



**PROVINCE OF NEWFOUNDLAND AND LABRADOR**

**HOUSE OF ASSEMBLY**

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**Volume 1**

**Number 75**

**4th. Session**

**34th. General Assembly**

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**VERBATIM REPORT**

**THURSDAY, MAY 21, 1970**

**SPEAKER: THE HONOURABLE GEORGE W. CLARKE**

The House met at 10:30 A.M.

Mr. Speaker in the Chair.

HON. J. R. SMALLWOOD: (PREMIER) Mr. Speaker, I believe that all members of this House were shocked and saddened to hear of the death of the Hon. John R. Courage, a former member of this House and former Speaker of this House. In fact Your Honour's immediate predecessor, I believe.

Mr. Courage as we know was stricken down by a massive cerebral hemorrhage or stroke and has been desperately ill up to the moment of his death. I do not think that he recovered consciousness after the stroke. He was an enormously popular man among us in this House, there was genuine affection for him I think on all sides of the House. He was regarded as a capable Speaker and he was regarded as one who was very knowledgeable and I think he was accepted by the House, as Your Honour is, as an honourable and impartial Speaker. As a member for Fortune Bay, he was respected and popular and on the first three or four occasions on which he was elected he was elected by what you could only call staggering majorities, between eighty and ninety votes out of every hundred, and I think in one election something more than ninety votes out of every hundred in that great district.

He was a very studious man, John Courage, an omnivorous reader, and an endless student. I used to think that perhaps he would be happiest of all if he could have spent his life always as a student, at this or that or the other university. I believe he was happiest when he was following the life of a student. A perpetual student. A great reader, and a great student.

His own family are left now bereft and Newfoundland has lost a good citizen. I, myself have lost a great personal friend. He was one of my earliest converts to the cause of Confederation. I am not sure even that he was a convert. It may well be that he was a Confederate before I was. Coming as he did from the Southwest Coast where all the people were Confederate or ninety-five percent more of them, he would naturally himself be a Confederate, and he certainly was. But he was a convert to my cause, he

MR. SMALLWOOD: was an early recruit in the movement I launched and he was a valuable one, very ardent, very sincere, very useful. So I have lost one of the great early Confederates, one of the great figures in our early Confederate Movement in Newfoundland, and after that a close personal friend. I cannot find words to express the sorrow I feel at the loss of a great friend and one of the pioneer Confederates.

One by one these Newfoundlanders who changed the very course of our history, one by one they go, the band is smaller than it was and it will be smaller, and at length it will be no more, there will be none left, unless it will be some very old man of ninety-five or a hundred. Within the foreseeable future there will not be one left of that great noble Confederate army of which Jack Courage was a very prominent and useful member.

Seconded by the Leader of the Opposition I move that this House regrets the death of the Hon. John R. Courage, a former Speaker and one of the men elected to the first House of Assembly of the Province of Newfoundland, that this House requests the Speaker to extend an expression of sympathy to the bereaved family.

MR. A. J. MURPHY: (LEADER OF THE OPPOSITION) Mr. Speaker, I would like to add my few words of sadness at this time, I knew Jack Courage as a man, as a Newfoundlander perhaps, his political affiliations did not influence me in anyway in having any more or less respect for him. I was not intimate with the gentleman, and I knew of course he was a Liberal member in this Legislature and a former Speaker. As I said; for me, I admire a man for what he is and not perhaps what he stands for, but I would like to join with the hon. the Premier in this Resolution, and also on behalf I am sure not only as party representative, but of all of us in the House to extend to his mother and his wife and children our very sincere sad feelings at the loss of a father, a son and a great Newfoundlander.

MR. J. C. CROSBIE: Mr. Speaker, I would like to join in supporting this Resolution of the regret of the death of the late John Courage, former Speaker of the House and member for Fortune Bay District.

I believe after he entered into politics or became a member of this House he undertook the study of Law and became a lawyer, he was a brother lawyer of the legal members of this House. And I further understand he was a great student, he did quite a lot of graduate work after he left university after he did his B.A. I believe he did a thesis, one of his theses was on Procedure in the Newfoundland House of Assembly. I have always intended to try and get a copy of it to have a look at it, but I never had a look at it yet, I presume it is at Memorial University.

Mr. Courage was a man who never stopped improving himself intellectually or professionally, which was a great compliment to him. I notice, Mr. Speaker, according to the paper, that Mr. Courage was only fifty-five years of age, which I had not realized, I thought he was older than that. So his death is certainly at a young age and a great loss to his family and to the Province of Newfoundland.

MR. B. J. ABBOTT: Mr. Speaker, the hon. the Premier has very adequately paid tribute to the late John R. Courage, as Speaker of this House, and as a man who played a large part in the Confederation issue, I should like to pay tribute to him as a member of the Executive of the Canadian Bible Society here in Newfoundland, <sup>of</sup> which I happened to be the President. For two or three years he served with us on the Executive and then when he was stricken ill he was still the Secretary of the Newfoundland District Board. I can speak of his very meticulous, methodical way of doing things, He made quite a contribution and was quite an asset to the Board in its deliberations and I wish to publicly express my appreciation of his services and my deep regret of his passing.

MR. H. R. V. EARLE: Mr. Speaker, I must follow in the sincere and deep regret of the passing of John R. Courage, Hon. members know, I followed him as member for Fortune Bay and it was only when I covered that district on my first occasion in entering into politics that I realized what a difficult task I had.



MR. EARLE: Jack Courage was loved and respected by the people of that area, he was a quite, friendly and sincere man and the people of Fortune Bay particularly and Hermitage, I might say, and all of the South Coast thought very highly indeed of Jack Courage. I had further association with him later as Minister of Finance, because of course he was Chairman of the Civil Service Commission in which he did an outstanding job and on many occasions I met with Mr. Courage and I hope that together we were able to forward the right aims of that Commission. Certainly Jack Courage did his best at all times in a courtesy way, and I know that those who worked with him and those who were associated with him will miss him greatly.

It is a terrific shame that a man of fifty-five years old, in the prime of his life, who had much to offer for the future of this Province, should be taken away so suddenly. I sincere join in the tributes to the late John R. Courage.

MR. A. WORNELL: Mr. Speaker, I wish to support the motion before the Chair, Sir, and add my few words of condolence to the bereaved widow and the children of the late John R. Courage. I have not been too closely associated with the Hon. departed friend, but during the fight for Confederation I had the honour to chair three meetings for Mr. Courage. The first one I remember we had at Coomb's Cove in Fortune Bay, it was about four-thirty in the afternoon, just after the school had closed. We were fortunate enough to get the school hall and we had a very successful meeting there. That night we went to English Harbour West and had another meeting there. And after that I knew Jack Courage spasmodically, off and on, never very closely associated with him. I remember a short association with him in the Lion's Club, but I certainly agree with what the Premier has said about Mr. Courage being an avid reader, a born student and a man who was a part of all that he had met, as Tennyson has said, in that great poem, "Ulyses". I also think of a quotation from Walter Savagelandor; "He strove with none, for none was worth a strife", and I also think of a quotation from Julius Caesar; "His life was gentle".

MR. WORNELL: John Courage came from humble beginnings, Sir, born in Long Harbour, Fortune Bay, where his father was a C.N.T. or an Anglo Telegraph Operator. There were only four people, as the Premier have stated Mr. Speaker, he died when Jack was very young, There were only four people at that time, Sir, in Long Harbour, and it is amazing how the seeds of intellect grow in these humble and isolated surroundings. John Courage is a man that I think all of us could honour here today, he was not a controversial. He probably was not the greatest politician in Newfoundland, but I really believe Sir, that he was a good parliamentarian. And I am very pleased to add my tribute to those all ready given in the House today.

HON. F. W. ROWE: (MINISTER OF EDUCATION): Mr. Speaker without delaying the House further, I think there are two aspects of our late friend's life that should be known I think and should be recorded, I happened to have been very close to him because our lives paralleled each other in certain respects, we were just about a year and a-half apart in age, we both carried on similar studies in our undergraduate days, we both majored in history and political science, and we were both principals of institutions in St. John's here at the same time, so Jack and I were very close together in the professional sense, and to some degree in a social sense.

Perhaps it is not generally known by this House that our late friend was the first graduate of the University, Memorial University of Newfoundland, he was number one. Also, I happen to know because he showed it to me, I do not know what has happened to it, he has written a history of the Confederate Movement in Newfoundland. I think he might have done it for a Doctoral thesis for Columbia University. I know he had completed his studies at Columbia, the studies necessary for a doctorate and I think the only remaining chore to perform was the usual one of have a dissertation. Whether he had completed it finally, I do not know. He did show me a draft of that, I glanced through it in fact and I think it would be incumbent on us here in the House and I am sure somebody will look into it to find out what has happened to that document, because as the Premier said, he was a pioneer in the Confederate Movement here in Newfoundland. And he was a very knowledgeable

MR. ROWE: F.W. Newfoundlander and it would be I think a shame if that document were to be lost to posterity, there is certainly some valuable information in that document and I will take it upon myself to try to pursue that matter further.

I join with all the others in expressing regret at this tragedy which was made all the more shocking by the fact that he was, as we generally say, in the prime of life, fifty-five years of age, and one moment was apparently in the best of health and the next moment was unconscious and has been so ever since until his death, a few hours ago.

MR. SPEAKER: I take it that the House concurs unanimously in the motion, that is before the Chair.

PRESENTING PETITIONS

HON. W. N. ROWE: (MINISTER OF COMMUNITY AND SOCIAL DEVELOPMENT) Mr. Speaker, I beg leave to present a petition to this hon. House which I received from the people of Purbeck Cove in my district of White Bay South.

The petition appears to be signed by every voter in that community, Mr. Speaker, some thirty person's. It is not the largest metropolis in Canada, Mr. Speaker, but it is a place where people live and people have put in a lot of investment of time, effort and money and I think it is a shame that any member of this House should run down the existence of such a place, and poke fun at them.

Anyway, Mr. Speaker, it is a very small place, a fairly remote place, although it has a road connection it is some thirty miles from the Baie Verte Highway, and therefore it is very easy to -

MR. SMALLWOOD: Inaudible.

MR. ROWE, W.N. my hon. predecessor.

The petition, Mr. Speaker, if I can get to that, asks that Purbeck's Cove be supplied with light and power, that the road leading to Purbeck's

MR. ROWE: (W.N) Cove be fixed better, to put in a better condition of repair and that the community of Purbeck's Cove get a school teacher. Now on the latter, of course this House, the Government and certainly the House have very little control over, although I certainly support their desire to get a school teacher. On the other two matters, the matter of light and power and the repair of the road to Purbeck's Cove, I would urge the ministers concerned and the authorities to give these matters every possible consideration with a view to satisfying the needs of the people of that community.

I move, Sir, that this petition be received by the hon. House and referred to the departments to which it relates.

MR. SPEAKER: Moved and seconded that this petition be received and referred to the departments to which it relates.

MR. F.W. ROWE: Mr. Speaker, I

HON. F.W. ROWE (Minister of Education and Youth): Mr. Speaker, I would again be negligent if I did not support that petition, at least, the request of the people of Purbeck Cove. Purbeck Cove has an unusual distinction in White Bay South. I think it was in the last election that I ran there and there were thirty voters. There were twenty-nine voters there. Fourteen of them voted for me and fifteen of them voted for my opponent making, I think, Pubeck Cove the only place in White Bay South which did not give me a majority. However, seriously, I..

MR. SMALLWOOD:      Thirty mile road.

MR. ROWE (F.W.): The road to Purbeck Cove, contrary to some of the allegations made here, is only three miles - it is thirty miles from the Baie Verte highway, but it is three miles from the Westport highway which explains why they have that little road to Purbeck Cove. Westport is a minor metropolis of White Bay South.

Mr. Speaker, I would like to say seriously that I know these people very well. I have been in all their homes. I have met them all. They are a fine group of hard-working, independent people who have established homes there, as the member said and who have been carrying on an independent life there and they want to try and improve it as best they can, whether or not for a community so small it is possible to provide all of these amenities and facilities is a pretty open question. Certainly, nobody has yet devised a way whereby you can get qualified teachers to go to these little communities and stay there. I do not know the answer to that problem. Perhaps there is not an answer to it. Certainly it is not merely an answer of dollars and cents. A highly graded teacher or even a teacher with moderate standards, given a choice, will teach in Glovertown or Lewisporte or Springdale rather than go to Purbeck Cove, and that is a fact of life that we have to live with. I do not know the answer to that, short of imposing a dictatorship there.

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However, I do support this request from the people of Purbeck Cove.

MR. MURPHY: Mr. Speaker, I would like to support it, but it is very difficult to follow a father and son act. My reason for..

MR. SMALLWOOD: Son and father.

MR. MURPHY: My reason for expressing some surprise at the petition, I remember the first petition, one of the few that I did present to the House and I had to go to the Standing Orders and get the form and I was really worried to death whether the House would accept this thing. It was graciously drawn up. It was almost like the Address in Reply to His Honour the Lieutenant-Governor and when I saw the gentleman pick this out of the sand, I was just wondering what the situation was. I was going to support the petition anyhow and in view of the hon. Minister of Education's remarks, I have to say that these people should get this immediately what they are looking for. Do not hesitate any- this week. Perhaps over the long weekend the Minister of Highways and the minister might go down and have a look at it. I am very happy to support this petition. It is one of many that come in from the smaller areas, and I feel, as the hon. Minister of Education has pointed out, it is very, very difficult to give everybody everything that they look for, but I hope that<sup>a</sup> special effort will be made to accede to the prayer of this petition, and I am going to get a copy of the prayer, Mr. Speaker, to use in form of petitions that I will be presenting in this House.

MR. SPEAKER: It is moved and seconded that this petition be received and referred to the department to which it relates. Carried.

MR. WILLIAM R. SMALLWOOD: Mr. Speaker, I beg leave to present a petition from the people of Miles Cove on Sunday Cove Island. Mr. Speaker, this petition has been signed, I would say, by the vast majority of the voters of Miles Cove and the prayer, Sir, of the petition is for a road



connection from the main road going between South Brook and Roberts Arm out to the salt water and then across to the island of Sunday Cove Island and down to the settlement of Miles Cove.

Mr. Speaker, I might say that this is one of two settlements on Sunday Cove Island, and it is the same place that I brought a petition into this House, I think, it was last year, concerning the same road.

Mr. Speaker, I think that these people deserve the road. It is only, relatively, a short distance, at least, from the Roberts Arm road down to the seashore and then, of course, a causeway would have to be built over a short distance of sea, and the water is not very deep there in that particular place.

AN HON. MEMBER:    Three miles long?

MR. SMALLWOOD (W.R.):    No, the distance, I think, would be no more than a quarter of a mile at the most.

Mr. Speaker, I strongly support this petition. As I say, Sir it is essentially the same type of petition that I presented in this House a year ago and gave my strong support to it and made some strong comments upon having this particular piece of road constructed. As I say, Sir, I strongly support the petition and ask that it be received by this House and referred to the department to which it relates, and the minister is right in front of me.

MR. SPEAKER:    It is moved and seconded that this petition be received and referred to the department to which it relates.    Carried.

NOTICE OF MOTION

HON. L.R. CURTIS (Minister of Justice):    Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill, "An Act To Authorize The Lieutenant-Governor in Council To Enter Into An Agreement With Churchill Falls (Labrador) Corporation Limited Further To Amend The Lease Executed And



Delivered In Pursuance Of The Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961, As Amended, And To Make Statutory Provisions Relating To The Lease."

A Bill, "An Act To Amend The British Newfoundland Exploration Limited Statute And Agreement (Amendment) Act, 1970."

A Bill, "An Act Further To Amend The Statutory Mining And Shipping Agreement Executed Pursuant To The Government - The Flintkote Company - Atlantic Gypsum, Limited (Authorization of Agreement) Act, 1960."

A Bill, "An Act Further To Amend The British Newfoundland Exploration Limited (Petroleum And Natural Gas) Act, 1963."

There is another Bill for which I have not a copy and I would ask leave to give it later.

#### ANSWERS TO QUESTIONS

MR. SMALLWOOD: Mr. Speaker, Question no 511, on the Order Paper of May 18th. The answer to the first part is that no such deposit has been made, and that, therefore, no answers arise to part two and three. That question is in the name of the hon. member for Burin.

Question no 514, on the Order Paper of May 18th., asked by the same hon. gentleman. The answer is no.

Question no 515, in the name of the hon. member for St. John's West. The answer to the first part is, November, 1969. If the hon. gentleman wants the date, I can get that. The rate of interest is 6½ per cent. The answer to the second part is, December, 1969 and I can get the exact date, if that is wanted. December, 1969, in an amount of \$100,000 bearing interest at the rate of 6½ per cent. In the third part, I have to say that I am not sure that I understand the nature of that part of the question. I take it that it relates to the two parts preceding in this same question; otherwise, I would assume that it was another question. I can only say that we have no overdraft whatsoever at the Bank of Montreal or

any other bank. The Government have no overdrafts. None. We have no demand notes. We do not owe any banks anything.

MR. WELLS: What is the amount of short-term Treasury bills not exceeding ninety days?

MR. SMALLWOOD: I would need notice of that.

MR. CROSBIE: Mr. Speaker, in connection with the supplementary question. At the end of March, 1970, in relation to a question answered here, it was said that the Government owed the Bank of Montreal an amount of just over \$14 million.

MR. SMALLWOOD: I have answered the question.

MR. CROSBIE: That has since been repaid.

MR. SMALLWOOD: I have answered the question.

HON. E. WINSOR (Minister of Labrador Affairs): Mr. Speaker, Question no 510 asked by the hon. member for Labrador West appearing on the Order Paper of May 18th., and I table the answers.

#### ORDERS OF THE DAY

On motion of the hon. the Premier, a Bill, "An Act To Incorporate The Moravian Church In Newfoundland And Labrador," read a first time, ordered read a second time on tomorrow.

On motion of the hon. Minister of Education, a Bill, "An Act To Validate And Provide For The Enforcement Of A Certain Agreement Between The Heads Of Certain Denominations Respecting The Appointment And Payment Of Certain Monies Allocated By The Province For Certain Educational Purposes In Respect To The Fiscal Year 1962-63 And To Hold Her Majesty Bound By Such Agreement," read a first time, <sup>ordered</sup> read a second time on tomorrow.

On motion of the hon. Minister of Education, a Bill, "An Act Further To Amend The Technical And Vocational Training Act, 1963," read a first time, ordered read a second time on tomorrow.

On motion of the hon. Minister of Provincial Affairs, a Bill, "An Act To Amend The Automobile Insurance Act, 1968," read a first time, ordered read a second time on tomorrow.

