon because I was taking part in discussions. Other than that, there was nothing that came out of the estimates committees, nothing whatsoever!

MR. CALLAN:

A point of order, Mr. Speaker.

MR. SPEAKER (Greening):

A point of order, the hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, I think the member for Bonavista South (Mr. Morgan) is misleading the House. I do not think he is doing it intentionally but he is misleading the House. The whole import of this resolution is to put forward the case for the Auditor General having his own separate and distinct act so that he has more powers to audit Crown Corporations in this Province. Now, the member for Bonavista South knows, Mr. Speaker, that all other nine provinces, plus the federal government, have their own separate and distinct -

AN HON. MEMBER:

No, no, no.

AN HON. MEMBER:

Is this a speech?

MR. CALLAN:

Yes, it is, a good one too.

If all the other provinces, Mr. Speaker, have their own separate

and distinct act, is the member for Bonavista South saying that all the other provinces are wrong and this one is right by not having it?

MR. SPEAKER:

To that point of order, there is no point of order.

The hon. the member for Bonavista South.

MR. MORGAN:

I want to continue uninterrupted hopefully. When you start to score points and hurt the Opposition, up they get to try to interrupt and try to get me to lose my train of thought.

But the fact is, what is the Opposition asking for? Are they asking for the kind of authority where the Auditor General should get involved in commenting on policies of the government? Because if that is the case he would be totally and thoroughly wrong. He should not get involved in policy.

The Financial Administration Act, the authorities given to the Auditor General under that act, gives him all kinds of authority. There is no need for a new act. The authority is now there, giving him absolute authority to act with regard to auditing government accounts and government spendings.

I was quite surprised to listen to the member for Windsor-Buchans (Mr. Flight), I understand - is he on the Committee of Public Accounts?

MR. BAIRD:

A new member, he never attended a meeting yet.

MR. MORGAN:

He is on that committee and before even that committee, Mr. Speaker, has a chance to sit down and my friend from Humber West (Mr. Baird) is a member of that board -

AN HON. MEMBER:

Chairman.

MR. MORGAN:

No, the chairman now is from the Opposition. We are really getting democratic. I can quote situations in other provinces where the Chairman of the Public Accounts Committee is on the government side. He is a member of the government caucus but this administration here -

MR. CALLAN:

And a Cabinet Minister.

MR. MORGAN:

Yes, in some cases a Cabinet Minister. Can you imagine a cabinet minister in some of the very democratic situations across Canada where we have cabinet ministers as the chairman of public accounts who are going to deal with the scrutinizing of the Auditor General's Report? Surely it is a big difference right here when we have the Opposition chairing the committee.

Mr. Chairman, when we have a report tabled in the House, that report becomes public and that report is then subject to the very thorough scrutiny of the Public Accounts Committee. One of the things this year and the only one that I can recall which was somewhat of a sensational comment made by the Auditor General, because it became a sensational issue, where he talked about the government in his opinion had lost, and I repeat, his term was they had lost \$5 million in their borrowing. Now other than that,

there was not one critical comment of all the government spendings this year, a total auditing of all government spendings and the only thing he found of any substance was a statement he made which he is totally wrong on. The Auditor General is totally wrong. It is nothing but utter nonsense for him to say that the Newfoundland Government lost \$5 million by purchasing a forwarding contract. The Opposition member should have taken the time for that Public Accounts Committee to at least call the Auditor General before the Committee and question him as to what he is saying, 'What are you really saying, Mr. Auditor General? Are you saying we lost \$5 million of the taxpayers of Newfoundland? Explain to us how we lost \$5 million?' I am going to appear before that Committee. As a non-member but a member of this House, I will be there because the man is wrong. He is wrong because this government -

MR. CALLAN:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order, the hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, the member for Bonavista South just criticized one of my colleagues for talking about that \$5 million and here he is talking about it himself. My point right now, Mr. Speaker, is the member for Bonavista South says that the Auditor General only brought one thing to light. The fact of the matter is there are eighty-two topics here. For example, ferry vessels built without public tender and so on and so on. There are eighty-two

items. He is misleading the House.

MR. SPEAKER:

To that point of order, there is no point of order.

The hon. the member for Bonavista South.

MR. MORGAN:

Mr. Speaker, the only headlines that came out of the Auditor General's report was - and I have the headline and clippings here - Province Out \$5 Million On Bond Deal. Who says that? The Auditor General. Well, I maintain, as one member of this caucus, as a member of this House, that that man is wrong. He is totally wrong. I am convinced that the -

MR. HISCOCK:

A point of order, Mr. Speaker.