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On motion of the hon. Minister of Provincial Affairs, a Bill, "An Act Further To Amend The Direct Sellers Act, 1966," read a first time, ordered read a second time on tomorrow.

On motion of the hon. Minister of Municipal Affairs, a Bill, "An Act To Amend The City Of St. John's (Loan) Act, 1969," read a first time, ordered read a second time on tomorrow.

On motion, that the House go into Committee of the Whole on Supply (Estimates). Mr. Speaker left the Chair.

MR. HODDER (CHAIRMAN OF COMMITTEE OF THE WHOLE):

MR. SMALLWOOD: Mr. Chairman, as we go into Committee of Supply may I say that I am acting for the Minister of Finance who is still ill, but who is expected back shortly. I hope, perhaps, before the present week is over. May I say as well that I have invited the Deputy Minister of Finance and the Director of Public Accounts and other officials of the Finance Department will be sitting in the corridor or near by so that we may be able to provide, I hope, all the information asked. I do not guarantee it. I hope and certainly will try to provide all.

I ought to say this, too, Mr. Speaker that since the Estimates were printed and indeed since the Budget Speech was brought down, some changes have been made in the proposals of expenditure for the year, and these are not shown in the printed Estimates. I will give the House an example. Under the heading of current account, throughout the whole of the printed Estimates, the figures shown for salaries are, of course, I think, obviously inaccurate, that is to say they are incomplete. They are not wrong, but additional amounts have to be added to cover the increased salary rates to which the Government have agreed for certain classifications of civil servants and others - others who will receive their salaries from the Treasury.

It is impossible to insert those amounts at this time for the very good reason that not all of them, as yet, have been negotiated. Some have been negotiated and some have not. Negotiations on some rates are proceeding. That is as to actual salary rates. Then there are other matters that are involved in the rates of remuneration and in the compensation generally and the conditions of employment, generally, of civil servants and other public servants of the Government and others who are not civil servants, but who will receive their pay from the Government.

These negotiations are proceeding, and we hope that they will terminate before too long. When they do terminate, we will know precisely how much additional money we will ask the Committee of Supply to recommend to the House and the House to pass, over and above the amounts shown in the printed Estimates. I think this position should be pretty clear to all hon. members of the Committee of Supply that we cannot and, therefore, we have not shown - we could not, if we wanted to - and we do want to show the actual amounts that we will ask the committee to vote, to recommend to the House as the amounts that the Government will pay out in this current financial year under the heading of salaries.

There are still other things that are matters of negotiation at the moment, which will have to be shown. Now how shall we show them? We have at the moment many items in the Estimates of expenditure, of salaries. There is an appendix at the back which has a long list of salaries and rates are shown. Then in addition to that, there are block votes and these are shown

MR. SMALLWOOD: and it is over and above both of these, over and above them, there will be an additional block vote for the whole Government service not apportioned by the departments, but one single block vote the Committee will be asked to add to the Estimates of Expenditure for salaries. There will be the total increase of at least 7 millions gross to be added of which some is in the Estimates, some is not, but this figure in any case is gross, because of course some receipts will come from the Government of Canada. Some of these are cost-shared programs, and when we increase the rate of pay that we give, we recover some of the increase as we recover some of the original amount, the basic amount from the Government of Canada, or possibly even from other sources. That detail will be given in the course of our deliberations here in Committee of the Whole. That is as to Current Account. Now as to Capital Account; we have pretty well completed our proposals for the current year, our proposed expenditures on roads, paving, water and sewerage and other forms of capital expenditure.

The water and sewerage program has not as yet been announced, and if the decision has been taken, this expenditure would be described and announced by the Minister of Municipal Affairs and Housing as he comes to that part of the Estimates. He will give an account of what we propose to do.

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Now Sir, when all this<sup>is</sup> done, it will call for expenditure on Capital Account over and above the amount shown in the Estimates, and the amount will be inserted when we come to discuss Capital Account expenditure. I think that about covers what I wanted to say in the way of preliminary introduction of the Estimates. We are very anxious in the Government to furnish the House, furnish the Committee, with all the information that the Committee may desire, and some that they may not desire, some that they may not request at any rate, and wherever we can we will.

We have no desire whatsoever to shorten debate. If the Committee wishes to take three or four or five weeks discussing these Estimates, so be it. We will welcome that, and enjoy being here in the Chamber doing the people's business, as I am sure every other hon. member will similarly enjoy. Maybe not enjoy quite as much we will, but

doubtless they will enjoy being here, and enable us to bring forward the information.

AN HON. MEMBER: Do you think we will have Regatta Day off?

MR. SMALLWOOD: Regatta Day is never spent in the House of Assembly. It is spent at Quidi Vidi, and I presume it will so spent this year - not in this Chamber.

AN HON. MEMBER: Why not?

MR. SMALLWOOD: Because there is a tradition in the capital of this Province. Before we were a Province it was the tradition of this country that on Regatta Day, most people go to the Regatta. Some go out fishing, but I never heard of Regatta Day being spent in the House of Assembly, and I do not propose to introduce that innovation at this time. I ask the Committee to turn to Page 17 of the Estimates. That is the first page of which we ask the Committee to vote. Everything preceding Page 17 is statutory and calls for no voting. Page 17, Head (2) Legislative, which is to be followed by Head (3) Executive Council, and Head (4) Department of Finance.

MR. WELLS: Mr. Chairman, just so we do not make any mistake and do not fail to vote money that must be voted, let us have a couple of matters cleared up. I realize that what we are obliged by statutes to pay does not have to be voted. However, there are a couple of items, that it appears to me and I agree to be corrected if I am wrong, that it would not appear to me, we are presently obliged by statutes to pay, so therefore they would have to be voted.

MR. CHAIRMAN: I do not think we need to go into that now. There will be plenty of occasion to come back, and before we close Committee of Supply, we have to make sure that everything we have to vote is voted, and we can take it heading by heading.

MR. WELLS: With all due respect Sir, there are a couple of Items under Consolidated Fund Services, such as debt management, which are not provided for in any statute, and which has to be discussed and voted, otherwise



it cannot be paid. So I would ask Your Honour to have this cleared up now, because the Premier has made a statement that this does not - nothing in these preceding pages had to be voted.

MR. CHAIRMAN: Order please! The points that the hon. member is raising does not really concern the Committee at this time. The Heading that has been called is Heading 11, Legislative, and without a doubt before we close the book and close the Committee sometime hence, if there are any other headings that we have not gotten around to, they will be dealt with then.

MR. WELLS: I accept your ruling Sir, but I would like you to confirm for the House the statement the Premier made is not necessarily the situation, that it has not now been decided, nothing under Consolidated Fund Services need to be voted. The Committee has not decided that.

MR. CHAIRMAN: As far as the Chair is concerned, Heading (1) has not been called. Heading (2) has been called.

MR. CROSBIE: Before we pass on, I would like to ask the Premier a question. Is the Government suggesting that we are not going to discuss in this Committee Consolidated Fund Services at all? Is that the suggestion?

MR. CHAIRMAN: Order. The hon. gentleman is completely out of order now.

MR. CROSBIE: Why is it out of order Mr. Chairman? We were told yesterday that we would start from number one and proceed on through the book. But the hon. the Premier has made a statement that we are not going to discuss Consolidated Fund Services at all. Now this is a very important issue. This is all the monies borrowed by the Province and the provision made to pay them. Provisions made to pay guarantees under loan and so on. Now is it the Government's position that we are not going to discuss Consolidated Fund Services at all?

MR. CHAIRMAN: Order please.

MR. SMALLWOOD: To a point of order, to correct the hon. gentleman. I did not say anything whatever about our not discussing. I said not voting. We are not called on to vote for Head (1). That is what I said.



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MR. CHAIRMAN: The position is this, how the Chair feels is this: Is that each heading is a separate Motion, and the Motion before the Chair now is that Legislative (2) will carry, but we have to go down through the various Items. Before we close the Committee, if there is any Heading, there may be other Headings that may not be dealt with the Committee is always free to go back to those. We generally skip back and forth anyway.

MR. WELLS: Well might I ask the hon. the Premier on behalf of the Government to be so kind as to take into consideration the possibility that by reason of the fact that I live in Corner Brook, this matter may come up on a day when I cannot get back. And I would like very much to make a few comments on Consolidated Fund Services. Would the Premier be so kind as to consider allowing this to be debated now?

MR. CHAIRMAN: Order please! The Heading that is called is Legislative (2). Shall Item 02-01-01 carry?

MR. MURPHY: Just before you go on, and I want to speak on the Heading. I think I am perfectly entitled to do it, and that is Legislative. And that is a few thoughts/have struck me during this Session as far as this Legislature is concerned, the great People's House we think so much about. And the respect and general approach to the carrying out of the business of the Province on behalf of the people. And I would just like to say, and I am not going to be too long on it because my feelings on what transpired in this Chamber in this past few months have not been at all the best. I think we have been treated, and I say "we", the Opposition, with a certain amount of contempt, if you like, the calling of orders, and a general discussion of business to come before this House, has not been done, in my opinion, in the best interests of the people of this Province. I think the people have witnessed this year, this Session, things that I feel mighty ashamed of, in regard to the some of the things that have transpired.

Mr. Chairman, there have been Motions put on the Order Paper and have been there for weeks in Reference to Public Accounts, to other matters that have not yet been called. For years, I have been in this House, for some eight years, we have urged the Government and the House to

set up working committees in this House. If anyone would care to observe, and I have brought this matter to the attention of the House before. Some of the notices on this Board out here with reference to different committees. I will say, and I can be corrected, that not one Committee has met to discuss any of these matters and these are Standing Committees of this hon. House. How in Heaven's name do we expect to conduct the business as it should be conducted! We have in Standing Orders as I said, certain Committees that ~~have been~~ Standing Committees that should be operating, but in my opinion they have been completely disregarded. This House this year, in a great many instances, has been devoting itself to arguments, personal abuse, so on and so forth. I think a few things have come out of it that the people of Newfoundland are happy to know. That a certain hon. member has a Kennedy haircut, that a certain hon. gentleman has very tender toes. I am only speaking, Sir, and I think I reflect the opinion of a great many people of this Province, and we as members of this House, and I am sure I not only speak for this side but I am sure every side, every member elected by the people in his district to come here and do the business of the Province, and to sit down here day after day, hour after hour, and flit away valuable time on foolish, foolish arguments, instead of trying to get the business of the House done Mr. Speaker, I must say that I am very, very disappointed.

AN. HON. MEMBER: The hon. gentleman's wit now and then is appreciated over here.

MR. MURPHY: Wit is all right. I can be witty if I feel like it, but being abusive - and when people get up and impute, hate, to different people in this House, I think Mr. Chairman, we are a long ways off the track of what we are sent here for. And I would like to go on record to say that this is supposed to <sup>be</sup> a forum for debate, and during the past weeks here in this House, it was more like an autopsy or a coroner's inquest, rather than a House of Assembly, and I strongly resent the action of this Government in the so-called Budget Debate for the complete indifference

they show to this hon. House where they had five members in a row from this side speak - anybody who wants to see yesterday's "Telegram" or the day before can see there, never known before. And I believe Mr. Chairman, that the affairs of this House have not been handled as they should have been by the Government. I think it was contemptuous and completely irresponsible, and that is why I stand now on this heading to discuss this. We will get into other affairs as I know as the Items are called. But I would like to go on record Sir as saying, that this past Session of the House has been <sup>an</sup>insult to the people of this Province.

MR. CROSBIE: Mr. Chairman, on this Item I would like to make some remarks also. The conduct in the proceedings of this House of Assembly Mr. Chairman, the way they have been conducted by the Government in this Session is abysmal. A House of Assembly or a Parliament can only operate properly if there is co-operation and good-will and co-ordination between the Government and the other Parties or Groups in the House, behind the scenes. That is how every other House of Assembly or Legislature in Canada operates. That is how Parliament operates in the United Kingdom. That is how it operates in Ottawa. But in this House Mr. Chairman, in this Session, there has been none. There has been no co-operation - no communication between the Government or the leader of the Government in this House and certainly I can speak for this Group, for the Liberal Reform members that sit here. And I do not think with the Opposition either.

Mr. Chairman, we are not told in advance what business is going to come before the House. That is a handicap immediately. There has been instance after instance in this Session. We had an instance last week where Supplementary Supply - we adjourned at six o'clock Mr. Chairman, doing the Ombudsman Bill. We had been doing legislation all day. We all expected we would <sup>be</sup> doing legislation that night, and instead of that, out of the blue without one word of warning, without any knowledge being given to us about it, the Supplementary Bill was brought in. That is not Mr. Chairman, how the House of Assembly should be conducted or is conducted. It is the way that a Government that is going to use its

majority to throw its weight around, operates, but not as it is done in other democratic Parliaments.

There has been instance after instance where we do not know. Now I understand Mr. Chairman, for example in the House of Commons the leader of Parties or Groups meet behind the Chair, and they know what the business is going to be. All Groups in the House know several days ahead at least, and perhaps a week ahead, what the general business of the House will be during that week. So that members have a chance to get prepared for it, or if a member over here does not want to discuss - he is not interested in certain legislation or certain parts of it, that gives him a chance to go off and do other work during the day, or to study up on what he is interested. This is how the thing is supposed to work. But we have to be ready. We have been forced Mr. Chairman to be ready every day, in every minute of this Session, for whatever might come up. We have never known when the Estimates might suddenly jump up, when the Budget Speech might suddenly start, what Item of legislation is going to come up next. We have been handed out legislation here today. We have had five or six Bills handed out today Mr. Chairman. Where do we get a chance to look at them or study them if anything substantial comes along. Most of these appear to be minor. We are going to be in this House from ten thirty to one o'clock every morning. From three o'clock to six every afternoon. From eight to eleven every night, except on Wednesdays, which is private members day, and Friday night. And busy all the time in this House, how are we going to get a chance to study any of this legislation.

There is no consultation by the Government with members of this side, as to what hours of the House should be, none. No, the Government make the unilateral decision, "we are going to meet from ten thirty to one, three to six, and eight to eleven without any consultation at all. Perhaps that is all right for several days a week, but we are not asked whether some other arrangement, or how many days a week this should be in effect, or will we have enough time to do some research, or do some

study - no consultation at all. The Government does not care, does not give a fig about the <sup>rights of</sup> minority groups in this House, and that is not the right spirit or the right attitude Mr. Chairman, in my humble submission. I agree one hundred percent with the Leader of the Opposition that it is a tragedy that we have to listen to such obvious guff and nonsense, as one member of the House saying that another member of the House hates him. Yet day after day

not only in this House but outside, we have heard this kind of feeble tripe from one of the members of this House, the hon. the Premier saying repeatedly how other members of the House hate him, hate him personally. What an insult to us, Mr. Chairman, the allegation or suggestion that anything we do or say in this House is governed by hate of another member. It is unheard of, I have never heard of it in any other Parliament or House in the whole country. It is untrue, number one., And it is not true, and it is a foul thing to say. And it should not be repeated, this constant attempt to arouse something, I do not know what it is supposed to arouse. The sympathy of the people of the Province for the Premier who keeps saying that he is hated, people hate him? This should cease. It is not true, it is undignified, and it is not going to work in any event.

Mr. Speaker, other matters in connection with the House of Assembly.

It is time Mr. Chairman, that this House of Assembly be moved into the twentieth century. We have Standing Orders Mr. Chairman, that are a joke, in my view. They are inadequate. They were done up in 1949. They need to be revised. I would suggest to the Government that they get Mr. Alistair Fraser, or some authority from Ottawa during the summer when the federal parliament is closed to retain him for a month or six weeks or whatever is necessary, to come down to Newfoundland and do up a suggested rules of procedure for this House based on the practise in Ottawa and in consultation with people who know what , with our own Speaker here and other people who know the rules. Let us get a revised modern set of rules for this House of Assembly.

Mr. Speaker, there are all kinds of discrepancies in these Standing Orders. The Premier and the Leader of the Opposition are allowed unlimited time to speak, every time they speak. Yet if there is another group in the House with a recognized chief - as the wording in Beauséjour is - or even an independent member like the member for Labrador West, he is bound by the rules can only speak ninety minutes, even in the budget speech or the Address in Reply, two great occasions, can only speak ninety minutes.



Now, Mr. Chairman, whether the parties in this House like it or not in the future I feel sure there are going to be more than two parties represented in this House. May be the N.D.P., might be Liberal Reform, might be Social Credit, P.C., Liberal but there are likely to be more than two parties and the rules should be revised to take account of that Mr. Chairman, the same as they have had to do in the House of Commons at Ottawa. They have the Social Credit, Creditiste, N.D.P, Liberal, the House of Commons at Ottawa and they make provision for that so the leaders of those minority parties have some status and rights in the House also.

MR. NEARY: What about the cocktail parties?

MR. CROSBIE: The cocktail parties that we have in this House are few in number, the hon. minister knows. So, I would like to see that done. I suggest that Mr. Chairman to the Government. We have had a lot of debates on procedure in this House during the session and the rules certainly need revision. I am sure that the Speaker and the Deputy Speaker will probably agree. That is the suggestion I make, I would like to see something much more clear cut and more up to date than our present rules. Mr. Speaker, I suggest strongly that the Government or the next Government whoever that is pay some attention or give some consideration to the out-of-town members of this House. That is the members who ordinarily reside outside St. John's. The member for Gander is one. The hon. member for Humber East is another. The hon. member for St. Barbe South is another. The hon. member for Port de Grave is another, although he does not reside very far away. The rules governing compensation of members Mr. Chairman, should most definitely allow travelling expenses for out-of-town members. That is members who commute back and forth each week to this House

MR. WELLS: It should be retroactive.

MR. CROSBIE: Yes it should be retroactive, just like birth control in some cases. The members who have to commute back and forth from Gander or the West Coast to this House every week they are ordinary residents on the West Coast, members for Humber East and St. Barbe South. They would go home on the week-ends to their families, to do a bit of business, All of this



is done Mr. Chairman out of their own pockets. Every member of this House gets \$8500 compensation, that is salary and expense allowance. All of us in the House except, I think, the three or four hon. members I have mentioned live here in St. John's. Their families are here. So we do not have to travel back and forth every week. We are discouraging members, people from being members of this House who do not want to reside in St. John's. And we should change that by instituting a system of travel allowances, twice a week back and forth from any part of the Island when the House is in session, for members who live outside St. John's.

AN. HON. MEMBER: It could be abused -

MR. CROSBIE: No it is done, how could it be abused - it is done in the House of Commons in Canada; any member of the House of Commons in Canada is entitled to go back and forth to his constituency once a week, or some set number -

MR. BARBOUR: The hon. member who is living in St. John's, if he has to go into his district every second month, or every month -

MR. CROSBIE: That is a different problem, that can only be solved by -

MR. ROBERTS: The House of Commons in Ottawa -

MR. CROSBIE: Exactly

MR. ROBERTS: Not just the members -

MR. CROSBIE: <sup>all</sup> Right because nearly/ of them at Ottawa, of course, live outside Ottawa.

MR. ROBERTS: Of come off it, most of them live in Ottawa.

MR. CROSBIE: Mr. Speaker, of the 265 members of the House of Commons at Ottawa, all of them originate from outside Ottawa except the few who are elected in Ottawa districts. The others have to have apartments and so on in Ottawa because they are going to be there nine or ten months of the year. In this House, in this present House, I do not care if the allowances apply to all members if they want to give travelling allowances back and forth <sup>to</sup> the districts. Perhaps that would be all right too. But it is quite obviously unfair and wrong, that three or four members of this House have to spend so much money every week travelling back and forth to their residences if they

are going to see their families. They have to come to St. John's and stand their own hotel expenses, food expenses and all of it every week. And that is something that can obviously, could obviously easily be changed and should be changed. Why should all the members of this House have to live in St. John's. I do not think they should and I do not think there should be any financial pressure on them to live here.

Mr. Chairman, something else. There are five hon. members of this House who have been treated shamefully, disgracefully, by the Government in connection with the facilities of this House. There are five members who have not been assigned office space except down on the third floor. No office space on the ninth or tenth floor of this building has been assigned to five members of this House. One is using an office down on the third floor. We have nowhere to store files, we have nowhere to meet, we have nowhere to have a cigarette, we have nowhere to get together for a conference within the confines of this Hon. House.

Now perhaps, Mr. Chairman, the public does not hear - it is not a great electoral issue and I agree it is not - but it is a sign of contempt, it is a sign of contempt for the House of Assembly when the House of Assembly permits any of its members to be treated in that fashion. Now it so happens that the members of the official opposition of this House have been good enough to allow us to use their Common Room to have a smoke or to have a chat occasionally. And we have been able to wander in and out of there, when we need to. And the officials of this House, we have used their office. We have been out in their office, the Clerk and the Law Clerk and the rest of them. But this is not right Mr. Chairman. I am not going to debate it all over again. But I say that it is a contemptible way to treat members of this House. Not only that but there is no secretarial assistance for the four members sitting here as Liberal Reform Group nor the member for Labrador West. No secretarial assistance. That is not to say some of the

girls retained for members on the other side have not done letters they have tried to help out. But that is shameful Mr. Chairman, shameful, that <sup>is</sup> five members of this House - now I do not need secretarial assistance I have a law office downtown and I can get it done there - We have three out of-town members, Labrador West, St. Barbe South, and Humber East. No secretarial assistance for them at all, because they happen to disagree with the Government to sit over here. This is wrong. This has to change Mr. Chairman. It should change. The public accounts as been mentioned by the Leader of the Opposition, the motion was put down in this House Mr. Speaker, to appoint a Select Committee and the Public Accounts and the Auditor General's Report for the year ending March 31, 1969 has not been proceeded with. The excuse given was that the minister of Finance was ill. This has nothing to do with the Minister of Finance. There is an acting minister of Finance, the Department of Finance has many officials. This committee could meet without the necessity of having the Minister of Finance, the acting-minister can be there and all his officials. Yet that has not been proceeded with, why not? How is it going to be proceeded with now and the House is meeting morning, afternoon and night, on the estimates and legislation. That is another cavalier way to treat the House.

The Hon. the Leader of the Opposition referred to something else, which I agree with, the budget speech. The Budget Speech Mr. Chairman, we heard the hon. the Premier state in the House, some month or two ago, how there were two great debates, two great debates, in this House. One the Address in Reply and the other the Budget speech. And every member would be participating in these great addresses, could speak on any topic. And the hon. the Premier spoke twelve hours on the Address in Reply and he was going to do twenty-four -

MR. NOES: Order! The hon. member knows that -

MR. CROSBIE: Alright Mr. Chairman. Well, the budget speech. So we come to the budget speech which was one of these great speeches. Time after time Mr. Chairman, starting with last Thursday morning at twenty to eleven, when no

one stood up on this side when the budget speech was called, hon. members opposite said, "put the motion". In other words if I had not got up at twenty to eleven last Thursday Mr. Speaker, the budget motion would have been voted on and there would have been no budget speech. So I was forced to go on. When I was finished Mr. Chairman, the same thing happened. After each speaker on this side finished, no one would stand up on the other side and if nobody stood up on this side of the House, the members on the other side said put the motion, so we were forced up one after the other without any Government member speaking in between, no government ministers no defence made of the budget, nothing. And then last Tuesday night the same tactic was tried after the hon. member for Hermitage finished his few remarks. Again no one would stand on the Government side, expecting that we would be forced over here to finish off all our speakers. Then of course the Government could have had a field day. They could have had all the twenty-seven remaining members talk for day after day with no one to rebut them.

Now that, Mr. Chairman, is a shabby tactic. A shabby tactic. To try to force all the Opposition to speak first. But the Government was foiled last Tuesday when we allowed it to go to a vote. But that is not the way, Mr. Chairman, that the House of Assembly should operate, without any co-operation at all between the Government and the Opposition, none. I do not know if the hon. the Leader has had any advanced information on these points. We certainly have never had. This is a rotten, disgusting way for a House of Assembly to be operated and for the members to be treated by a Government. And if I am here for another session Mr. Chairman, I hope that all this will be changed, that there be some recognition of the right spirit in which to operate this House. Yes, I am just mentioning if I am here, I would like to see, I would like to see the change anyway, I agree with the hon. minister, or with the hon. member.

One last point Mr. Chairman, and that is this. The salary of the Leader of the Opposition in my opinion, should be exactly the same as the salary of a Cabinet Minister. Not \$13,000. The present amount is I think,

totals \$8500 as a member of the House and another \$5000 as the Leader of the Opposition, \$13,500. Mr. Chairman,

MR. MURPHY: As much as the Parliamentary Assistant.

MR. CROSBIE: Not as much as the Parliamentary Assistant-to-the-Premier is getting. Mr. Chairman, the Leader of the Opposition must devote his full time, whether this House is meeting or not, to the political affairs of this Province. And he is just as important to the good government of this Province as any member of the Cabinet, if not more important. And the more active he is, and the more inquisitive, and the more intelligent, and the harder worker the better the Government is going to be for it. As the Government well knows. And if we are going to encourage people to get into politics, apart from a few people who can perhaps afford the loss of income, then we are going to increase these salaries and the Leader of the Opposition should get the same as the Cabinet Minister, which with allowances is \$20,500 a year, I believe.

MR. MURPHY: Why all the sympathy for the other side at this time?

MR. CROSBIE: The other side?

MR. MURPHY: The Leader of the Opposition.

MR. CROSBIE: Well it does not matter, you may be leader again in twenty years time, for the Opposition. Nobody ever knows in politics where he will end up. Mr. Speaker, but quite seriously I think, I do not care who the Leader of the Opposition is, I prefer to be leader of the Government rather than be Leader of the Opposition. I have also noticed who prefers to be leader of the Government also and not Leader of the Opposition. But the point is the Hon. Minister of Health has his eye on something too I would say - the Hon. the Premier better watch his back, better watch his back. Mr. Chairman, quite seriously the Leader of the Opposition should be raised immediately, I would like to see the Government move it when these estimates go through, to \$20,500 the same salary as a Cabinet Minister, he is every bit as important, he should be devoting every minute of his time to that job. And finally, Mr.



Mr. Chairman, I think there should be more money voted and by the way if there is another group in the House, another party, a recognized group, the Leader of that group should get extra also. Not as much as the Leader of the Opposition.

Now the other thing is, Mr. Chairman, that the amount voted to the official opposition should be increased. We cannot move an increase. The Opposition, and the Government may be the Opposition in the next year or two who knows. The Opposition should have a research staff. They should have sufficient money to employ, I would say, people like one economist, one other person in that calibre, a research staff of at least two, certainly one, enough money to employ one capable person and then secretarial help and enough money to really run a proper office. That is where the weakness, there is a great weakness here. Here is a Government that has six or seven thousand public servants to help and advise them. And they have four or five hundred at the top level, we see officials in here today to advise the acting-minister of Finance. And the Opposition with nothing, not enough money to have a stenographer typist and a person to help around the office. And in any parliamentary system or in any province where this has been studied seriously it has been recommended that more money be granted by the Government to the Opposition and it <sup>is</sup> certainly done in Ottawa. I forget the amount they get but they get a very considerable grant.

MR. MURPHY: Completely revolutionized it under Mr. Trudeau, he saw that.

MR. CROSBIE: I think Mr. Trudeau supports that. So, these are just some of my observations Mr. Chairman under the legislative sections of this vote I hope it does not all fall on barren ground and that perhaps the Government will consider some changes.

MR. WELLS: Mr. Chairman, I have a few brief remarks

MR. WELLS: Mr. Speaker, I have a few brief remarks to make on this. I do not propose to go over any of the ground already covered by the Leader of the Opposition and the hon. member for St. John's West, although, I must say I agree wholeheartedly with what they have said.

I am not dead certain that the rules need such extensive revision. I agree there is room for revision in the rules. Much of our problems that the Leader of the Opposition mentioned would be solved if the rules were applied with good will or the good will of reasonable men. It would make a great deal of difference to the way in which the affairs of this House would be conducted. The rules have not been used, Mr. Chairman, they have been abused because of the lack of good will. This is what has happened and this is why the House has encountered the difficulties that it has this session.

I am not going to go back and refer to all of the debates in which this kind of thing has happened. Just look at what has happened here this morning. That is all we have to do if we want to see an example of the way this has been done. No problem at all if you want to see an example of abuse of members and abuse of rules. We have not been permitted this morning to discuss first as we normally do in every other session the consolidated fund services section of the estimates. This is the normal way of operating. The Government has not the good will, it had not even the good will to answer the question that I posed whether or not they would consider debating it now. This is the kind of abuse that I am talking about, this is the kind of ill-will or lack of good will that creates the difficulty.

We have never had an real opportunity to be prepared for anything because there has been no warning and this is attributable directly. I do not know that anybody hates anybody else in this House, I cannot say that with certainty. But I can say with absolute certainty that there is a total lack of good will or even medium good will. This is the primary cause of all of these difficulties, the primary cause of the difficulties here now.

Today is Thursday, we go on through the estimates today and tomorrow. Monday is a holiday. If the weather is bad or if I have another very important commitment I may not be in here Tuesday morning. So Tuesday morning the



MR. WELLS:

consolidated fund services section, the Government decides they will then discuss it. I get back Tuesday afternoon or Wednesday morning and it is too late, what you had to say cannot be said. I do not think it is entirely unreasonable for any member to ask the Government to give some kind of consideration to the position that other members find themselves in particularly when it would do the Government no harm whatsoever, none at all to do it and that can only be attributed, Mr. Speaker, I do not attribute it to hate but it can only be attributed to ill-will or a total absence of good will. This has been the primary cause of our problems.

MR. WORNELL: The hon. gentleman turns words around so that he can make his point .....

MR. WELLS: No, no, not really, not really.

MR. SMALLWOOD: Any more than he could conduct law cases in court when you were in here.

MR. WELLS: That is right.

MR. SMALLWOOD: How could he?

MR. WELLS: I could not very well do that, could I?

MR. SMALLWOOD: He is not here to conduct law business.

MR. WELLS: Sure, that is right.

MR. SMALLWOOD: Not here.

MR. WELLS: That is right.

MR. SMALLWOOD: Not here in this House.

MR. WELLS: Let me say this, Mr. Speaker, and this is probably the best place to say it. I have to make a living for myself and my family. I do not make it out of this House, it is impossible as I spend most of it on travelling expenses and living expenses here. I sit on this side of the House. I have not the good fortune to be appointed to a commission that will give me an additional \$6,000 or \$8,000 a year.

MR. MURPHY: Hear, hear! Well spoken.

MR. WELLS: I sit on this side of the House and I receive my honest salary of a total \$8,500 much of which I spend in travelling and hotel expenses while I am here. The Government has no consideration for anybody else on this side of

MR. WELLS:

the House. They do not show any at any time. I have never seen any evidence of it and for the Premier to sit there and slur at me because I practice law to make a living is a disgusting performance of a tragic figure that has reached that stage. He should have been gone long ago if he has gotten to this stage of development. It is disgusting to see it.

Not only should the expenses for members who live outside of St. John's be increased, I agree with that the expense allowance, it is only fair and reasonable but in my humble opinion the salaries of all members of this House should be increased above the \$8,500 level. No wonder members who sit on the Government side have to accept appointments to commissions and they are forever indebted to the Government because this is the means by which they live.

MR. ROBERTS: You do not have to slur every member on this side.

MR. WELLS: Well, alright I know of two members who do not receive it, who do not receive anything additional, anything additional other than what the members on this side receive.

MR. ROBERTS: Make your points but knock off the personal abuse.

MR. WELLS: I am not personally abusing anybody. If the Minister is concerned about it he can express his opinion when he gets up.

MR. MURPHY: It is not personal.

MR. WELLS: That is right.

MR. ROBERTS: (Inaudible).

MR. WELLS: Look, if the Minister will be quiet I will express my opinion and he can say what he wants to later and do not wave his hand at me.

The members of this House, Mr. Speaker, are paid a total, travelling allowance and salary of \$8,500. Now as the hon. member for Bonavista South, who claims and I have no reason whatsoever to doubt him that he visits his district very frequently and incurs expense by doing so, there is no doubt about that, he does and perhaps if all hon. members of this House paid quite as much attention to their districts as that hon. member does they would have less trouble getting elected when the time comes. I give him that compliment because I think he deserves it. But all hon. members, Mr. Chairman, not just the members who sit on this side, should be paid a higher salary because that is now obvious.

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MR. WELLS:

We are told we work only three months a year or four months a year or two months a year whatever the newspapers say when they comment on this sort of thing or whatever the Premier says when he comments on it, this may be true but where else, everybody is not as fortunate as I am to have another income. I have an income from a law practice that I carry on all the rest of the year and my partners assist me in carrying on while I am in here. I have that good fortune, so does Mr. Chairman have that good fortune. The hon. member for Bonavista South does not have that good fortune or the hon. member for Hermitage does not have that good fortune. Where else are they going to get their income if they have no other means?

Paying such a low salary as is paid could only induce hon. members of this House to seek appointment to commission and thereby possibly, I do not say that it does, but possibly prejudice the opinion that they can express to this House, possibly it could cause that and this is wrong. They should be paid a sufficient emolument so that they do not have to worry about having enough to live on for the rest of the year. They should have a sufficient income that nobody can question their motives or can say to any hon. member, "Sure you vote with the Government or you are supporting the Government because the Government is seeing to it that you are getting an extra \$6,000 a year as a member of the Power Commission." Nobody should be able to point a finger at an hon. member and say that and until such time as Government sees fit to recommend an increase or to put forward to this House a motion for an increase all the hon. members who do support the Government are, you can see why they are accused of doing so in those circumstances, as nearly as I know there are only two or three hon. members sitting in this House who do not receive something, sitting on the Government side, who do not receive something beyond the \$8,500 a year.

No wonder people cast slurs and aspersions on the House and the members of the House and we are all tainted with it. If only they stop to think that the the extra expenditure, maybe members should receive \$15,000 a year, maybe that is not at all unreasonable and quite frankly I do not think it is unreasonable. Maybe if members did receive salaries like that the public would

MR. WELLS:

have a higher regard for them, we would attract top quality people to run for election to this House and nobody would be able to cast the slur on the member who is appointed to the Power Commission or the Bell Island Ferry Commission or some other commission. Let us be honest and do things fairly and do it fairly for all hon. members of this House. This is one of the things that have been wrong.

Maybe it benefits the Government, maybe the Government wants the members indebted to them, perhaps that is the reason for it but it is grossly unfair. I take strong exception to the slurs that the Premier has made on a-half a dozen occasions at least during this session of the House, to my law practice in Corner Brook. If he can point to anything that is at all dishonourable or dishonest or improper about the way I conduct my practice I suggest that he go straight to the law society and make his complaint. I earn my living honestly by hard work, by putting in the time to earn it and deserve it and by giving professional services in return for it. I do not get any favours or anybody directed to my law firm that has to do business with the Government or anything like that. I earn mine on my own merits and the Premier has no justification whatsoever for these slurs. Despicable, disgusting, to see a man in his position do such a thing.

Mr. Chairman, much of this is due to the lack of good will, The present situation that we are in today, where I am unable to debate a couple of matters there that I would like very much to debate, can only be attributed to this lack of good will.

MR. WORNELL: Why do you not try to get a .....

MR. WELLS: But it should not have to be done, Sir, repetitiously. Facade should not have to be used where honest men of sincere good will sit down to debate anything. This is what is lacking here, sincerity and good will, both.

MR. WORNELL: But the Premier ..... try to do something like that.

MR. WELLS: Well, two wrongs do not make a right. Another classic example of the lack of good will and I cannot help but repeat some of the things the hon. member for St. John's West has said in this respect because I believe I raised it first, I raised it also last year, Mr. Chairman, when I was over here

MR. WELLS:

in this position. It is the total lack of good will that would allow the Government to treat hon. members of the House in the way that they have treated the members who formed the Liberal Reform group and the hon. member for Labrador West with respect to accomodation. There is no accomodation whatsoever provided for us anywhere within the area of the ninth and tenth floor, the House of Assembly area of this House, and the Government has the audacity to put that office up in the corner and stick the name of the hon. the Minister without Portfolio and member for Labrador South on it. I do not attribute any good will to that individual member. I see no evidence whatsoever of it, not in the slightest and I do not want anybody to, particularly the press, to misread my comments and attribute any ill-will toward that hon. member because I see no evidence at all of any such ill-will. I know where the blame lies, I know where the responsibility lies, I feel very confident of that and I think it is a disgusting performance.

I too was a Minister without Portfolio for a while and I needed a separate office up there like I needed a hole in the head. The hon. the member for Harbour Main has been a Minister without Portfolio for perhaps thirteen to fifteen years and sat in this House and has never had an office anywhere and has not needed one, has not ask for one, would have more principle than to accept it and waste the space on it. I think the hon. the member for Harbour Main knows very well the high regard and high respect that I have for him. This is a classic example of the ill will. I do not say it is hate, I do not think the Premier really hates any of us really. It is the total absence of good will and perhaps a presence to some degree of ill-will that has brought these things about.

The rules, Mr. Chairman, can be rendered totally meaningless and totally useless where the Government commands a strong majority of votes as they do and they wish to apply the rules in any particular way that they want to, they can do and it has been done this session on numerous occasions. Mr. Chairman, not until this changes, not until there is a change in attitude will there be any change in the way in which business is conducted in this House, and that change cannot come quick enough, Sir. Thank you, Mr. Chairman.