MR. MORGAN:

Mr. Speaker, would the hon. gentleman restrain himself.

MR. SPEAKER:

Order, please!

A point of order, the hon. the member for Eagle River.

MR. HISCOCK:

Mr. Speaker, the member for Bonavista South is criticizing our side over the \$5 million. He is now giving his own personal opinion and attacking the Auditor General who cannot defend himself. This matter will be dealt with when the Public Accounts Committee meets. There are four Conservatives and three Liberals on it. One of the Liberals, of course, is Chairman. I am sure the hon. member for Bonavista South does not want to - and I am sure he does not mean to do it - attack the Auditor General personally and give his own

personal view on that \$5 million.

MR. SPEAKER:

To that point of order, there is no point of order.

The hon. the member for Bonavista South.

MR. MORGAN:

Mr. Speaker, I do not want the hon. member telling me what I should not do and what I should not say. I am saying, in my opinion, the Auditor General was wrong. He is totally wrong in what he is saying.

SOME HON. MEMBERS:

Oh, oh!

MR. MORGAN:

Now, Mr. Speaker, let me have my say. All we have heard from the Opposition today is, 'We have made up our mind. Although we are members of the Committee,' as another member has said, 'he has made up his mind that government lost \$5 million.' Without waiting for the Auditor General to come forward to the Committee, to be scrutinized by the hon. gentleman as a member of the Public Accounts Committee, rather than do that, he has now taken a biased position as a member of that Committee. Rather than wait to scrutinize the Auditor General's Report, he is biased.

MR. FLIGHT:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Windsor - Buchans.

MR. FLIGHT:

Mr. Speaker, the point of order is this: The Auditor General's report was tabled in this House of Assembly and it is available to

every member, including the member for Bonavista South. He may have been down South at the time but it was glaring there. The Auditor General indicated that there was a concern here that a \$5 million premium was paid out that should not have been paid out. It was the purview of every member of this House of Assembly to address himself to that question and not necessarily only the purview of the Public Accounts Committee. Mr. Speaker, that is a point of order.

MR. MORGAN:

No, Mr. Speaker. There is no point of order again.

MR. SPEAKER:

To that point of order, there is a difference of opinion between two hon. members.

The hon. member for Bonavista South.

MR. MORGAN:

I want to carry on. I have listened to the hon. gentleman's comments without interruption. I want him to do the same thing for him and show the same courtesy.

Mr. Speaker, the fact is he has taken a position, he is taking sides with the Auditor General automatically, condemning government without waiting to sit before the Committee to scrutinize the Auditor General's report by asking him questions. Because, Mr. Speaker, if we are going to borrow money tomorrow morning, we are going to borrow in one of two capacities, we are going to borrow as a speculator or we are going to borrow as a borrower. If we borrow as a borrower, and if we borrow as a borrower using funds in trust, the taxpayers' monies, are we going to use the taxpayers'



monies to speculate whether to make money or not?

MR. CALLAN:

On a point of order, Mr. Speaker.

MR. SPEAKER:

Order, please! A point of order, the hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, as the member for St. John's East (Mr. Marshall) pointed out earlier, anybody can appear before the Public Accounts Committee. If the former minister, the member for Bonavista South (Mr. Morgan,) wants to talk about borrowing and how to borrow, he can do it on some other occasion. We are talking about the need for an Auditor General's Act here, we are not talking about borrowing and not borrowing. Why does the member not stick to the topic.

MR. SPEAKER:

There is no point of order.

The hon. the member for Bonavista South.

MR. MORGAN:

The reason why the member for Bellevue (Mr. Callan) is so upset is because he was then Chairman of the Public Accounts Committee. He was very ineffective, obviously, and he has been changed.

SOME HON. MEMBERS:

Hear, hear!

MR. MORGAN:

So, Mr. Speaker, when the Minister of Finance went out to borrow money -

MR. FUREY:

As a minister you were ineffective.

MR. SPEAKER:

Order, please!

MR. CALLAN:

On a point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, I believe I said just now that the member for Bonavista South was misleading the House, but I do not think he was doing it intentionally. I am wondering about that, Mr. Speaker. He is accusing me of being Chairman of the Public Accounts Committee when this came forward, but this is this year's. The Public Accounts Committee has not met yet under the new Chairman to discuss this. So let him not mislead the House, Mr. Speaker.