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MR. EARLE: Mr. Chairman, I do not wish to labour the points which have been made. Many of them are valid and are good and long past due as far as being said to this House. The only thing which really worries me in this whole Legislature procedure is the respect which the public and the members themselves hold for this House. I think if we once lose the respect of the public and respect for each other we may as well go berry picking or forget that we are governing the Province. I felt that when I was on the other side of the House I respected the members on this side and behave as a gentleman towards them. I still do the same from this side of the House. I respect many of them and act as a gentleman towards them and I certainly am one that is not child enough to feel that jibes and good natured fun and cross chat and so on are not part of the Parliamentary procedure. They most certainly are and they are part and parcel of keeping us awake and keeping us on our toes.

Some of the terms which have been used in this session do downgrade the dignity of this House. The fact that a person is classed as a perjurer or a breaker of oaths and other cat-trap of that nature takes from the dignity of this House. If such were true that person should be fired out of this House, he should not be allowed to sit here, that is not true. Another case, of hate rising like waves of steam from this side of the House is utter, unforgiveable nonsense. We are here to do a job for our members, for our constituents, the same as those on the other side of the House are and if we have to ask awkward and embarrassing questions or if we disagree with the Government there is no reason that such exception should be taken to these remarks.

It seems to me that once a gentleman crosses from the other side to this side of the House he immediately becomes a second class citizen open to all sorts of abuse, no holes barred, any words can be said about <sup>him</sup> publicly, out of the House or in the House and this in my opinion is lowering the dignity of the House to the point that the members of this House themselves are not safe from public abuse. We have seen this in instances and we wonder what the young people are doing. There was a disgraceful instance at the airport by which all of us were horrified by the treatment given to the Premier and we detest the thought that young people are resorting to drugs and all of this



MR. EARLE:

sort of thing because they are bewildered. The examples set them by their elders and it was being set in this House as well as anywhere else leaves them no standards on which to stand and I feel that we contribute to their delinquency as much as they do to their own. It is a disgraceful reflection upon the way we have been behaving in this session of the House and I for one am bored and hope that it will be discontinued.

A small instance, when members become Cabinet Ministers it does not make them God and they should not think so. I came in this House one day during the session rather late to get up in the elevator, I could not get in the elevator because one of the Ministers had his constituents before that elevator and had instructed the man who controlled the elevator not to let me in. Well, a member of this House, coming in this House certainly takes precedence over some constituents.

MR. SMALLWOOD: Say that again?

MR. EARLE: I could not get to this floor because I was told I had to wait for another elevator, there was a bunch of constituents waiting to come up here, instructed so by one of the Minister on the other side. If that is respecting the dignity of the House, I would like to know what it is. This sort of treatment, the complete downgrading and ignoring of the rights of the persons on this side of the House cannot be tolerated. It not only hurts us but it hurts every member in the House. It is absolutely disgraceful.

This is a point which I think has been made much better than I am making it by other members on this side. But for goodness sake and for the sake of the future of Government in this Province, let us act as gentlemen towards each other and let us act as gentlemen outside.

MR. SMALLWOOD: Mr. Chairman, I listened with great interest and not entirely without sympathy to the remarks made from the other side with reference to the amount of money that the House votes to the Opposition to maintain their office and their research and their executive staff and the remarks made about the fact that some hon. members of this House do not live in the city and have to maintain double residence, continue their residences back where they live and maintain other residence here either by way of an apartment or hotel suite or hotel room

MR. SMALLWOOD:

and in any case have to travel back and forth each way. It used to be the case that they would travel by train and get a pass. All members of the House used to receive a pass and I guess they still do but there is no passenger train to ride on. I do not know if the pass is any good for the bus.

AN HON. MEMBER: Yes, it is good for the bus.

MR. SMALLWOOD: It is good for the bus, is it but the accomodation is the much more serious thing. I have listened with some sympathy to these points. I have listened also with interest and some sympathy to the suggestion that members of the House are not paid enough, do not receive enough sessional indemnity, In the first place we do not get a salary we get a sessional indemnity, and do not get enough contribution from the House toward our expenses. What members receive is under two headings, sessional indemnity and sometimes it is called sessional pay and expenses or something toward the members expenses in serving the people. Travelling to his district, going constantly to his district, meeting his constituents, entertaining his constituents when they come into the city, contributing to garden parties, picnics, sociables and concerts throughout,

MR. ROWE: Church building funds.

MR. SMALLWOOD: Church building funds and all kinds of good causes throughout the Province and every member has to do that. I am sure that it costs me ten per-cent, it costs me much more than ten per-cent actually, I spend more, much more than ten per-cent of my three incomes, I have three. I have the income as a member of this House the sessional indemnity, I have the income in the form of an expense allowance toward my cost of political expenses and I have my salary as a Minister and I pay substantially more

MR. SMALLWOOD: and I pay substantially more than ten percent of that to good causes, substantially more than ten percent, it would not be twenty. But it is closer to twenty than it is to ten, and in doing it incidentally I always feeling that I am paying hostage to faith. There are an awful lot of people in Newfoundland less fortunate than I am, who get an awful lot less money than I get, and I just like doing it anyway. But hon. members whose only income is the sessional indemnity and the expenses allowance, the two together coming to a total of \$8500 a year, are citizens who are making a sacrifice to serve the public. They are making a sacrifice. There are in this Province today at least 10,000 persons, hear this; if I had a bell, I would ring it, hear this - there are at least 10,000 persons in Newfoundland at this moment who receive more income than members of the House of Assembly get, more than that \$8500 a year. There are at least 10,000 persons, and God Bless them, good luck to them! I wish there were 20,000, 50,000, but there are at least 10,000 getting more pay than the members of this House get under the two headings, sessional indemnity and expense allowance, totalling \$8500 a year, at least 10,000. There are at least 500 persons in Newfoundland getting more income than does the Premier of the Province under all headings, under all three headings, what the Premier gets as a member of the House, the same as every other member gets, what the Premier gets by way of expense allowance, what every other member gets, and what the Premier gets as a Minister, put all that together and there are at least 500 persons in Newfoundland earning salaries of more than that. I am talking about salaries. I am not talking about profits, what businessmen make in their business. I am talking about salaried men, There are at least 500 persons in this Province today who received more salary than the Premier of the Province receives under all these headings, sessional indemnity, expense allowance and his salary as Premier. Maybe that is right, maybe that is as it ought to be. Well, maybe it is as it ought to be, maybe. Some would say that I am getting paid twenty-eight times

MR. SMALLWOOD: more than I am worth, but another Premier might be worth twenty-eight more than that, than the amount that I do get. But apart from the person, the occupant of the office, the office at present is worth a total, or what do I get? I get slightly more than the minister, do I? I get \$1000 more than the ministers get, and I get a free car. The ministers only get an allowance of \$1000 toward the cost of running their own cars, but I get the free use of a Government car.

Every day of my life I meet men who could buy and sell me. If I had to pay my bills I would have to go down to the court and plead insolvency, my personal bills. I am insolvent. I have not been so declared in a court, but if all my creditors were to come at me together, and insist on immediate payment I would have to go to court and plead insolvency and so be declared. Now that is not because my salary and sessional pay and expense allowance all put together were not enough for me to live, they are more than enough for me to live there, enough for me to give away well over ten percent of it each year. It is that I have made investments that have been poor investments, they have not yielded, they have not been as profitable as I hoped they would be. I hope someday that they may, if ever they do, I will get out of debt. But if I had to pay up right now, I would have to declare insolvency. But that is purely a personal matter. It is a far cry from what is so frequently hinted, so frequently whispered around, a far cry from the story that is whispered around. Five hundred at least in Newfoundland today who draw more pay than the ministers in this Cabinet. There are in the Civil Service today, there are at least a couple of hundred persons who draw more pay than the Premier does, a couple of hundred at least. There are Civil Servants in Newfoundland today, public servants, who draw double what the Premier draws, double. There are judges around today that are drawing much more than the Premier draws.

MR. ROWE, F.W. Twice.

MR. SMALLWOOD: Twice, no. Oh, the salary of Premier there are, if you just take the Premier's salary -

MR. MURPHY: The Deputy Minister's.

MR. SMALLWOOD: Every Deputy Minister in Newfoundland makes much more than the Premier makes, he makes from half to three times as much. Every Deputy Minister of Newfoundland today is making from half as much more to twice as much more to three times as much more than I make as Premier. My salary is \$11,000 is it?

MR. JONES: \$12,000.

MR. SMALLWOOD: \$12,000 my salary as Premier, and there are Deputy Ministers who make \$14,000, \$15,000, \$18,000, \$20,000, \$24,000, that is twice as much. What is the highest Deputy Minister? \$24,000?

MR. JONES: \$28,000 and \$30,000. \$30,000 and I am their boss.

MR. SMALLWOOD:

And I went for fifteen years as Premier of this Province and Minister of Economic Development but. I have been broke. There has never been a time when I was not, that I did not have two portfolios and in the old days if a man had two portfolios he drew the two salaries. Sir Richard Squires always drew the salary of Minister of Justice and Premier, or Colonial Secretary and Premier and so did every other Premier, except maybe Mr. Monroe, who for a while at any rate was a wealthy man and did not draw both salaries.

It is all very well, however, for an honourable member to get up on the other side and make an eloquent plea in behalf of all the forty-two members of the House for a higher sessional indemnity, it is all very well for one hon. member to do it. He cannot move it. He can only suggest and he is only one.

MR. WELLS: I would move it, if I could.

MR. SMALLWOOD: He would move it, if he could, but he is only one, and he is the only one who has mentioned it. No one else on the other side has mentioned it.

MR. MURPHY: We have not come to that section yet, I might suggest to the hon. the Premier -



MR. SMALLWOOD: Yes, we are, we are under that heading too.

MR. MURPHY: We are on the heading, but I think we are being very irrelevant because we have not come to allowances or anything else as yet.

MR. SMALLWOOD: 201-01 is allowance, that is the one we are on. That is it, that is the one we are on. That is the very one.

MR. MURPHY: No, I spoke on the heading, Legislative No. 2.

MR. SMALLWOOD: Yes, the hon. gentleman did, He did, He did, and so far we are all doing that same thing, We are having a general discussion of the heading Legislative although his Honour did call 201-01, he did, I heard him.

MR. MURPHY: Did he?

MR. SMALLWOOD: Yes. But we have all ignored that.

MR. MYRDEN: We cannot debate on the first heading.

MR. SMALLWOOD: Well the first heading - Legislative is what we are sort of discussing at the moment.

MR. MURPHY: I spoke generally on the Legislature, I ....

MR. SMALLWOOD: Now we heard from one hon. member, let us face it, Mr. ~~Chairman~~. Let us face it, we are being cowardly politicians at the moment, that is what we are doing, we are being cowardly politicians. I can move it, I am Minister of Finance, or I can ask one of my colleagues to move it, that we raise the sessional pay, I can move it. But I am not going to take the onus of moving it, I am not going to have the news go out, if the news is that the whole House agrees, all sides Liberals, Tories, renegades and all, if they all agree, Okay, somebody will move it.

MR. WELLS: Just one remark so that he can go on, just one remark. If the Premier, with the consent of the House, if all members consented, I realize that the normal practice is that it cannot be done, if all members consented to allow it to be done, I have not the slightest hesitation to move that they be increased and to sit down with the parties before .....

MR. SMALLWOOD: The better way to do it is to have it indicated clearly that



MR. SMALLWOOD: there is no dissent, that no one dissents, if there is unanimous feeling in the House that the pay ought to be increased, if there is such a thing, someone will move it on this side, it must come from the Queen's ministers. That is not rules that is the Constitution, that is the whole system of our British Parliamentary Government. There will be no question about it and if it is moved it will be carried. But the onus must be the onus of the whole House, not the Government.

MR. WELLS: I would suggest that shortly a committee of all sections of the House sit down and discuss what might be agreeable.

MR. SMALLWOOD: I do not think that there is any need of that, I think if the feeling is universal, why be ashamed of it. There will be someone the N.D.P. will come out and say that the so and so have gone and raised their own pay. Okay, every time that has been done in any Parliament in the world, it is said, and it is forgotten three days afterwards. When they raised the pay in Ottawa to \$18,000 a year, I often think Mr. Chairman, I often think, I work so hard in my job, I do you know, I really do, I work hard and if hard work can do it, I earned my pay. And any man, no nonentities, no nincompoops ever gets elected to the House of Commons, not from Newfoundland anyway. But if you could imagine an nincompoop getting elected to the House of Commons, he would go straight in at \$18,000 a year. And I do not say that he does not earn it, I do not say he is not worth it. Every member of the House of Assembly in Quebec, every member starts off with \$18,000 a year, not only the House of Commons, but the House of Assembly and all across Canada they have been raising the rates with inflation. We have been struggling in the Government to try and find the money, millions it is costing, millions to find money to pay more salary to Civil Servants, because we know they need it, and we are struggling to find the money to do it. But to give ourselves an increase while we are at it here, and no one can say us "nay" we decided to do it, if it is the feeling of the House generally. We could move that the vote, what is the vote to the Opposition?

MR. WELLS: \$10,000 or more.

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MR. SMALLWOOD: \$10,000 this could be increased to \$15,000 a year, which would enable them to take on another member on their staff, maybe it would not be the highest kind of pay. We could move that an additional amount, travelling and accommodation allowance be granted by the House to members who are not domiciled in the city, who do not have their permanent homes in the city, there could be an extra allowance, so much a day while the House is in session, for the duration of the House of \$10.00 a day, \$15.00 a day or some amount to go toward may be not to pay the full cost, but to go toward the cost of outport members who come in to the Capital City, you know bringing their bovine and rural and rustic atmosphere with them, which we smart city dwellers love to see because we regard it as something that is quaint, we like to see the out harbourmen coming in here and sitting with us, and we might agree that the House pay something toward, when the outport merchant comes to town you know, pay something toward it.

An. Hon. Member; Inaudible.

MR. SMALLWOOD: Well that would be a matter of increasing the allowance, and the way to do that is this, if you increase the sessional indemnity, the total amount then two-thirds of that is indemnity and one-third of it is expense; and so the expense allowance goes up automatically, when the total is increased. But it is a question of, I do not know, let us (just thinking aloud here on my feet) if you have five outport members, and it could be twenty another time, after the next general election, you could very well have far more than five or six outport men sitting in this House. If this new trend of selecting local people, people who live in the constituency, be the candidates and the members, you might have ten, fifteen or twenty persons sitting in this House who only visit St. John's because their duty requires them to come to the House, but whose homes are back where they live. So if the House meets on an average four months a year, you will not always have renegades, you will not always have long drawn out sessions, unnecessarily long, but you could figure fairly say four months, four months

MR. SMALLWOOD: is 120 days, \$10.00 a day, would be \$1200, would it? And that \$1200 a year should go a long way toward taking care, that is if you have that many people.

MR. MYRDEN: Remember that is taxable too.

MR. SMALLWOOD: That amount is taxable, yes, that would not be regarded as, well no, if you -

MR. WELLS: Not if you paid the actual expenses, it would not be. But if you gave an allowance, it would be taxable.

MR. MYRDEN: But it will only allow you to deduct one-third.

MR. SMALLWOOD: One-third of the whole.

MR. WELLS: But if the actual travelling bill as submitted were paid, that may be different.

MR. SMALLWOOD: Well, if the fee were \$10,000 a year, that every member received, all the members of the House then will be getting up close to the well paid paper makers and mine workers and men in Labrador, and in Labrador City and Wabush and Churchill Falls. A lot of the members would be getting up, well up within range of hundreds of even thousands of people in Newfoundland that would Thank God be getting better pay, than we are getting here in this House. But all I need is a universal agreement, it is not enough for the renegades, I want the Tories too and the Liberals, all of us in the House here, so it does not become a partisan issue, so it does not become that one is accusing the other. In our hearts we all know the rates should be raised. But no one party should be expected to take the blame for it. If it is blame, I do not think it is blame, I think our people will just say, "well, after all, they do work hard and they are worthy of it." I think most of them will say that.

MR. WELLS: It can be totally justified.

MR. SMALLWOOD: I think it can be justified.

MR. MURPHY: Mr. Chairman, when I spoke, I spoke on the heading on, I think,

MR. MURPHY: and I did not go into salaries or any other estimates, the operation of the Legislature. Now we are on number (1) I presume which covers allowances. Now we all this morning I suppose should feel like very happy people, we are all discussing raises so on and so forth, and the fact that I do not disagree, because since I have come into this House I feel very honoured to be elected to this House. I feel that I should be contributing just perhaps a little bit more to my duties as a member than I have and I have devoted eighty percent of my time. But I just cannot afford to because I have to work outside and my business being the nature it is, where I have to meet people, make contacts with them daily I just cannot do it, I dropped -

MR. SMALLWOOD: Would the hon. gentleman allow me, I just remembered that there was something I was going to say and did not say, Cabinet Ministers across Canada received certain salaries, it varies from one province to another. But the Leaders of the Opposition in a good many cases, not all, get the same rate of pay as a minister, and I think if it is right in other provinces, it should be right here. And I would include that in this series of ideas that I have just been expressing.

MR. MURPHY: Thank you for the kind words, Mr. Premier.

MR. SMALLWOOD: I do this because I expect maybe to be Leader of the Opposition ten or fifteen years from now, and I will want a better salary.

MR. MURPHY: Chances are if the Premier runs that is the job he will take in the next election, the odds are about ten to one.

But, Mr. Chairman, when I rise in this House I like to speak what is in my mind, I mean I do not go in for any fancy frills. A few short weeks ago I brought into this

MR. MURPHY:

A few short weeks ago I brought into this House and I have always given this because I think this is perhaps the highest honour that any man can be paid, in his own Province or in his own nation, to represent the people and it carries with it a certain amount, I think, of dignity in the first instance, respect and general regard for his fellow man. A few short weeks ago I brought in a report of a Royal Commission that had been established in Nova Scotia to actually access the functions of legislatures as such and this is particularly in Nova Scotia. Now what I am going to say, it is not partisan at all, I do not want it to be partisan political talk, but in this little Province and I will repeat it again we have 228,000 voters, in 1966. Nova Scotia had 456,000. We elected forty-two members and Nova Scotia elected forty-six members. In Nova Scotia they have eleven Cabinet Ministers as such, eleven portfolios and one Minister without portfolio. As I said, in this Province we have forty-two members as against forty-six in Nova Scotia with about double the number of voters. In our House now we have eighteen Cabinet Ministers -

AN HON. MEMBER: Seventeen.

MR. MURPHY: Seventeen. Seventeen Cabinet Ministers. I think it is all out of porportion to our number of voters. Now I feel, quite honestly, that any man on that side, that is a Cabinet Minister for \$20,000 a year, we have plumbers and electricans earning more money basically and in various parts of the industry it is possible but my great objection, Mr. Chairman, is this that we are not set up as a Government to do the job properly. There are too many people with portfolios, there are too many members with stipends on the other side of the House. Now this is being critical of the actual set up of this present Government but I do not think this Government is going to continue forever, I hope to God it is not, quite frankly, but we have to consider those following us and this is the attitude I am trying to adopt.

I look at the member for Humber East, Gander, so on and so forth and I would like to know, any men that want to tell me, particularly the member for Humber East and I can include the member for Gander also and many others, what their net income from their \$8500 was in the year 1969, I would like to know?

MR. WELLS: I will tell him. The approximate cost of travelling back and forth



MR. WELLS:

to St. John's and living in the hotel runs at \$200.00 a week, that is the average cost. \$200.00 per week, hotel and meals and travel as well and limousine and all of this go under \$200.00 per week.

AN HON. MEMBER: You do not have to live very luxuriously either that is for sure.

MR. WELLS: No and you do not have to live very luxuriously to spend that much. It runs at \$200.00 per week. For my own part, now other members may be different I do not know, but for my own part I can say honestly to the Leader of the Opposition and to the committee that it cost me, taking into account the \$8500. that I get, it cost me, taking that into account, \$15,000 a year to be a member of this House because if I am not in my law office in Corner Brook I do not do any work and I do not get paid and my secretaries have to be paid, the rent has to be paid, the light has to be paid and everything else has to be paid. The net cost to me per year to be a member of the House is \$1500. Alright if I am prepared to pay the cost okay, that is my business, I am not griping to anybody about it but I think we do have in this Province a ludicrous situation at the moment and I quote the Premier, "We are being cowardly politicians if we do nothing about it."

MR. MURPHY: Mr. Chairman, I would like to thank the hon. member and I think if we are going to discuss this thing now we do not want to do it around corners or in back rooms. We do not want it to be reported that the hospital workers could not get their full raise and so on and so forth, could not get their raise, but here the members of the House of Assembly, in a friendly little get together, decided that they would give themselves so much of an increase whatever it might be. Now I referred particularly to these members, my colleague on my left, I know, is a commission agent and judging from my own part I know what it means, it means to me that in 1969 I dropped something over sixty per-cent of my income for my own business. Naturally if I have to see people I cannot leave a store or a business and say to John Jones, "Look you look after it till I come back," I mean if I am not seeing people I am not selling life insurance and this is not a plug for my business but just a statement of fact.

Well, it has reached a stage, Mr. Chairman, where I feel that the time



MR. MURPHY:

has now come to review the complete set up and it is one of the things that I have and one of the things that in meetings over the past year with some of my colleagues in my own party and I think the member for Gander will agree with me that this is one of the things that will be discussed. I have mentioned it before, a redistribution in this Province, we do not need as near as many members as we have because, let us go back, the average representation in Nova Scotia I think is 8,000 people per district. Here in the six St. John's districts and I have repeated this a dozen times, voters represented twenty-four point five per-cent of the electorate, the six St. John's seats. To take Humber districts, Grand Falls and St. John's I would say they would be over sixty-five per-cent of the total vote.

MR. WELLS: The two Humber districts take in about ten per-cent of the total population of Newfoundland.

MR. MURPHY: That is right. Now in Nova Scotia and this was brought up in 1962, in 1962 Mr. Peddle who was then member for Grand Falls brought up the point of the outside of town member and there was a change at that time in the allowance, that outside members travelling should get an allowance. Now in Nova Scotia they recommend while the House is sitting the out of town members should get a living allowance of \$25.00 a day plus travelling back and forth once a week to their districts and I think this is where the great expense would come I believe on the outside member.

MR. WELLS: No, the biggest is the hotel accommodation.

MR. MURPHY: Well, about \$25.00 a day they allow.

MR. WELLS: Yes, that would cover it.

MR. MURPHY: Now, we are talking about our sessional pay, everyone knows and I want to tie something else in if I may at this time, Mr. Chairman, that is the complete outlook for any member who is elected to the House of Assembly and this involves his future, the future of that member. We have in this House and perhaps it may never happen again, we have members in this House who have served terms of from twenty years, fifteen years, twelve years so on and so forth, I believe, Sir, in any future plans, whether they be future or present or whatever it might be, that ample provision should be made in our pension plan for

MR. MURPHY:

members who have served because I know there are members who are not fifty-six, there are members about my age and a bit older perhaps, some have reached sixty and so on who have served for fifteen or twenty years. As I see it the total pension, I think, over the years is something like \$3,000. a year. When a man has served twenty years and is over fifty and so on and so forth, unless he has a profession like a lawyer or something else, where does he go particularly if the Government is defeated when he is not stowed away in some pushy job for the rest of his life? This is the great worry at this time, the past twenty years there was not too much worry because the civil service and all the commissions are stacked with defeated liberals or retired liberals, you know I have to bring this in because I am being sympathetic to everybody but still I have to face facts.

MR. ROWE: This is not quite true.

MR. MURPHY: It is not quite true. Would the hon. Minister like to tell me someone in the liberal party who has been defeated and who is not stowed away?

MR. ROWE: My hon. friend just made a general statement there and we have for example on the civil service commission the gentleman who just died was not a defeated candidate or a defeated liberal.

MR. MURPHY: Defeated or retired. Did I add the word retired?

MR. MYRDEN: He means defeated liberal candidate in the last general election or defeated to no such point as Steve Golloway, Rog. Murphy and General -

MR. ROWE: Ha! Anyway I could defend it but it is just not -

MR. MURPHY: What was Mr. Murphy's name?

MR. MYRDEN: I would say John, John Murphy.

MR. ROWE: Every Government in the World, my hon. friend knows that every Government in the world -

MR. SMALLWOOD: Does the hon. gentleman want to know who Rog. Murphy is?

MR. ROWE: Every Government in the world - Could I answer -

MR. SMALLWOOD: The hon. gentleman is not an out-harbour man, he lives here in town.

MR. MURPHY: Is it difficult to establish the -

MR. ROWE: If my hon. friend is kind enough to permit me? Every Government in the world regards it as a moral obligation to take certain actions and the

MR. ROWE:

Diefenbaker Government for example, they ran the Diefenbaker party, ran a candidate down here, Mr. Decker, a well known Newfoundlander you remember. Mr. Decker was defeated, this happens and within two weeks Mr. Decker had a very fine job in the civil service in Ottawa.

MR. MURPHY: He must be an outstanding man.

MR. ROWE: The point is that Mr. Decker, I am quite sure, knew or had some reasonable assurance when he gave up his job here in the Red Cross to run for Mr. Diefenbaker's party. He had some reasonable assurance that he would be looked after in the event that he was defeated and this is normal all over the world. There is nothing wrong with it, nothing reprehensible about it. You cannot throw your candidates to the wolves if they have made sacrifices, you cannot throw defeated candidates of your party to the wolves.

MR. MURPHY: Now, Mr. Minister, you have to be a little bit - the special assistance who I am employing there for three months is all the money is left. I mean I have to get someone that knows - after all the opposition office, now I think we have to be fair, has to know something about the actual party that, is this not so? You know, I mean, following the argument, would anybody like for me to go down and draft perhaps the top civil servant out of this service to come up here and assist? Would that be right?

MR. SMALLWOOD: To a point of order, Mr. Chairman. Do we allow that into this Chamber? What is this?

MR. MURPHY: But, Mr. Chairman, I was just trying to tie in this outlook. What is going to happen I really do not know. This thing has been brought to the floor of the House, the hon. member for Humber East feels in his heart and soul that the sessional pay is not adequate.

MR. SMALLWOOD: The hon. gentleman if he keeps on is going to talk the House right out of what he has been talking about.

MR. MURPHY: I personally feel that any member that devotes himself to this House and does his job is worth far more and I have said this on many occasions far more if he devotes himself, the hon. member again said it would attract perhaps, I do not know what expression he used.

MR. WELLS: Continue to attract good quality.

MR. MURPHY: I do not think the hon. member said continue to attract. I made the statement one time and I could bite my tongue off two seconds afterwards and I said if the salary were there we would get decent candidates to run in the elections and here I am looking all around me at forty members and they must say, "What kind of a guy is he that we are not decent" but I believe that it is not that the candidates in this House are not capable or the members but it would certainly be an attraction to a lot of people today who stay away from politics to say well this is a job that is to be considered and basically, while we are discussing this, I would like to see, quite frankly, something done about it at this time. I just want to discuss the \$10,000 grant to the Opposition office. I think I spoke about it before and I broke down what it is. It basically means there are \$10,000 to run the Opposition office, to employ a secretary, that is the girl who does your typing, stenography and so on, you have to pay her at least \$350. a month so that is \$4,200 gone, You pay for all your own postage, our research consists of newspapers, magazines and so on and it would amaze you when you are purchasing these how much that runs into. So I figure you have approximately \$4,000 and, unemployment insurance and Canada pension plan, all this comes out of our \$10,000 but you can see there is approximately \$4500 left for research.

I was just speaking about this grant to the Opposition offices, totally inadequate because, they tell me and I have made inquiries, to get anybody at all that can do the job for you you have to pay them a minimum of \$15,000 a year to do the job properly, you know at least \$15,000 So these are the few thoughts I have, Mr. Chairman, on the thing and I think it could be looked at very closely.

MR. SMALLWOOD: My understanding is this and, by the way, may I say there is an increase for all members of the staff. At the bottom of the page members of the committee will see \$4,100 for the staff for a block increase in the vote, the salaries for the staff, the staff of the House, the House's employees, there is a block increase of \$4,100 that should read \$12,900 because they are to get the increase running right through the public service.

MR. MURPHY: I am lost somewhere around here.

MR. SMALLWOOD: At the bottom of page seventeen there is a block amount of \$4,100

MR. SMALLWOOD:

that should read \$12,900. That takes care of an increase for all members of the staff of the House. Now my understanding is that there is unanimity on all sides of the House, that the opposition, Her Majesty's Opposition, Her Majesty's Loyal Opposition, not the individual members of it but Her Majesty's Loyal Opposition, shall have the vote, the present vote increased by \$5,000. a year. That is the research vote to help them to serve the public better. That the Leader of the Opposition shall have the salary of a Cabinet Minister, that all members of the House shall be increased to a gross of \$10,000. of which two-thirds is salary and one-third is expense. That would be therefore \$7,776.67 salary and \$3,333.33 expenses, a total of \$10,000.

MR. ROBERTS: \$6,666.67, Sir.

MR. SMALLWOOD: Yes, \$6, what?

MR. ROBERTS: Two-thirds of \$10,000 is \$6,666.67.

MR. SMALLWOOD: Well, whose arithmetic is that? The Minister of Health does it and trapped me into making a - it is his figures. So now he is correcting the figures. All right the salary then of every member would be \$6,666.67 salary or indemnity and expenses \$3,333.33. That is our universal understanding here in the House from all sides, no objection, no dissent. It is moved by the President of the Council, Minister of Justice, all these amendments. The Governor has tabled his request that these estimates be passed and we will have to get governoratorial assent, I think.

MR. CROSBIE: Mr. Chairman, generally I support this move because I do not think this is too much at all. It has to be remembered that the \$3,333.33 is for expenses and I do not think there is any member, particularly one who does not have a St. John's district, who is not going to spend \$3,500 a year at least out travelling around his district and probably more.

MR. NEARY: I am going to spend that on a walk around my lawn.

MR. CROSBIE: If walkathons keep on you may as well give away your \$10,000. a year and be done with it.

MR. SMALLWOOD: It is cheaper just to go and walk, do not pay someone else to walk get them to pay us to walk.

MR. CROSBIE: Every bit of mail that comes in contains at least notice of ten



MR. CROSBIE:

walkathons and in fact last year I practically purchased Fogo Island because there was so many came in from the great walkathon.

MR. SMALLWOOD: And look what a miserable failure it turned out to be.

MR. CROSBIE: Well, it turned out all right, Mr. Speaker, Fogo Island was very good in the third convention.

MR. SMALLWOOD: It did for me turn out good. I thought I had purchased it.

MR. CROSBIE: Fogo Island was solid but I have one further suggestion, Mr. Speaker, on what the Premier has just moved and I still think that no matter what the salary and so on is for every member that there should be an amount voted here towards the expenses of non-residents St. John's members or members who have their domiciles outside St. John's to assist them in these particular expenses of travelling back and forth.

MR. ROWE: Would the hon. gentleman permit a question on that because I am not clear on this? I am asking this as a genuine question. If a member lives let us say in Corner Brook and he has to come in here now what is the essential difference between that member who comes in here, I mean in principle what is the difference, and the member for Bonavista South who probably spends a quarter of his time, he lives here but he has to spend a quarter of his time living in his district?

MR. CROSBIE: Travel is travel.

MR. MURPHY: It is very unrealistic.

MR. WELLS: Very unrealistic.

MR. MURPHY: We have been in St. John's for four months now and how many actual days have any member here spent in his district? I bet you if he spends twenty days out of 365 he is lucky.

MR. MYRDEN: Oh! Oh! Come on!

MR BARBOUR: (Inaudible.)

MR MURPHY: I am not talking about the hon. member for Bonavista South.

MR BARBOUR: Can I have my say? Up until the last of November or early December, when I took sick with the flu and had three or four doctors working on me, and only now, Thank God! I am getting on my feet, I used to visit my district once a month, and I would go right from Salvage, right into the interior



MR. BARBOUR:

to the community of Terra Nova where they have the great Barbour swimming pool and right down to Cape Bonavista, forty-three communities. I think I said here in one of my speeches that I was not like a seal flicking his flippers as when I get into a community I would park the taxi car I had, which cost me thirty dollars a day, and I would have to pay for the drivers meals and I would have to pay for his room at night and there was the occasional lemonade that he would like or something similar to that, I would have to pay for that. It would cost me fifty or sixty dollars a day and I would spend not less than four hours in each community and I could not do it in a week, I could not do it in a fortnight but what I would do is this; I would come back on the weekend and spend with my family and I would go out again the following week and I have done that for the last eleven years. You know how many times I have been in my district during the last eleven years.

MR. MURPHY: No.

MR. BARBOUR: Eighty-four times.

MR. MURPHY: In the last eleven years.

MR. BARBOUR: Eighty-four times. You know what, even the dogs know me because they follow me down there.

MR. SMALLWOOD: It is 1:00 o'clock.

MR. BARBOUR: Mr. Speaker, Mr. Chairman, if this does become a reality may I be permitted to ask the hon. the Premier, will it be retroactive this session.

MR. SMALLWOOD: This present session, yes but not last year just this year.

MR. CROSBIE: Mr. Chairman, the hon. the Minister of Education asked a question, what is the difference? There are two different things, one is the expenses of members in connection with their districts, travelling through their districts and that kind of a visitation, the other is the expenses of coming when the House of Assembly is meeting for the three or four months a year. These are two different matter. Members who have to travel back and forth to the House of Assembly still have to travel their districts so I submit, Mr. Chairman, that there is a good case for some amount to be voted towards the expenses of members who live outside St. John's and travel back and forth during the session. They still have to travel through their districts also and it is almost 1:00

MR. CROSBIE:

o'clock.

Before concluding, Mr. Chairman, it was mentioned that there is going to be a block vote of 1200 for staff of the House of Assembly which I am glad to see because I think that the page boys and messenger in the clerks office certainly need more remuneration and it should be put on a different basis, I think, not so much a session but so much a week while the session is on because in one year the House may meet nine weeks and in another year it might meet fourteen.

MR. SMALLWOOD: When we have done that we have given them additional pay. Everytime that the members got additional pay for an extra long session or an extra session the staff got extra pay as well.

MR. CROSBIE: Right, well then -

MR. ROWE: The Internal Economy Commission.

MR. CROSBIE: Right.

MR. SPEAKER(NOEL): I think the hon. member is anticipating a vote further down and it being now 1:00 o'clock I leave the Chair until 3:00 o'clock.



PROVINCE OF NEWFOUNDLAND AND LABRADOR

HOUSE OF ASSEMBLY

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Volume 1

Number 76

4th. Session

34th. General Assembly

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VERBATIM REPORT

THURSDAY, MAY 21, 1970

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House resumed at 3 P.M.

MR. CHAIRMAN: Shall 20-10-01 carry?

MR. WELLS: Mr. Chairman, I do appreciate the efforts that have been made, but it still does not, in my opinion, satisfy the greater need. What is in the best interest of the taxpayers of this Province? What is in their best interest is to be assured of a House of Assembly constituted of the most capable men available. Now that is what is in the best interest of the taxpayers of this Province, to be assured that the members of this House of Assembly will be the best men or women available in the Province, to carry on the administration of the affairs of the Province. This is not likely to be done while the sessional indemnity together with the expense allowance is \$8500. Well there is a motion now to increase that to \$10,000. It is equally unlikely to be done while that amount remains at \$10,000. \$10,000 today is little more than \$8500 was in 1966. I am sure with that most hon. members will agree. There is very little difference. It is only probably making up for the difference in inflation in that four year period.

Now I can understand that there is a reluctance on the part of the Government, because as the hon. the Premier said earlier this morning, that as soon as anybody suggests it - if one side or the other suggests it, there is going to be political condemnation for it. But I think anybody who looks at this and condemns the members of this House for raising the salary to what would be a reasonable normal level is cutting off their nose to spite their faces, because what we want to attract and make sure that in the future we attract are the best men and women available to administer the affairs of the Province.

\$10,000 when you deduct from it, the expenses involved, and most people, most members who are involved as members of the House of Assembly have to be able to devote a great deal of their time during the year, not just while the House is in session, because all the rest of the year when the House is not in session, looking after the affairs of their constituents and concerning themselves with what is still going on in

the affairs of Government, because Government goes on for twelve months of the year, not just while the House is in session, so all members of the House of Assembly must concern themselves with that as well. And if we are to attract people who devote as much time as is humanly possible to devote to the affairs of the Province, then we have to offer decent salaries. And in my opinion Sir, quite frankly, we are still being cowardly politicians, and we are not doing the people of Newfoundland any good by limiting the proposed increase to \$10,000. I may not be here in the next House, I may be defeated in the next election, which is not much more than a year away at the most. So maybe it will not do me all that much good, But speaking strictly from a point of view of what is good for the Province as a whole, I believe Sir, that we are again showing the cowardly streak when we just increase it to \$10,000. Now I do not like looking gift horses in the mouth or anything like that, but I believe Sir, that we have to be practical, and over and above that, we have to be honest with the people, and let us not put forward our false modesty, which is what it is, to assess salaries of members of this House at \$10,000 total remuneration a year. And perhaps Sir, I can understand the reluctance on the part of the Premier when he moved the Motion, on behalf of the President of the Council I believe. It was the President of the Council I believe.