MR. MORGAN:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bonavista South.

MR. MORGAN:

Mr. Speaker, I said he was Past-Chairman and very ineffective, and I still maintain that.

MR. SPEAKER:

To that point of order, there is a difference of opinion between two hon. members.

The hon. the member for Bonavista South.

MR. MORGAN:

He did not do his job at all, now there is a new Chairman in place.

Mr. Speaker, the Auditor General is saying that the government lost \$5 million by going out and buying

a forwarding contract on foreign currency and setting a fixed rate. Now, the alternative to that was to go out and borrow, not set a fixed rate, and gamble or speculate that the currency variances would fluctuate, either the Canadian dollar or the foreign currency borrowed, and in this case the government, through the Minister of Finance, chose to set a fixed rate. So they knew definitely what they were going to get in return. Now, because of the variances in the currencies, there was an opportunity loss. If you were a speculator, there was an opportunity loss of \$5 million. But you cannot lose what you did not have, so the Auditor General is wrong in his report.

MR. TULK:

On a point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Fogo.

MR. TULK:

Mr. Speaker, I have been listening to the hon. gentleman with a great deal of interest. I was out dealing with another matter, but I came back in. I have been listening to him with a great deal of interest and I hoped that he was going to address himself to the resolution. He has not done that, of course. He is accusing the Opposition -

MR. POWER:

You fellows did not stick to the motion, either.

MR. BAIRD:

That is the sixth point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

Would the hon. member please state his point of order.

MR. TULK:

If you want to be leader, you have to become a little rougher. But you do not have to become rough with me, because if you do, you are going to have scars. Mental scars now 'Jim', I am not threatening him.

Mr. Speaker, on that point of order, -

MR. POWER:

Just because poor old 'Leo' gets the gears so often (inaudible).

MR. TULK:

What is wrong, boy? Did you get physically all at once, or what?

Mr. Speaker, let me state my point of order?

MR. SPEAKER:

Order, please!

The hon. the member for Fogo, please state your point of order.

MR. TULK:

My point of order, Mr. Speaker, is this, that the hon. gentleman is up saying that the Opposition, through this resolution, is prejudging the Auditor General and the government and that they are condemning the government. Now, I would tell him he should have read this thing, at least, before he stood up to speak. We know that he does not think before he bawls off at the mouth, but I would ask him to read, and I would ask Your Honour to direct him to read the resolution so that he can see somewhere where it criticizes the government as the PC Government of Newfoundland. I would also ask him to read it and see where the resolution prejudices anyone. What

it really does is ask that three measures be taken to ensure that the public purse of this Province is protected. Now, to that point of order, Mr. Speaker, the only person who is prejudging anything -

MR. MORGAN:

To that point of order, Mr. Speaker.

MR. FUREY:

Sit down, boy. He is speaking on a point of order. You know that.

MR. TULK:

Mr. Speaker, would you ask the hon. gentleman to sit down until I am finished?

Let me say to the hon. gentleman that the only person who is prejudging anybody here, in the usual fashion that he does it, is the member for Bonavista South.

MR. SPEAKER:

To that point of order, there is no point of order.

The hon. the member for Bonavista South.

MR. MORGAN:

Mr. Speaker, the hon. member for Fogo is now using the same kind of tactics he used during the Estimates Committees, when he came over to threaten me. Now, he is threatening my colleague, the Minister of Career Development (Mr. Power) with the same kind of bully tactics. He is big in body and stature and his only recourse is to bully and to threaten. Now, that is nonsense. He has walked out now. He is gone again.

The fact is that the Opposition has lined itself up with an Auditor General's report which will be proven to be wrong. They have taken a position quite

clearly this afternoon, two speakers, themselves members of the Committee, with the Auditor General and against the government. The fact is it will be proven. I am convinced that it will be proven that the Minister of Finance was very prudent in his borrowing at a fixed rate. There was no loss. You cannot lose something you did not have. We did not have the \$5 million. Mr. Speaker, hon. members in the Opposition might not like what I am saying, but at least they can sit in silence and listen to what I am saying.

Mr. Speaker, this afternoon in this hon House, under the guise of a resolution, they are trying to leave the impression that the Auditor General is somewhat stifled by this administration in auditing the government accounts. That is far from the truth. There is nothing further from the truth. The Auditor General has been given absolute, total leeway. I am sure not one, to a man, who has read the whole thing would disagree with him. We can disagree with the Auditor General.

MR. TULK:

On a point of order, Mr. Speaker, the hon. gentleman -

MR. MORGAN:

On a point of privilege, Mr. Speaker.

MR. SPEAKER:

A point of privilege, the hon. the member for Bonavista South.

MR. MORGAN:

Now, Mr. Speaker, I have not been able to take part in debate in this House for a little while. I have not taken part in debate, and I stand this afternoon -

MR. TULK:  
Why?

MR. MORGAN:  
Because I was away from the Province, for one reason.

MR. FUREY:  
Where were you?

MR. MORGAN:  
I was on government business in Texas, and on my own business in the Far East and Hong Kong.

Mr. Speaker, I have been interrupted this afternoon seven times in a twenty minute debate. Now, why is that? Is it because they do not like what I am saying and I am hurting the Opposition by what I am saying? I have no other recourse but to raise a point of privilege. I have been scoring points they do not agree with. That is one thing, obviously. Why have they stood seven times to disrupt my few comments in this debate? I am saying, Mr. Speaker, that is a breach of the rules of the House, when members play that kind of tactical game, trying to prevent a member from speaking in debate by using points of order to take up his time.

MR. TULK:  
Mr. Speaker, to that point of privilege.

MR. SPEAKER:  
To that point of privilege, the hon. the member for Fogo.

MR. TULK:  
Mr. Speaker, the hon. gentleman is perfectly right. He has the right to speak in this House but he should speak, which would be unusual for the hon. gentleman, to the facts and he should give the facts. The reason he has had seven or eight points of order

this afternoon is because he has been completely off base. He is obviously out of touch with what is going on. Perhaps it is because he has been away so long. Perhaps it is because he has been taking a disinterest in the affairs of government. Perhaps it is because this time last year he was up in arms with the government and is now trying to get back. The hon. gentleman is confused, and that is what we have to get up on points of order to tell him. He is here saying this afternoon that the administration has not opposed the Auditor General at any point, when we had the Premier and the Minister of Finance (Dr. Collins) on public television last year almost to the point where they fired the hon. gentleman. Wake up, boy!

MR. SPEAKER (Greening):  
To that point of privilege, there is no prima facie case.

The hon. the member for Bonavista South.

MR. MORGAN:  
Mr. Speaker, hon. members of the Opposition were very upset at this morning's Caucus meeting -

MR. FUREY:  
Ask (inaudible).

MR. MORGAN:  
Never mind. That is another issue.

Now, Mr. Speaker, I want to emphasize the fact that I tried to take part in debate this afternoon and I was interrupted seven times with points of order, which the Chair ruled were not points of order. This is the same kind of thing members of the Opposition accused my colleague from Burin - Placentia West (Mr. Tobin) and myself of doing during the

estimates committee, rising on points of order they felt were not necessary. Now, they are trying to disrupt me from speaking in this debate. Mr. Speaker, I will close by saying, they have a long way to go to shut up this member of the House of Assembly.

SOME HON. MEMBERS:

Hear, hear!

MR. CALLAN:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bellevue.

MR. CALLAN:

Thank you, Mr. Speaker.

Mr. Speaker, first of all, I want to quote what this resolution is all about. Forgetting the WHEREASES it says: 'BE IT THEREFORE RESOLVED that government introduce in the current Session of the House a new Act,' for the Auditor General. This is what this is all about.

Now, why, Mr. Speaker, is it that a member of the Liberal Opposition is bringing forward this resolution? Why? Well, first of all, as I pointed out in a point of order just now, it cannot be wrong, obviously, for the Auditor General in this Province to want and to deserve a new separate and distinct act for himself, since in the other nine provinces and in the federal government of this country they all have separate and distinct Auditors General Acts. Newfoundland cannot be right and the other ten jurisdictions wrong.

MR. BAIRD:

Why not?

MR. POWER:

They have been wrong before.

MR. CALLAN:

Obviously, that is not the case, Mr. Speaker. The member for Ferryland (Mr. Power) will have his opportunity, as he did on radio this morning, to announce his \$1 million stadium. He will have his opportunity to speak in this debate, as well.