MR. SMALLWOOD: Yes, well I am not the President of the Council. The radio stations quoted me as moving, which is something that is unlawful for me to do.

MR. WELLS: The Premier spoke and said that he was speaking on behalf of the hon. the President of the Council who was moving that Motion. Now I can understand his reluctance and perhaps that of the Government to move any Motion that would increase the Premier's salary. But quite frankly Sir, and I say this not because the Premier is sitting across the way, I think most hon. members know that that is not likely a reason why I will say this. I think it is ludicrous that the Premier of this Province should be paid a salary of \$12,000 a year. I think that that is disgusting. No matter who holds that office, I think it is a shameful salary. It is

shameful for members of this House to allow it to continue, and it is our responsibility. We on this side are barred from moving the Motion, but I would ask somebody in the Government if they want to do it at my suggestion, I do not care. It does not matter. I believe Sir that it is about time for us to be honest and say what we honestly think about this. I am not quite sure exactly what would be a fair reward, and as all hon. members know, I differ greatly with many opinions expressed by the Premier in many of his policies. But they are honest differences of opinion. I accord to him to hold his as I hold mine, and do not for a moment deny it. I think his judgement lacks in many cases, and I think he does a lot of other things wrong, but he holds down the office of Premier, and I do not think there is anybody in this House or anybody in this Province who will deny that he punches a good fifteen or sixteen hours every day, as any Premier, anybody who holds that position will probably have to do. Maybe there is nothing so extra special about him, but I do not think he is delinquent in that respect, in the time and effort that he makes. I may hold the opinion that his efforts are misguided are totally wrong in some cases, but I cannot deny that he makes the effort, and that he probably believes that what he is doing is totally the right thing to do. Maybe my opinions are wrong. I have no divine inspiration or anything like that.

But quite frankly Sir, I think we are being cowardly politicians when we do not do what is right, and it is just not what is right by the members of this House, it is what is in the best interest of the people of this Province. That is what our responsibility is. And our responsibility is to make sure that we have in this House men and women who are in a position to give a totally independent opinion on whatever matter comes up. Or at least appear to be in that position. Members of this House are publicly degraded in the press and in public opinions. The opinions of citizens of the Province when they are expressed. "Sure, he does so and so because he is such and such, or because he is getting



such and such, or because he is on such and such a commission, or because he has such and such a business. Sure that is why he is supporting the Government." Members of this House should never be placed in that position. And while I do not disagree with the need for it and perhaps even the fairness of appointing an hon. member to the Power Commission - it means an extra \$6,000 a year. He is then placed in a position where his motives can be and sometimes are challenged, and no hon. member should be in that position. So Sir, I still think we are being cowardly politicians. My own personal opinion is that the salary should be in the vicinity, the total indemnity and expense allowance should be in the vicinity of \$15,000 a year for every member. Certainly not less than \$12,000. And do not forget Mr. Chairman, that if you take it at say \$15,000, there are not many hon. members in this House who do not expend at least \$5,000 on expenses, total expenses in travelling. And all of the expenses they incur by reason of being members of the House, and that leaves them with a salary of \$10,000?

Most men who work in the Paper Mill in Corner Brook today make at least \$10,000. Most men, most men who work in the paper machines make in the vicinity of \$10,000, and that is not such a disgraceful effort. And that \$10,000 is taxable. You have to pay your taxes out of it. So there is not a great deal left. That the take-home pay of a member if you deduct his expenses that he has to pay during the year, and you deduct his income tax and so on, the take-home pay of a member would not be much greater than \$7,500, and what is that? That is not being over-paid for any member. That is not likely to attract many great and brilliant brains to this House. That is not going to attract anybody. I think Sir, we are just being the same cowardly politicians if we do not increase it beyond this. And I do not know about the ministers. I think, this together with their ministerial payment, their salaries as ministers would probably give a reasonably fair remuneration, perhaps not enough. I am not about to express an opinion on that. But I am expressing an opinion on something that is ludicrous in my opinion, that the salary

for the Premier of this Province should be \$12,000. Everyone in this House should be ashamed of it unless we do something about it, and quite frankly Sir, I would not bat an eyelash, would not bat an eyelash at the Premier's salary being raised to \$20,000 from \$12,000. I would not for a moment bat an eyelash on it. It is not at all unreasonable, and I do not think anybody in this Province, any person in this Province could condemn either the Premier or myself or any other hon. member in this House for doing it.

If they stop and consider what it means, and what the purpose is behind it, and what the real justification for it is. We do not want to attract people who are second, third, fourth or fifth choices because better qualified people cannot afford to live on the remuneration that comes out of it. That is not what we want to do. We want to have it in such a way that we can attract people, and that when they do become members of this House, they are independent of financial need, and can express their freely held opinion whether they sit on that side or this, allowing for cabinet solidarity and so on; but so that nobody is dependent upon any favours or any continuing favours to be assured of a reasonable living standard.

I cannot disagree with increasing it as has been proposed, and I think I mentioned it in the first instance. But I think we are still being cowardly politicians if we do not increase it to a reasonable standard, and what is a reasonable standard in my opinion is about \$15,000 a year. Maybe somebody would be more inclined to say \$12,000, and perhaps they would be right. But certainly nothing less than that Mr. Chairman, and I think we are still being cowardly politicians if we do not do something along those lines. And if some member of the Government side does not as well move for an increase for the Premier - I can understand the position the Premier is in, or if it originated with the Government, anybody on the Government side suggested it, somebody would always say that oh well! the Premier got him to do that, but I do not think anybody in this Province will be in any position to say that the Premier in any way persuaded me to recommend an increase in salary for him.. I am not recommending an

increase for that man personally. I am talking about the post that he fills, the office, that is what I am talking about. And I think Mr. Chairman, before we rush into it hastily, perhaps you would reconsider, and perhaps the Government might be prepared to reconsider.

MR. ROWE: Mr. Chairman, I find myself in agreement in principle in consideration of these sentiments that have been expressed by the hon. member for Humber East, and by other hon. gentlemen on the other side. I have felt rather strongly on this, because I have always taken the view through the years - believe me it was not that I had not any personal axe to grind on the thing. I do not think that I need to inform the House. I am sure all hon. members here, I could have made a living outside the House without perhaps having to work even so hard as I had to work. And if I could not have done it here in Newfoundland, I could have certainly done it elsewhere. And this is true of most hon. members, or perhaps all hon. members of this House.

I think there is a basic principle, there is a basic premise that we should start with, and it is this, that within reason, no hon. member should be penalized, nor should his family be penalized because he serves the public interest by offering his services, and having his services accepted by the public as a member of this Legislature, or as a member of any administration. And yet as the hon. gentleman has pointed out, and I am sure most of us know this practically, there is instance after instance right in this House at this present time where hon. members have suffered, and the families perhaps have suffered. And it is true in some cases they have been in a position - nobody would argue for example, that the hon. member, if I am going to use personalities, because this is public knowledge. We have here on my left, the hon. member for Labrador South, the minister without portfolio, who is and has been for fifteen or twenty years, one of the most successful insurance underwriters in all Canada. And nobody could argue that he has not lost money by having a portion of his time perhaps one-third of his time occupied by being a member of the district, and by having to attend sessions of the Legislature

and by having all the other work sitting in on Cabinet meetings and so on. He has had to lose money on it. He has had to do that. And by the same token nobody would argue that the Minister of Health for example, a brilliant graduate of one of our great law schools, one of the great law schools of the world, if he had applied in the past seven or eight years the same energy and the same ability, in a law practice, it would certainly be, there is no reason why he would not be better off financially. And we could go on and cite case after case of that. Now you have to draw the line somewhere. A medical doctor who could perhaps under present conditions make seventy or eighty or even as much as a hundred thousand dollars a year if he were a surgeon, you could hardly expect, if he gave up and came into the House, <sup>him to</sup> get the same money, but I am talking about a reasonable sacrifice. I do not think it is a reasonable sacrifice that hon. members are called on to make. I do not think the sacrifice is reasonable at all. And so I repeat this basic premise that within reason no hon. member whether he is the Leader of the Opposition - We have had instances here. I think that it is pretty well recognized that a former Leader of the Opposition - I am not betraying any confidence, but I heard him say it in the presence of several persons, including myself, that he could not afford to stay on in this House as a Leader of the Opposition with a young and increasing family of five or six children. And I do not mind saying personally Mr. Speaker. If it had not been for a purely fortuitive accident, I could not have, in my earlier years, I could do it now, but in my earlier years I could not have afforded to stay on as a member of this House. I would have had to either go somewhere else or leave the Province and take advantage of opportunities that were available to me in Ontario or down in the United States. I would have had to do it, but for a

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MR. ROWE (F.W.)

but for a purely fortuitous circumstance, which I share with the hon. member for St. Barbe South. It is purely an accident. In a way, I suppose, you could call it an accident. I have argued this. I do not mind saying. I have argued this with the hon. the Premier who has been very reluctant and very definite. It is natural for him to be about the matter of the salary of the Premier. I do not think that the salary of the Newfoundland Premier should be only half that of some of the other premiers or even one-third of some of the other premiers of Canada. I do not think it should be half that of a deputy minister. I just do not think it. I have never thought it, and I certainly would be very happy, with no ulterior motive in mind at all, to propose that, if I thought that it would have the general consent of the House. On the other hand, this is something we have to have. We have had our fingers burnt on this side of the House and the hon. gentleman over there who may be on this side some day may get their fingers burnt on that, and you cannot afford to do it in this day and age. You just cannot afford to have your fingers burnt on a matter of this kind.

One other aspect of it, Mr. Chairman, before I sit down and again I bring this forward. It does not affect me personally, and not at the present time thank God! I do not expect I could, in anyway, qualify, and I do not expect for some years to come to be on the retired list. But it is wrong what we have done in this House. We adopted here, unanimously, a pension plan for members of this House. It is a contributory pension plan and the Government of Newfoundland or the public or the Treasury contributes to it as well, but it is a pension plan. At the time we adopted that, the salaries of hon. members of this House were a little more than half of what they are now and certainly were no more than half of what they will be if this motion made by the President of the Council is accepted. And at that time, in that legislation, we fixed the amount of the pension. I



Mr. Rowe (F.W.)

think it was wrong. I do not know why it was done. I just do not know, but why we should affix it as the set amount and here is the situation. Why we did not make a percentage, I do not know. I submit, we should have changed it two years - we raised the salaries three of four years ago, the salaries, the income of members of the House. The income was raised and we did not amend that legislation and what was the result? You have, I do not mind again using the person - I do not think he will object. You have an hon. member here who has represented a district in this House for twenty-one years, faithfully and efficiently and effectively. I am referring to the hon. member for Placentia East. I am sorry for Placentia West - twenty-one years here. The best part of his life - the prime of his life, and he is now fifty-five years old and assuming that he runs again and carries on until he is sixty years of age, assuming he is elected, and he carries on until he is sixty years of age, he would then, if he had to retire for reasons of health or if he were defeated in office in an election, he would then be out at age sixty. He cannot learn a new trade. It would be too late for him to start some other profession and what does he get for serving this House and this Province for twenty-six years. He will get \$3,000 a year pension. He could have been a junior clerk in the Civil Service and gotten a far higher pension and this is wrong. It is completely wrong.

You have other instances. There are men approaching or perhaps up to the retirement age on both sides of this House now and yet, they get a pension which is insignificant compared with the pensions that even our civil servants will get. Today, if a deputy minister retires from the Civil Service, he gets a pension of something in the order, I suppose, of \$12,000 or \$13,000 a year and other civil servants in proportion. Yet after serving this House, a minister, one who has served this House in the capacity of a minister for his entire life time and because he has been a minister

MR. ROWE (F.W.):

and naturally he has had to maintain a certain standard. This is a matter of common sense. Yet, when he retires at the age of sixty-five or seventy, he would get a pension one-half or less than one-half of what he would get had he served as a civil servant. This is too ridiculous. It is just ridiculous. A school principal retiring today after serving the required number of years or whatever it is, would get a pension which is more than twice as much as the Premier of Newfoundland will get, if he retires tomorrow or retired in three or four years time and this again is wrong.

I am suggesting to this House that it only requires a minor amendment. Now I know there are other aspects of it that perhaps some people are not in agreement with. I suggest at this particular time that it is not the time for us to write or rewrite a new pension Bill completely, but what I would suggest is that we change that clause from an absolute amount to a percentage - to a percentage of whatever the remuneration is and then it is there. It is the law, and we do not, then, have to bring in a new Bill every second or third year, when the remuneration is raised in accordance with the cost of living. I think this is foolish to have to do it.

Of course, you make it a percentage and automatically you pay higher money - a higher contribution. This is only fair and nobody would expect to get a pension without paying the higher premium there, but I do not think that an hon. member such as the hon. member I just cited there or any hon. member who has served in this House for the prime of his life should then be forced, when he reaches the age of sixty or even older than that to retire and be expected to maintain a standard, maintain his household and his family, his wife or whoever is in the family and incidentally under the same provision, under the same provision, if my hon. friend from Placentia West or any other private member of this House dies tomorrow, his wife will have to try and get by and maintain her house on \$1,500 a year. This is not right.

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MR. ROWE (F.W.):

I am suggesting that somebody here agree on this, that we will amend the simple clause. I am suggesting that we not try at this time to remove all the anomalies. This might require, perhaps, another session, if we are here. What we might do, perhaps, is set up a select committee at the beginning of the session and go into it and rewrite the whole Act, bring in a new Bill here, But for the present, I do not think in fairness - there may be, if there is an election in the next twelve months, it is quite possible that some of us here will not be returning. I mean it is almost a guarantee that some of us will not be returning. I do not think - I do not think, i.e., let me again use an example. I do not have his permission, but I do not think that the hon. member for Bonavista North, if he should chose in the next twelve months to retire or is forced to retire for reasons of ill-health - I do not think that he should, then, get a pension which is based on his remuneration here of six or seven years ago. That pension should be based on what he is getting today, if for any reason, he should retire. When we come to it, I do not know if the House would require a Bill to be introduced here, but I am suggesting and I do not think there is any disagreement in the ranks of the Government on this and I am suggesting that two things be done. Certainly, in addition to the other amendment proposed here that the salary for the Premier be raised and I concur completely in that suggestion, and I think that the amendment - surely, the public of Newfoundland do not expect some member who has served this legislation, served this Province for twenty-five years or more to have to retire or if he dropped dead, for his wife to — . Well we had a very good example of it. We had a very good example. If our friend who lies dead at this moment in his home, a former Speaker of this House, if that had happened when he was Speaker of this House, his wife would have to maintain her home and her family on an amount which would be completely inadequate, after twenty years or so of service, of dedicated

MR. ROWE (F.W.):

service on the part of her husband. I do not think it is right. I suggest that, we, in this session, bring in a minor amendment just amending that clause alone, changing it from a specific amount to a percentage and that would be a percentage of whatever the salary or the income is at a particular time.

MR. SMALLWOOD: Mr. Chairman, may I say categorically that if the committee were to decide to recommend to the House an increase in salary of the Premier of this Province more than is recommended for all members of the House, I would decline to take it. I would not mind its being put up on condition that I will not accept it, but the incoming Premier three or four or five or eight years from now will not be in a very good position to ask for an increase in pay. It would be far more gracious, if I were to agree to it now on the condition that I do not get it, but that the new man gets it, when I am replaced, if I ever am. I would go along with that on the clear understanding that I do not receive it. I am not going to stand in this House, as (Acting) Minister of Finance and advocate an increase in salary for myself or agree to it. I do think the Premier should get more than I am getting. There are premiers - in New Brunswick the premier gets \$27,000 a year as premier. His salary as premier is \$27,000 a year not counting his sessional indemnity or expense allowance of that nature. His salary, as premier, is \$27,000 a year. Well most people in Newfoundland do not believe that there is that much money in Newfoundland - \$27,000 a year for one man, as a salary! They do not believe it. They do not understand that there are men who make \$50,000, \$60,000 a year. They do not know that there are doctors, medical doctors in Newfoundland today who are making \$40,000 a year and some \$50,000 a year and some \$60,000 a year and some \$70,000 a year and some \$80,000 a year and some \$90,000 and some \$100,000 a year and that there is one doctor making \$110,000. People do not know that and the salary of \$12,000 a year, not \$12,000 a month, but \$12,000 a year sounds like a tremendous

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fortune, and I do not want to be the Premier who would accept it and I will not accept it, anyhow, it would not be enough to put me in the right condition that I need to be put in, believe me. It will take more than that salary to straighten out my personal finances. What it is going to take is certain developments, not far from where we are, 400 or 500 miles. Certain developments to mature and start paying dividends. At that point I might become solvent. I did what I advised a great many people to do and that was to buy all they could lay hands on and buy. I borrowed all I could lay hands on and I have been paying interest on that loan ever since. I have been paying interest, Mr. Chairman, and I am still paying interest on that loan - a very hefty loan. I got, and I am paying interest on it and it will have to go up for me just to pay the interest back. However, it will take more than an increase in salary to put me in good financial condition and in the meantime I will not. I want it understood clearly that I will not accept it. I do not know if Mr. Diefenbaker is still refusing to accept the \$18,000 a year. He said that he would not and he did not for a year or two. I do not know whether he still is or what the position is. I will not, as long as I remain Premier, I will not accept more than the increase that we have all agreed on - all members of the House should have. This I will accept, because everybody in the House is accepting it, but I will not accept anything extra.

MR. WELLS: Does the Premier not agree that that increase should be paid up to \$10,000?

MR. SMALLWOOD: Increase for all members of the House ?

MR. WELLS: Yes.

MR. SMALLWOOD: I said here this morning that there are 10,000 persons in Newfoundland thanks be to God! I am very grateful. I am very thankful that in Newfoundland this afternoon we have, at least, 10,000 Newfoundlanders getting more salary than are the members of this House. At least, \$10,000 Newfoundlanders in the paper mills, in the mines and in the Civil Service and in



Mr. Smallwood.

the medical profession and in other jobs where they get salaries. There are 10,000, at least, who get a higher salary than do the members of this House, and there are, at least, 500 who get more salaries than the Premier of the Province. I agree that the members of the House ought to get more.

MR. ROWE (F.W.): There are that many in Grand Falls and Corner Brook.

MR. SMALLWOOD: Yes I am sure there are that many: Grand Falls, Corner Brook, Gander, Buchans and Labrador City, there are twice that many. There are 1,000 Newfoundlanders today getting more salaries (salary, I am talking about - salaries) than is the Premier of the Province, at least, 1,000.