Mr. Speaker, what does the Premier of this Province have to say? We heard what the Government House Leader (Mr. Marshall) said earlier this afternoon. He said there was no need for a separate and distinct act, that the Financial Administration Act looks after things quite well. What does the Premier say, Mr. Speaker? What does the Premier, the leader of the government and the leader of the PC party in this Province have to say? Well, I am quoting, Mr. Speaker, from the Report of the Auditor General to the House of Assembly for the financial year ended 31 March, 1984 and here is what I quote: 'So that members of the House of Assembly will be fully informed on this matter' - the matter of a separate and distinct Auditor General Act - the Auditor General says, 'I now summarize in chronological order' - if the member for Ferryland would listen, Mr. Speaker, he will know how his leader feels on this topic - 'I now summarize in chronological order events which have taken place to date. The date of this publication was November 5, 1984. Mr. Speaker, I am going back almost two years. The government and the Premier has had almost two years since this last series of events took place and we still have no Auditor General Act. The question is, why? Before I answer why, Mr. Speaker, let me say this, do members remember that date? Who was the Premier of this Province

in the House of Assembly on March 30, 1979? Who was here?

SOME HON. MEMBERS:

Oh, oh!

MR. CALLAN:

If I could have order, Mr. Speaker, so I can speak in silence?

MR. SPEAKER:

Order, please!

MR. CALLAN:

The hon. the Premier in the House of Assembly on March 30, 1979, in commenting upon the Auditor General's recommendation for new audit legislation, a new act, in other words, the present Premier stated, "The Auditor General's suggestions in this regard are worthy of this House's most serious consideration." That is what the present Premier said more than seven years ago, March 30, 1979. It was more than seven years ago when the Premier said, and let me quote that once more, Mr. Speaker, so that members opposite will know where the Leader of their Party stands on this subject, "The Auditor General's suggestions in this regard are worthy of this House's most serious consideration. Consequently," the Premier says, "may I suggest to the House that we establish an independent review committee of the office of the Auditor General." Now, that is a quote directly from the Premier. What has transpired since March 30, 1979, when the Premier said that?

SOME HON. MEMBERS:

Oh, oh!

MR. CALLAN:

I would like to be heard in silence, both sides, Mr. Speaker.

MR. SPEAKER:

Order, please!

MR. CALLAN:

Well, what has happened? In November of 1979, six months later, the Minister of Finance (Dr. Collins) provided the Executive Council with background information on, (a) the need for a separate Auditor General Act, and (b) a study made by the Department of Finance on legislation in other jurisdictions and the value-for-money concept. The second part of the resolution, Mr. Speaker, from the member for Windsor - Buchans (Mr. Flight) talks about that aspect, as well. 'Not only a new act for the Auditor General but', he says, 'also to give the Auditor General the duty to perform comprehensive auditing or', in other words, 'value-for-money auditing,' which we do not have in this Province.

Now, Mr. Speaker, the Minister of Finance sought agreement to proceed with a course of action that would result in the preparation of draft legislation for a separate Auditor General Act. This course of action was subsequently approved by Cabinet in December of 1979.

MR. POWER:

Carried.

MR. CALLAN:

The member for Ferryland (Mr. Power), who keeps interrupting me with silly nonsense, was probably in that Cabinet. You see, Mr. Speaker, what I am getting at here is the Premier in 1979 was dedicated to a new act and, not only that, in December of 1979 the Premier and his Cabinet were making moves in the direction of getting a new Auditor General Act. Now, I will get back to the

point I am trying to make. What happened to throw it off the tracks?

MR. POWER:  
(Inaudible).

MR. SPEAKER:  
Order, please!

MR. CALLAN:  
Name him, Mr. Speaker.

MR. SPEAKER:  
The hon. member has asked for silence on a number of occasions and I ask all hon. members to be silent.

MR. CALLAN:  
Thank you, Mr. Speaker.

Now, Mr. Speaker, in the next year, in September of 1980, Treasury Board was ordered to undertake a comprehensive analysis into the development of a separate Auditor General Act along certain prescribed lines. So the government and the Premier were progressing towards a separate act. Treasury Board reported to the Executive Council on the development of a separate Auditor General Act in February of 1981 - so, two years later, still progress, slow but sure - and set out several specific recommendations.

On November 23, 1981 the Auditor General says, "I wrote the Minister of Finance and outlined a course of action to be taken to facilitate the preparation and enactment of a separate Auditor General Act. In March of 1982, officials of the Auditor General's Department began preliminary work on the preparation of the initial draft of a separate act. By June of 1982 work had progressed to the stage where a draft of the

proposed act had been prepared." A draft of the proposed act, Mr. Speaker, had been prepared in June of 1982. Why is it that here we are in June of 1986, four years later, and we still do not have a separate and distinct Auditor General Act when the government and the Premier were committed to it in 1979, 1980, 1981 and up as far as 1982? Why do we not have it, Mr. Speaker?

But the progress did not end there, Mr. Speaker, on May 4, 1984 the Auditor General says, "I forwarded to the Minister of Finance, as well as several other senior government officials, a draft of a bill" - a draft of the actual bill - "An Act Respecting The Establishment Of The Office Of The Auditor General, along with documentation to support my request for a separate Auditor General Act."

Mr. Speaker, more than seven years have passed since this Premier came to power, on St. Patrick's Day, 1979, and we still do not have an Auditor General Act. Now, why is it, Mr. Speaker?

Mr. Speaker, I contend that the reason is a betrayal of trust on the part of the Premier. That is what it is all about, Mr. Speaker. It is the same betrayal of trust, and the member for St. John's North (Mr. J. Carter) will be interested in what I have to say next, because I am drawing an analogy. Now, when I was in Norway during the first week or two of April of this year, the member for Menihek raised in this Legislature the question of a new Elections Act, and the Premier, I was told and as I read after I came back from Norway, responded by saying - it was a slap in the face, Mr. Speaker, a slap in the face to the

member for St. John's North (Mr. J. Carter), who was Chairman of the Committee on Elections and Controverted Elections. He was Chairman for how long, three or four years?

MR. J. CARTER:

It was quite awhile. It was a long period.

MR. CALLAN:

It was a long period.

MR. J. CARTER:

I am going to speak next, so I will tell you.

MR. CALLAN:

Well, Mr. Speaker, I am glad to hear that. Here is what the Premier said in responding to the member for Menihek back in April of this year about a new elections act: He said, in essence, and I am paraphrasing, that the work the committee had done, in other words, was insufficient and, therefore, he could see no point in proceeding at this time.

In actuality, Mr. Speaker, what the Premier was saying is, "Well, it is another example of my betrayal of trust." Because in 1979 the Premier, when campaigning for the leadership of the Tory Party and the Premiership, made the same empty promise. In 1979 he promised a new Auditor General Act, he promised a new Elections Act. Mr. Speaker, I was Vice-Chairman of the Committee on Elections and Controverted Elections in the last year of its existence. I am not sure who was Vice-Chairman earlier.

MR. POWER:

'Tom Lush'.

MR. CALLAN:

Yes, the member for Bonavista

North, before he resigned. He was the member for Terra Nova at the time, the best member they had, I understand. Anyway, the member for Bonavista North, while he was the member for Terra Nova, was the Vice-Chairman.

Now, Mr. Speaker, I do not know what work the previous committee did. I know some of it, of course. While I was the Vice-Chairman, Mr. Speaker, myself and the member for St. John's North, as Chairman, we investigated other jurisdictions. We travelled to Toronto. We met with a lot of people, Mr. Speaker.

MR. J. CARTER:

Patrick Boyer was one of them.

MR. CALLAN:

Well, I was not going to mention Patrick Boyer, but I have a little side story to tell. Patrick Boyer, who is now a member of the Tory caucus in Ottawa, he was subsequently elected to the House of Commons as a Tory, we met with him and, I would say, the member for St. John's North, like myself, is probably still getting some literature from his office on election financing and that sort of thing.

MR. TULK:

What was he when you met him?

MR. CALLAN:

Well, he was an author. The Chairman can tell you. He is going to speak next. He was an author. I did not know what his politics were at the time, but I should have known.

MR. POWER:

He was honest (inaudible).

MR. CALLAN:

Well, I am glad the member asked.



I am glad the member interrupted me, for once. Mr. Speaker, in order for myself and the Chairman of that Committee to go in and sit down - I think we sat for an hour, I am not sure, perhaps it was only half an hour - with this eminent Tory author, Patrick Boyer -

MR. SIMMS:

How did you know he was an author?

MR. CALLAN:

Because he was an author on election financing. The member for Grand Bank is intentionally trying to pretend that he is dense, Mr. Speaker.

MR. TULK:

Grand Falls.

MR. CALLAN:

Grand Falls, I am very sorry. I would not dare say anything like that about the member for Grand Bank, he just did me a favour.

MR. BAIRD:

He should not have done you any favour.

MR. CALLAN:

Now, Mr. Speaker, if the member for Humber West (Mr. Baird) will be quiet.