Now if you count lawyers and their fees and count doctors and their fees and if you want to include chartered accountants and their fees and engineers and their fees and merchants and businessmen and shopkeepers, there are in Newfoundland this afternoon, at least, 5,000 Newfoundlanders getting more pay than is the Premier of Newfoundland. But the Premier of the Province gets something that they do not get. He gets the greatest opportunity of any man among us of the 500,000 Newfoundlanders-- the greatest chance of all to serve Newfoundland, to do good for people. This is a tremendous value to anyone who likes that kind of thing. As Abraham Lincoln said, - "If you are inclined to sneer at any satisfaction, any remuneration other than cash - if you are inclined to sneer at it and sneer at the man who is glad to take part of his pay in the form of fame and love and respect and affection and devotion, - part of his payment in that form, the respect of a lot of people. Anyone who takes his pay, in part, that way, if you are inclined to sneer at it, remember what Abraham Lincoln said that that sort of thing is all right for the sort of people that like that sort of thing, and I happen to be one of the sort of

people that like that sort of thing and I get a large part of my pay in that form and that is all I intend to take.

Now is \$10,000 enough? It is all right for some hon. member of this House who has no intention ever again to run, ever again to be found dead inside this Chamber, who is only waiting for the next election to come so he can drop out and really go at the thing that he loves to be at. It is all right for him to get up here and advocate a big salary, a higher salary for all of us, just as it is all right for me to advocate or to acquiesce in a higher salary for a Premier but not for me, not for this Premier. It is all right for him to do that, but we all have to take responsibility. Are we willing to take responsibility for a higher remuneration than \$10,000 a year of which \$6,600 is salary and \$3,300 is expenses? Are we? If we are, I will go along with it.

MR. CROSBIE: Mr. Chairman, I think that matter like this - I think we have gone far enough in what has been proposed here today, if we go ahead with it. This is the kind of thing that should be thought out, I think, and it needs to be studied. I think the need is so obvious that what is being suggested..

MR. SMALLWOOD: Question of priorities.

MR. CROSBIE: Yes, it is also a question of priorities. I will come to that too. The hon. the Premier is learning even about priorities.

MR. SMALLWOOD: Yes, we will have a cost-benefit study made.

MR. CROSBIE: If the benefits of a lot of what we see on the other side of the House is study, it would be zero and the costs are quite considerable. But, Mr. Chairman,..

MR. NEARY: Do not be nasty.

MR. CROSBIE: Mr. Chairman, the hon. members says; 'do not be nasty.' I am only trying to express my views and my views are these that this is not the kind of thing that should be done hastily. It is obvious, I think, that the salary and the allowances are now inadequate, but I would not favour going any

further than we have gone now, because I think that the operation of this House, the salaries that are paid, the travelling allowances, the amount paid to the office of the Leader of the Opposition to operate - all needs to be studied and reported on and action taken on it. I agree with putting the Leader of the Opposition now up to a Cabinet minister's salary. I suggested it this morning originally. That should be done now. I agree to these increases of \$10,000. I think that that should be done now, because they are inadequate now; particularly for the out-of-town members who live out of town. There is an amount

MR. CROSBIE: there was an amount suggested, an extra amount of \$5000 for the office of the Leader of the Opposition, that is chicken feed. That does not meet the need, Mr. Chairman, the office of the Official Opposition has voted \$10,000, that is what is on Page 93, \$10,000, which is chicken feed, what should be voted to the Office of the Official Opposition is an amount, from at least \$40,000 a year to \$50,000, so that they can engage proper research staff to assist the Leader of the Opposition in being a competent Leader of the Opposition and in ferreting out what needs to be ferreted out, He needs at least two, one an economist and one some graduate political science or public administration or whatever. That is the kind of money the office of the Leader of the Opposition needs now. I realize this is not just going to be done today, but this is another area that I think the Government of this House should study, it is \$5,000 that is suggested, that is a little bit of help for them, that will not get them the kind of research assistance that I think they need. I think it would be very wise of the House or to the Government to appoint someone to consider all of these questions in the coming in the next session with some recommendations as to what should be done after. And also, Mr. Chairman, I will repeat what I said this morning, that this House has got to give consideration to what it is going to do with third parties or groups in this House, because the third group that we have here in this session has been treated abysmally, There should be provision for third parties in our Standing Rules and in these amounts that are being voted there. There should be office space provided for them and research assistance for them too, or call them all private members, Government, Opposition and Private Members, and give some office space and assistance to private members.

So none of these things can be decided today, because they have just come up today. But I personally, Mr. Chairman, would not favour any increase over what has been suggested now, not in this particular year. I think what we need is some proper study, I agree with the member for

MR. CROSBIE: Humber East that probably \$12,000 to \$15,000 would be more reasonable and I repeat that there should be travelling allowances for out-of-town members in connection with sittings of the House of Assembly.

I also have one or two questions, I do not know where the vote for Hansard appears, for Hansard reporters in the vote in here?

MR. WELLS: It is included in the salaries.

MR. CROSBIE: Salaries of staff are there, but I was wondering - printing cost and so on of Hansard, I do not see it here.

MR. WELLS: Department of Supply.

MR. CROSBIE: And another question I had was that there was the appointment in response to a question asked of this session, it was said that there had been an assistant to the Hansard Editor, have been appointed, Mr. Whelan. And I do not see any provision in the estimates for the position of an assistant to the Editor of Debates and Chief Librarian.

MR. B. J. ABBOTT: Mr. Chairman, as a member of this House I find it difficult to go along with all that is involved in this motion. I agree with a part of the motion which suggests that the Leader of the Opposition should carry the salary of a Cabinet Minister. But as to salaries for the ordinary members of this House, I am prepared to go along with facts providing, Mr. Chairman, and I may be out of order, because what I am going to say now does more or less concern the votes of another department. I am prepared to go along with that providing the widows and orphans and the pensioners who are receiving less than \$60 a month, Civil Service pensioners and the incapacitated: husbands and their families receive some increase.

I must be consistent, I believe in consistency, although I have been told time and again to get that out of my vocabulary "consistency", but I have been advocating time and again for an increase for that type of citizen, and I do think it is terrible for us as members of this House to vote \$125 a month for ourselves, when we know we have in our midst people who are living below the poverty level, and I have referred to people already who are living below the poverty level. And I for one my conscience could



MR. ABBOTT: not allow me to go along with this, unless those people, that type of citizen is given some consideration.

Now may be the hon. Minister for Social Services and Rehabilitation will suggest this, but I do think, Mr. Chairman, that some consideration should be given for these poor unfortunates, because that is what they are, who have to exist on less than \$50.00 a month, a widow and her two children on \$140 or \$150 a month for food. In this country today you cannot do it. There are people, I do agree, who are living for less, well living on less but they are not living at all, they are in poverty. And for us to vote ourselves that increase, Mr. Chairman, it is not too much, for it has already been referred to by hon. members here about the scarifices that they are making. I know professional men are making a scarifice as the hon. the Premier has referred, to serve their respective districts and their country in general. It is a scarifice. But this is a part of life, if people are prepared to make this scarifice, well then it is quite all right and I do think that there is a certain amount of pleasure in service. But I do think the labourers work is hard just the same. The people referred to who are getting large incomes, large salaries, it is quite true they are, but the average salary of a Newfoundlander, the average wage of a Newfoundlander today is lower than any other province in Canada. Well what would it be but for Buchans and but for Labrador City, Wabush, Corner Brook, and Grand Falls? It would be pityful, it would be poverty, why it would be far less than that, because after all the salaries and the wages that are paid to the people living in the towns which I have mentioned naturally brings up the average wage in Newfoundland.

So this is why I find myself in the position where I cannot go along with all of this motion.

MR. T. A. HICKMAN: Mr. Chairman, I do not want to repeat what other hon. members have said, but -

MR. CHAIRMAN: If I might just interject here, we do not have any amendments.

MR. HICKMAN: I thought the hon. President of the Council moved the amendment, Mr. Chairman?

MR. CURTIS: I did move the amendment.

MR. HICKMAN: He did, and it was seconded by some hon. gentleman.

Mr. Chairman, one thing that I believe that people have to be very careful of, in public life, when you talk about salaries and incomes and benefits that accrue to people in public life; there is a tendency that seems to be creeping in to North American now, something like they had in Great Britain a hundred years ago, that politics in England really, up until the emergence of the Labour Party, was reserved for the very wealthy, that, unless you had very substantial private income of your own, the chances of ever seeking elected office in the House of Parliament of England was pretty remote. Well, that has disappeared, not completely, but it has disappeared to some extent in England. Now we see it is becoming very much a fact of life in the United States of America. You will see it becoming a fact of life on the Federal scene too, Mr. Chairman, and in some of the provinces; that if a man is fortunate enough to be born into means and he has the ability then to devote his full time, and only that type of individual can devote his full time to affairs of state and what is required of politicians. And I, for one, resent the fact that we can very easily put ourselves in a position where the person of average means in Newfoundland is discriminated against. If I can tell you that a young man, say coming out of Law School and in that Law School there is a great deal of emphasis placed on politics and government and that sort of thing, he has a very agonizing decision to make when he is in his twenties. Does he go into politics? and the temptation is there, and occasionally we will have one or two hon. members do that. If he goes in, he goes in on the sure and certain knowledge that by the time he is thirty-five he is going to find himself in

MR. HICKMAN: a position under severe handicap, of then having to go out and start a Law practice. If on the other hand he does not do that, and he decides he is going to go into practice and build up a practice, then the decision is equally as difficult, when he is in his thirties or forties he has to abandoned that and go into public life. And surely we do not want to reach the stage where these individuals or men of that type, (I am not just referring to any one profession) will have to wait until they are semi-retired, until they are fifty-five or sixty and then decide to go into public life?

Well, Mr. Speaker, if we do not pay members of the House of Assembly an adequate income, we are going to find that politics will be restricted to the very rich or the very poor, that you will have a gentleman who cannot possibly make a living on his own and is attracted by the salary and will scheme and connive and do anything else to try and get himself elected to office or alternatively you will have the men who can afford to do it, because politics is becoming a full time job, It does not make any difference on which side of the House you sit, It does not make any difference whether you are a Cabinet Minister or whether you are sitting on the back benches on the Government side, it is becoming a full time job and for some reason I believe that in Newfoundland politics is more of a full-time job than in any province in Canada. I know for instance in some provinces by tradition stay open six weeks of the year, I know for instance that Nova Scotia (where they pass about ten or fifteen Bills per year than we do) sits for six weeks, by tradition they close the day before Good Friday. And this has been going on for fifty years. I recall one time meeting a member of the Nova Scotia Legislature, within the last couple of years, and I was complaining about all the functions that one had to attend and the number of men and women that come looking for jobs and he looked at me, he did not know what I was talking about, and he said; 'nobody every comes to me,' and I said, 'well then this mean that everybody is working in your area?' He said; 'no, no'. He said, 'we spend six weeks of the year in the House of Assembly and that is it, unless you

Mr. Hickman: are a Cabinet Minister." But I sort of go for the idea that when you are elected as a member of this House that you have responsibilities twelve months of the year, and they are onerous and they take a great deal of time and anyone who should believe or even suspect that by going into politics that this does not have a very severe and restricted effect on your family life, particularly if you have a young family, he or she does not know what they are talking about. It certainly does, and Mr. Speaker we are at a stage now where Government is becoming more and more big business, We are spending this year \$395 million and we have got to attract the best brains in Newfoundland into the political field. And we are not going to do that, if you know, you may find one or two gentlemen who will say, "fine, we will do it just for the sake of doing it," but that rubs off after a while, the glory and all that sort of thing passes after about the first week, and then you suddenly realize the responsibilities and the burdens and the sacrifices that are involved.

My concern is that we seem to be heading straight down that same road that is being followed in the United States today, that politics is becoming the exclusive field of the very wealthy, and that I have nothing but envy and admiration and jealousy for a person who has been fortunate enough to find himself in that situation, more power to them. And when they have ability coupled with that, this is great. But I do not like to see discrimination or the restrictions.

And, Mr. Speaker, the point raised by the hon. Minister of Education in so far as pensions: I can speak to this without any restrictions as it will be two more sessions before I qualify, and I will qualify.

I understand a pension scheme is primarily a contractual thing. It should not be related to a man's age. If you go into political life it is temporary anyway, because you are subject to re-election every four years. So that you go in on the understanding that every four years or three years or two years or so, you have to submit yourself to the will of the electorate. And in the House of Commons, as I understand it, it is

MR. HICKMAN: if you serve three terms, you go in at twenty-one of age, you serve three terms, and you decide to quit at the end of say when you are thirty years of age, you are entitled to your pension, you do not have to wait-

AN. HON. MEMBER: Inaudible.

MR. HICKMAN: Well my understanding is that a couple of gentlemen who are no longer members of the House of Commons from this Province, are now on full pension, and they are not sixty years of age.



Mr. Hickman.

I have heard of a case. A thing that struck me very forcibly not too long ago, when a former member of this House became ill. One of his friends said to me, "if we can only keep him alive until he is sixty. If we can only keep him alive until he is sixty, then his widow will be all right." This is a pretty tragic thing to have to say but, unfortunately, it is true and how can you have men with families and family responsibilities and heavy financial burdens - how can you expect them to assume political office, when that sort of thing is hanging over their heads. I am all for the proposed amendment that the hon. the Minister of Education has made. The salaries and expenses that we have talked about here, I think, are unrealistically low, but I agree with the hon. member for St. John's West that this is about as far as you can go with two hours discussion, and something that sort of came on the floor of the House today, but I do believe that any sort of inquiry, any sort of unbiased inquiry will substantiate what has been said here today.

My hon. friend, the Leader of the Opposition referred to the commission of enquiry in Nova Scotia which was headed by a Newfoundlander and he was picked by the way and chosen because he has only been in Nova Scotia for about a month, and he had not been there long enough to have - he had ability, a great deal of ability but what was equally important was that he did not have any political affiliations and there was a representative on that commission of each of the three major parties in Nova Scotia and the chairman who is a very close friend of mine was telling me, when they started moving to some of the rural areas of Nova Scotia, they were holding hearings. Someone would come in and say, "how much does the Premier of Nova Scotia get now?" "Oh! he is paid \$15,000 a year or whatever it was." "Fifteen thousand a year!" "Why, I am running a farm down here in Pictou County, and I have never made over \$4,000 in my life." Well then they said, "do you know what the responsibilities of a Premier are? Do you have any idea?"

"No." "Would you like to hear them?" "Yes."

Time and time again after these responsibilities were outlined, this same gentleman would get up on the floor and say, "I would not take that job, for \$50,000 a year." Newfoundlanders are not going to resent paying the office of Premier an adequate salary, when once they realize the awesome burden that that office carries with it, because in the final analysis; whilst, ministers have responsibilities just as the President of Bowaters, in the final analysis, is responsible for the expenditures and misexpenditures, for want of a better word, of that company, in the final analysis, the Premier of this Province is responsible for that \$359 million and that is where the buck stops right at his office. We have always had a tendency in Newfoundland be it in public life or quasi - public life or when new positions are being appointed. We have always had the regretful tendency of saying, "that job is going to be for so and so. He is not worth that." Is that not what reclassification was all about; even in the Civil Service, to take the emphasis away from the individual and say what is the job worth? Never mind who goes in it. The electorate, as far as politicians are concerned, they will decide who fills the job, but what is the job worth and whether the hon. the Premier can be persuaded to take it or not. I think it would be most regretful, if we conveyed to the people of Newfoundland that the office of Premier is worth only \$12,000 a year, because if it is worth only \$12,000 a year, it is not a very important office.

MR. CHAIRMAN: The amendment is to the effect that the Leader of the Opposition - the Opposition would receive an extra \$5,000 towards the office expenses and that the salary of the Leader of the Opposition would be the same as that of a Cabinet minister and that the indemnity for members of the House would be \$6,656.57 and the expense allowance would be \$3,333.33 and the amendment is that the figures shown be adjusted accordingly. Those in favour please say "aye." Contrary "nay." Carried.

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MR. CHAIRMAN:      Shall 201-01 as amended carry? Carried.

MR. ROWE (F.W.):      Which one are we still on, 01?

MR. CHAIRMAN:      We have just carried 201-01, and we are now on 201-02.

MR. ROWE(F.W.):      Yes, thank you, Mr. Chairman. I would like to make a motion here. I would move that in connection with the expenses incurred by private members, in performing their legislative responsibilities, that a committee be set up consisting of five persons, and I would recommend that these persons be: the hon. member for St. Barbe South, the hon. member for Gander, the hon. member for Burgeo-LaPoile, the hon. member for Hermitage with the chairman, the hon. Minister of Mines, Agriculture and Resources to examine this matter and to report back to this committee.

MR. CHAIRMAN:      As the minister is aware, we are going to take as notice of what the minister intends to move, because we cannot have a motion of that nature in committee.

MR. ROWE (F.W.):      Does not this committee, Mr. Chairman, have the power to set up a sub-committee. It would have to be done by the House. But it could be done this afternoon, when the committee reports to the House and the House sits again? Well I give notice of that, Mr. Chairman, so then perhaps we could just let that particular item lie. In view of that, I believe I have discussed this with a number of hon. members, and I believe that this would have the unanimous approval, I would think, of the committee and of the House later on, that this committee, select committee if you wish, be set up consisting of these four private members with the hon. Minister of Mines, Agriculture and Resources who would not have a vested interest in the matter as chairman, to examine and report back to the committee on the matter of the expenses incurred by private members in the performance of their legislative responsibilities.

MR. SMALLWOOD:      You have called and passed 201-01 - allowances, Mr. Chairman?

MR. CHAIRMAN:      Yes.

MR. SMALLWOOD:      Do we go on now to 201-02?

MR. ROWE (F.W.):      Well that is the one that I just made....

MR. SMALLWOOD:      01?

4707

MR. CHAIRMAN: Actually the amendment that was put by the Minister of Justice included an amendment to the amount which was allowed for expenses and that has been carried. That has been carried.

Shall 201-02-01 carry? Carried.

MR. MURPHY: Mr. Chairman, I do not wish to hang it up, but I am just wondering on this. Just turn the back page for details on page ninety-three. On the bottom of this, there is a block provision, salary increases and new posts. I am just not familiar with what these salary increases are to be used for and it is not a case of trying to get everybody a raise today.

MR. SMALLWOOD: What is down to the bottom of page seventeen?

MR. MURPHY: The amount.

MR. SMALLWOOD: \$4,100 to \$12,900.

MR. MURPHY: Yes, I have seen that, but it just does not say.

MR. SMALLWOOD: Deal with it, when we come to it - the bottom of the page.

MR. MURPHY: All right, I am sorry.