MR. SPEAKER:

Order, please!

MR. CALLAN:

Do you know what happened, Mr. Speaker? In order for myself and the Chairman of that Committee on Elections, Election Financing and Controverted Elections to sit down with Patrick Boyer for an hour, do you know what it cost this Province? Do you know what it cost the taxpayers of this Province? I thought he was doing it as a favour. We went in and saw Roy McMurtry in his offices

and spent an hour there, and we and saw the Leader of the NDP in Ontario and the leader of the Liberal Party in Ontario. We did not see the Premier of Ontario, I do not think, but we saw some mucky-mucks.

MR. POWER:

You went to see the Liberals and ended up getting nothing out of them. If you want something, you have to pay for it.

MR. SPEAKER:

Order, please!

MR. CALLAN:

Mr. Speaker, he will have his chance to speak. We went to see members of the Tory administration in Ontario and paid nothing, as well. According to the Premier we got nothing from any of them, because the Premier confessed a month or two ago that the Chairman of the Committee, the member for St. John's North, had not gathered enough information to allow this Province to proceed with a new Elections Act. What a slap in the face to the Chairman!

Now, Mr. Speaker, actually I am not sure of the price, but I am sure it was \$200. It cost the taxpayers of this Province a couple of hundred dollars, perhaps it was \$250, for myself and the gentleman to go in and sit down in his office for an hour and chat really, or exchange ideas.

Now, Mr. Speaker, what we are into here, as I said - that is my five minute note - is a betrayal of trust.

SOME HON. MEMBERS:

Oh, oh!

MR. CALLAN:

Mr. Speaker, I want silence. It

is a betrayal of trust on the part of the Premier. He did not intend and he does not intend today, because if the Government House Leader is speaking for his leader, the Premier, then we were obviously told earlier this afternoon that the Auditor General has it good enough now and he is not going to get anything better as long as this government is in power. This, in essence, is what the member for St. John's East said, and, of course, the Premier said earlier, No, we are not going to have a new Elections Act.

Now, I could go on for another hour talking about why we will not get that. It is for the same reason the Premier, Mr. Speaker, is afraid to bring the television cameras into the Legislature, and it is for the same reason the Premier told the people in Come By Chance and told the people in Markland that their hospitals would never close as long as he was Premier - he closed one two years ago and the other one is closing this month.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. CALLAN:

It is a betrayal of trust.

MR. POWER:

Listen to who is talking about Markland hospital.

MR. SPEAKER:

Order, please!

MR. POWER:

In camera meetings (inaudible).

MR. CALLAN:

Mr. Speaker, did you want to name

him?

MR. SPEAKER:

Order, please! I would ask hon. members on both sides for silence.

The hon. the member for Bellevue.

MR. CALLAN:

Thank you, Mr. Speaker. I think I have a minute left.

In summary, I want to say, Mr. Speaker, that the member for St. John's East, when he was speaking, and the member for Bonavista South, also, tried to make the point that the Auditor General does not need this act and he does not need any more powers.

Mr. Speaker, on page 170 in Appendix 3 of this Auditor General's Report, and it is in the newer one that I have here, as well, there is a list of Crown corporations and Boards and Authorities that are not audited by the Auditor General because he has no authority to do them, and they are: Churchill Falls Labrador Corporation, CFLCo; Fisheries Development Corporation - not allowed to audit that; Lower Churchill Development Corporation Limited; Marystown Shipyard; Newfoundland and Labrador Development Corporation - cannot audit that; Newfoundland and Labrador Hydro Electrical Corporation - he cannot do that one; Newfoundland Cancer Treatment and Research Foundation; Newfoundland Ocean Research and Development Corporation, which is now, I believe, private enterprise; Board of Commissioners of Public Utilities; Workers' Compensation Commission. These are some of the Crown corporations, you see, Mr. Speaker, and that points out the need for a new and separate

Auditor General Act, to give the Auditor General the sort of independence and the sorts of powers that he should have as a servant of this Legislature.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. J. CARTER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. John's North.

MR. J. CARTER:

Mr. Speaker, there are a few points which should be made. I will try and stick to the subject under discussion, but on the Election Act one of the points that should be made very clearly is the difficulties of bringing in the kind of election act that Ontario has, or some other provinces have is just too hard. I will give you a couple of reasons, and hon. members might like to think about these. How do you handle the problem of packmen? Now, you know what I mean by packmen: This is other agencies campaigning for or against a particular member. Now, the argument goes that if you limit the amount of money a candidate can spend and, yet, that particular candidate finds himself up against an agency or agencies that decide to be against him, then he, obviously, needs to expand his effort and it is going to cost him a lot more to respond. That is one point.

The other point is, supposing you do have limited -

MR. CALLAN:

Is that true in other provinces?

MR. J. CARTER:

Yes, it is and to their cost. They are finding it very difficult. In the States it has become an insoluble problem, and that is one of the points that Patrick Boyer discussed in his office with yourself and myself.

MR. CALLAN:

(Inaudible).

MR. J. CARTER:

Well, to me that is a very difficult -

MR. FLIGHT:

How about the Crown corporations?

MR. J. CARTER:

I will get into that in a moment. The other thing is, let us say the hon. member has a limit of, say, \$20,000 on his campaign -

AN HON. MEMBER:

Well, \$20,000 is (inaudible).

MR. J. CARTER:

Well, let us say it is \$20,000.

MR. SPEAKER (McNicholas):

Order, please!

MR. J. CARTER:

How do you arrange to spend the \$20,000? You may spend \$19,000, but if you go over, you are going to pay a penalty, there has to be a penalty. Now, how do you figure it? How do you arrange it? And that is a problem that the federal candidates have, and it is a very tough one. So that is another problem.

Anyway, those are just a couple of the problems, they are not easily solved and I do not have any answers for them. It is just very hard.

Now, on the question under

discussion, supposing there had been an Auditor General back in 1802 in the United States and that Auditor General had been empowered -

MR. TULK:

Were you around then?

MR. J. CARTER:

In spirit perhaps. Supposing that auditor general had been empowered to criticize the nature of government spending, not how the money was spent, not the way it was spent, but the type of expenditure, now, what about the Louisiana purchase? I think President Jefferson paid something like \$8 million, which was an awful lot of money in those days, for about one-third of the present continental territory of the United States.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please!

MR. J. CARTER:

If the Auditor General had been around then and had been -

MR. HISCOCK:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Eagle River.

MR. HISCOCK:

Mr. Speaker, with regard to the points the member is making, when the member was on the committee with myself and other members, we had a meeting with the present Auditor General and at that meeting we all recommended -

MR. SPEAKER:

Order, please!

MR. HISCOCK:

- and the member, himself, recommended -

MR. SPEAKER:

Order, please!

MR. HISCOCK:

- that there should be an Auditor General Act -

MR. SPEAKER:

Order, please!

MR. HISCOCK:

- and the Auditor General Act -

MR. SPEAKER:

Order, please!

There is no point of order.

The hon. the member for St. John's North.

MR. J. CARTER:

Thank you, Mr. Speaker.

What I was trying to develop was, supposing the Auditor General at that time had been empowered to criticize the type of expenditure that was made, he would have said, 'Well, \$8 million spent for a tractless wilderness full of hostile indians and swamps and marshes and malaria? There is no way, especially if his act had some teeth so that he could interfere with that expenditure, that such a beneficial expenditure could have been made. Now, that is, perhaps, the most obvious example of the dangers of giving the Auditor General the power to effectively criticize the nature of a government expenditure. As the President of the Council (Mr. Marshall) so rightly said, he maintained that that is the job of the Opposition. Now, he also pointed out that the Opposition is woefully inadequate in this

regard, but we cannot help their hopeless inadequacies, we can just point out that it is the Opposition's role or the government member's role to criticize government expenditure.

Now, for instance, I have criticized the nature of government expenditure, what I consider to be an artificial division between current and capital expenditure, and I think that is something that perhaps an Auditor General could discuss quite usefully, because that has to do with accounting procedures.

Also, money that is spent by this Legislature must be spent as this Legislature directs. In other words, if we direct that so much money be spent for a road, that money must be shown to have been spent for that road and not for excessive furnishings for the Opposition Office, or for luxurious appointments for Opposition members, or for, you know, all-expenses paid trips to conferences that are not necessary. Expenditures that are properly authorized should be okayed by the Auditor General, but it is a mistake, it is quite a mistake, Mr. Speaker, to give the Auditor General the kind of role that should rightfully be held by the Opposition.

On that point I will adjourn the debate.

MR. SPEAKER:

Is it agreed to call it 6:00 p.m.

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until tomorrow, Thursday, June 12, 1986 at 3:00 p.m.