MR. CHAIRMAN: Shall 201-02-02 carry? Carried. Shall 201-02-05 carry? Carried.

MR. CROSBIE: I am sorry, Mr. Chairman. We are now on 201-02-02?

MR. CHAIRMAN: 201-02-05.

MR. CROSBIE: But I have a question on 201-02-02. I do not know how we got to 201-02-05, but it is not a very lengthy question, but what office is it and why is it \$3,000 the present year, but \$12,000 for last year and I have the same question with reference to books and binding, how has the reduction been affected by \$4,500?

AN HON. MEMBER: The girls in the Premier's Office?

MR. SMALLWOOD: No, it is the office of the Legislature. I do not know the answer, but I can get it. I do not know it.

MR. CROSBIE: I wonder do we have the details of what the \$12,000 was spent for last year?

MR. SMALLWOOD: That is if it was spent.

MR. CROSBIE: Yest it is revised estimates. We do not know exactly, if it was spent. It seems to be quite a big decrease.

MR. SMALLWOOD: We will get the information when we can.

MR. CHAIRMAN: Shall 201-02-02 carry? Carried. Shall 201-02-05 carry? Carried.

MR. CROSBIE: We would like to have an explanation of the..

MR. SMALLWOOD: I will get that too.

MR. CHAIRMAN: Shall 201-02-06 carry? Carried.

MR. CROSBIE: What is 201-02-06 Mr. Chairman - printing and journals?

MR. SMALLWOOD: The total amount.

MR. CROSBIE: Is that printing of Hansard..?

MR. SMALLWOOD: It comes down in the next item.

MR. HICKMAN: No, it is not the printing of Hansard.

MR. MURPHY: I think that that is in connection with this one - standing committees and books that might be recommended, I think, Mr. Chairman, if I am not mistaken and that is why it has never been used.

MR. CHAIRMAN: Shall 201-09-01 carry? Carried.

MR. MURPHY: 201-09-01, is Hansard included in this amount?

MR. SMALLWOOD: Yes, it is.

MR. CROSBIE: Mr. Chairman, this is the printing of stationery, etc., \$27,000. Would that include - Hansard is being printed as the records are completed each day. Does this include a bound volume of Hansard?

MR. SMALLWOOD: No, it would cost a lot more than that.

MR. CROSBIE: Is the position of the Government that it does not plan to print a final bounded edition of Hansard this year?

MR. SMALLWOOD: Yes, we do, but not this year.

MR. CROSBIE: What is the position, Mr. Chairman, on the previous years' Hansards?

MR. SMALLWOOD: Well a change of editor has necessitated a substantial delay. We would never send to the printer the manuscripts that were edited by the



previous editor.

MR. CROSBIE: What about the earlier editions. I think the last one printed was 1957.

MR. MURPHY: In 1952, I think. I am not sure.

MR. CROSBIE: 1955, I think.

MR. MURPHY: In 1954.

MR. SMALLWOOD: Yes, our plan is to get them printed but after they are edited.

MR. CROSBIE: Is there anybody going to work this year on editing them?

MR. SMALLWOOD: Yes, there is an editor and an assistant editor.

MR. CROSBIE: That is Mr. Whelan who is the assistant-editor.

MR. SMALLWOOD: Yes, Mr. Whelan is the assistant, part-time.

MR. CROSBIE: There is no salary provision made in the estimates on page ninety-three for him. How is he going to - is this going to be part of the block vote ..?

MR. SMALLWOOD: Part of the block vote.

MR. CROSBIE: Has any remuneration been agreed?

MR. SMALLWOOD: No. No figure. No one has had a chance to think of it even.

MR. CROSBIE: - Well is that gentleman working in the Premier's office also?

MR. SMALLWOOD: He has not received any money. He is only working part-time at night mostly, after he gets out of school. He is principal of a big school.

MR. CROSBIE: Right. Someone told me, I do not know if it is correct or not, that he is going on the Premier's staff.

MR. SMALLWOOD: I am hoping to have him on my staff, Yes, I am hoping strongly.

MR. HICKMAN: You mean on a full time basis.

MR. SMALLWOOD: On a full time basis on my staff. Not the staff of the House. He will then cease to be working for this House. He will work for the Premier.

MR. CHAIRMAN: Shall 201-09-01 carry? Carried. Shall 201-09-02 carry? Carried. Shall 201-09-06 carry? Carried.

Shall 202-02-01 carry? Carried.

MR. CROSBIE: Only - \$36,000 last year. I presume that was the conference that was held here in Newfoundland.

MR. SMALLWOOD: Yes.

MR. CROSBIE: Does the \$2,000 cover ...?

MR. SMALLWOOD: Mr. Speaker and may be Mr. Deputy Speaker and may be a representative of the Opposition.

MR. CROSBIE: Official Opposition or any kind of opposition?

MR. SMALLWOOD: Official Opposition.

MR. HICKMAN: No reformers.

MR. CROSBIE: No private members?

MR. SMALLWOOD: No.

MR. HICKMAN: Renegades are out. Renegades do not get to the Commonwealth Association.

MR. CHAIRMAN: Shall block division: Canada Pension Plan carry? Carried.

MR. SMALLWOOD: Block division should be changed - Canada Pension Plan, yes. That should be changed, Mr. Chairman, to \$12,900.

MR. CHAIRMAN: The amendment is \$12,900. Those in favour, "aye." Contrary....

MR. MURPHY: What this covers - I am looking down....

MR. SMALLWOOD: That is the Civil Service increase, \$45 a month.

MR. MURPHY: Civil Service increase.

MR. SMALLWOOD: It is applicable also to the staff of the House.

MR. MURPHY: By whom do we mean, the actual staff? I am just trying to look here, Sir, at this. We have the law clerk, \$4,500, clerk of the House, \$,500 and the assistant clerk drops down to \$2,500.

MR. SMALLWOOD: I do not see where Mr. Speaker appears in this. Where?

MR. HICKMAN: Page ninety-three.

MR. SMALLWOOD: Oh! well, we have done nothing about his salary, have we?

MR. MURPHY: His sessional pay.

MR. SMALLWOOD: Well his sessional pay. The Leader of the Opposition has been increased to the salary of a minister, ought we not also to increase the salary of the Speaker? Of course, if we do it, it has to be the Deputy Speaker as well.

MR. CROSBIE: I wonder, Mr. Chairman, would that not be a matter for that committee to consider also?

MR. SMALLWOOD: Well we could refer to that committee, if the committee is agreeable.

MR. CROSBIE: In connection with these posts, Mr. Chairman, the block vote is going up from \$4,100 to \$12,900. Now in the House here we have the law clerk, the clerk of the House, the assistant clerk, sergeant-at-Arms, librarian, attendant on Mr. Speaker, doorkeeper, messengers, Hansard reporter, pages - how is the increase going to be distributed among these people, i.e., the pages are not paid very much - \$900, I think for the session. I think that the way their pay is, it should be changed. It should be so much a week or some other arrangement, not so much a session. It should certainly be increased. Then there is the attendant on Mr. Speaker. I think he is in the office, the clerk's office. He is in the same position. I was just wondering what kind of increases were they going to get? It would not be \$45 a month, just how it is planned to give them an increase. There is one other anomaly, Mr Chairman, I think we should note, and that is that there are three people on the security staff of Confederation building who, I think, are assigned to the House while we meet and they have to attend morning, afternoon and night, if we have a night session, and I do not believe that they get any additional remuneration for doing that. They work far more hours a week while the House is in session and, as I understand it at the moment, they only get their regular weekly pay. I suggest whoever looks after this should consider giving them some particular emolument in connection with their duties in the House of Assembly. Is this being considered in the block vote, Mr. Chairman?

MR. SMALLWOOD:    I think so and also, of course, it could be left to the Internal Economy Commission.

MR. MURPHY:    Mr. Chairman, that is one of the things that I want to get because I thought of these people outside and it is something that has struck me for years, and I do not know where he actually fits in and that is the member of the constabulary in this House. Is this a part of his regular duty that he would be doing on the street? I notice that he puts in morning, afternoon and night here, and I am wondering, if during this session, if he becomes a part of this..?

MR. SMALLWOOD:    He is not paid by the House.

MR. MURPHY :    In other words he could work three shifts a day..

MR. SMALLWOOD:    It is between him and the force. It is not between him and the House. It is the same things as Government House. There are policemen who go down there. That is between them and the constabulary

MR. MURPHY:    But I think you will find a difference, Mr. Chairman, that Government House is a regular shift, the same as any beat, but here we have a man, and I do not even know the gentleman's name. I am just wondering if he does, and I think...

MR. SMALLWOOD:    The House has nothing to do with it.

MR. CROSBIE:    Mr. Chairman, the money we vote here for the Legislature; particularly the salaries, presumably comes under the Internal Economy Commission. The members of that committee are all appointed under statute. I think they are all members of the Government, ministers of the Government, and the Speaker, and I think the Deputy Speaker. So, all we can do, I presume, is give our views. Now we were told, in answer to a question a few weeks ago, that the Internal Economy Committee often met by the telephone. I do not think a telephone meeting is going to be suitable for this. I feel that there should be a proper distribution of this increase among the people who work here in the House: the pages, the Speaker's messenger, the attendants that are here, the ordinary security staff of Confederation building, the secretary in the clerk's office, all of our officials, I think, need and deserve more and could

be the Internal Economy Committee let us know sometime before the session ends how they are going to deal with these increases and what they are?

MR. SMALLWOOD: Yes, Mr. Chairman.

MR. COLLINS: Mr. Chairman, before we carry that, on page ninety-three, we have a law clerk, \$4,500, clerk of the House, \$4,500 and the assistant clerk, \$2,500. There seems to be a great disparity in the amounts here for the assistant clerk as compared with the other clerks.

MR. SMALLWOOD: Yes, that matter was brought to my attention this morning by the hon. member for Green Bay, and I had it in mind to bring it to the attention of the Internal Economy Commission.

MR. HICKMAN: Mr. Chairman, the reference that was made to the security officer. He does not get paid any overtime. Last year the overtime was something in excess of eighty hours. This is a peculiar situation which I do not think really involves the police force, because on occasions, members of the Newfoundland Constabulary are used for other work outside, strictly security business such as taking jury lists, and there they are entitled to payment for overtime, but there is no entitlement to whatever officer is assigned to this House, when the House is in session, and I would think



MR. HICKMAN: think that there would be unanimity among the members of this committee, that any officer who is told that he is responsible for security during the session of the House, and this involves anywhere from eighty or a hundred hours overtime, should be compensated, and I would hope that the hon. the Premier will take that into consideration, because it is a most legitimate suggestion that has been made in this committee and I do not think -

MR. CHAIRMAN: Shall the block salary increase \$12,900 carry? carried.  
Shall the total legislative as amended carry? carried.

MR. SMALLWOOD: Head III, Executive Council. This of course, Mr. Chairman, is the Lieutenant-Governor's establishment. The Electoral Office, the Premier's office, the Executive Council Office, that is the total I think of Head III.

MR. J. CROSBIE: Mr. Chairman, on the first item on the Executive Council, The Lieutenant-Governor's Establishment; I do not really have any queries on, but in some general remarks re: the Electoral Office, in connection with the Electoral Office there is a question tabled in this House.

MR. SMALLWOOD: Are we going to pass this here?

MR. CROSBIE: Mr. Chairman on the first item in each department's estimates -

MR. CHAIRMAN: Let me make it clear, the practice has been that under the ordinary headings, when you call the first item which is generally the Minister's office, hon. members who wish to make comments about Minister's salaries, hon. members who then wish to make general comments or general debates about that particular department can do so under the heading, Ministers salaries, presumably on the basis that if he does not run his department properly they will reduce his salary. Now under this present heading here, we are dealing with Executive Council, Lieutenant-Governor's Establishment, and I do not think that the item 301-01 would be a suitable item under which to discuss general policy, and perhaps you might leave that until we get down to it. Shall 301-01 carry? Carried.

Heading 302-02-09, 09-01, 09-03, 09-04, 09-06, Carried. Total Sub-head?  
Carried. 302-01.

MR. CROSBIE: Mr. Chairman, in connection with Electoral Officer, there is

MR. CROSBIE: I tabled a question sometime ago which has not been answered yet. Asking whether there were any employees of the Government or any person engaged by the Government now undertaking the work of preparing changes in the boundaries for Electoral Districts, for which members<sup>878</sup> returned to this House? And asking that if so, what employees or other persons have been instructed to proceed with the work? And that question has not yet been answered.

MR. SMALLWOOD: I will answer it now, there were none.

MR. CROSBIE: There are none.

MR. SMALLWOOD: No, there are none.

MR. CROSBIE: So there are no employees or any persons now engaged in changes in Electoral boundaries. And Mr. Chairman, that raises a further question, I believe one reform that is necessary in this Province is for this question now to be considered, because the discrepancy in the populations of Electoral Districts is simply tremendous, you have Electoral Districts such as Labrador South, where I would say perhaps there are 1500 voters, you have other Electoral Districts like St. John's North where there are probably 16,000 eligible voters, you have St. John's East Extern which is now I would say up to 15,000 or 16,000 voters, and you have St. John's West which was about 12,000, and it is still probably around 12,000 or 13,000 voters, St. Barbe North you have perhaps 2000 eligible voters.

MR. MYRDEN: 2800 voters.

MR. CROSBIE: 2800 voters, Port de Grave, you would say only 3,000 or 4,000, there is too great a discrepancy Mr. Chairman between the populations of the districts as at present constituted, and you have a situation here now within our electoral boundaries, where a party could get forty percent of the vote and have a majority of the members in this House quite easily, where a party could lose, twelve to fourteen seats, which would have about fifteen seats anyway, and those fifteen seats will have just about half of the eligible voters in them, and the other twenty-six, returning twenty-six members, having a total population of under fifty percent. I do not know if my figures are exactly right, but if you just take the six St. John's

MR. CROSBIE: seats.

MR. SMALLWOOD: About twenty-five percent now.

MR. CROSBIE: Six from St. John's, twenty-five percent themselves, well that would call on the population bases, Mr. Speaker, for about ten members or eleven rather than six. In any event, I am quite aware of the fact that because of the geographical considerations you just cannot go on a population basis, but I think that we can do a lot better, Mr. Chairman, than the present situation. For example, what is the justification, in a population sense, for having district supporters in Port de Grave, Harbour Grace and Carbonear, all of them right side by side, all located in a small geographical area, and all containing about one-third of the number of voters that there are in St. John's North. I mean that I see no justification for that, in the democratic system it is suppose to be the majority of the votes carried. Yet these districts are setup completely unequal to vote a representation. The 16,000 voters of St. John's North have no more influence on the Government of this Province or who is going to form the Government than the 1500 of Labrador South or the 2800 of St. Barbe North. And I think that is all out of proportion. Labrador South, for example, is a tough district to get around geographically, and I could see where that is quite justified having its own - St. Barbe North is far easier to get around in than is Labrador South. Well, now today all you have to do is get in your car and drive up through St. Barbe North, and the road is not bad either, except for the dust. Labrador South, you can drive from Forteau up to Red Bay, and it is a nice drive too, then you got to get the plane up the rest of the coast or boat. So, Mr. Speaker, I think it is time for, since there is an election coming up, the election is not going to be until next year, there will be lots of time for the Government to revise the electoral boundaries and the way to do it, would be not for the Government to do it itself, not gerry mandering or Joey-mandering or Freddy-mandering or anything like that, The way for it to be done would be by the appointment of an impartial commission such as the Government of

MR. CROSBIE: Ottawa did three or four years ago. Mr. Pickersgill I think was in charge of the redistribution in Canada just a few years ago, and he got that through the Canadian Parliament with a great racket and so on because of the use of an impartial people to try to redraw the electoral boundaries. And this is something that we should consider doing here Mr. Chairman, perhaps we need forty-two districts, perhaps we do not need forty-two districts, perhaps we only need thirty-six .

MR. MURPHY: We had thirty-two.....

MR. CROSBIE: We had thirty-two at one time.

MR. MURPHY: .....but the areas had them.

MR. CROSBIE: Well quite seriously, Mr. Chairman, I do not think the discreptancy is now justified, the difference between 1500 and 16000 voters is too large, St. John's North has at least ten times the number of voters, as Labrador South. St. John's East Extern is now, I would say, in exactly the same position, St. John's East, right in the St. John's area, only has about 5,000 voters or 6,000 voters, as compared East Extern with 14,000 or 15,000.

MR. HICKMAN: That was the Higgens Admendment.

MR. CROSBIE: Was that so? Was that it? That was the Higgens Amendment.

But in any event quite seriously, Mr. Chairman, I think this is something that the Government should attend to, and I wonder whether the hon. the Premier would say whether or not the Government is prepared to consider some change, as it is now suggested, carried out in some non-partisan way?

MR. SMALLWOOD: Mr. Chairman, of course this matter is not new, this is not a matter that is now raised for the first time. This is rather a matter that has given rise to endless debate from one end of Canada to the other, It is all a matter of your philosphy. It is all a matter of whether you have an arid mathematical mind that cannot see beyond mathematical precision, or a mind that takes into account the actual realities of life in the area where you are. If you were purely mathematically logical, you would not in the great Province of Manitoba where one-half of the

MR. SMALLWOOD: population of that great province lives in the one capital city of Winnipeg, you would not fail to see to it that one-half of the membership of the House of Assembly of Manitoba was elected to that House from the one city of Winnipeg, half the House would come from Winnipeg and the other half would come from that vast empire of Manitoba. If you had a purely mathematical mind you would not have what you have today in all the provinces of Canada, because I know at the moment no province in Canada where representation is on a purely mathematical basis. If you take into account the realities of life, you would take into account the size of constituencies, the size of them, the ease or unease, (if there is such a word) of getting around in them. I sometimes feel ashamed for the vast territory of Labrador, 110,000 square miles compared with Nova Scotia's 22,000 square miles, compared with Prince Edward Island's 2,000 square miles, Labrador with its 110,000 square miles is divided into only three House of Assembly districts. I sometimes feel ashamed of that.

I had the pleasure, when Labrador was represented in this House by only one member, when the whole of Labrador had <sup>but one member in the</sup> House of Assembly, of bringing into this House legislation dividing Labrador into two districts, We doubled the number of districts and the amount of their representation in this House. I had the further pleasure, subsequently, of bringing into this House legislation dividing Labrador into three constituencies, each of them entitled to elect one member to this House, which it now does, Labrador West, Labrador North, and Labrador South. You cannot justly make representation of the people purely a matter of pure mathematical precision.

MR. CROSBIE: In fact you should.

MR. SMALLWOOD: Some people say you should, it is done by the Parliament of Canada.

MR. CROSBIE: It is done in the United States now.

MR. SMALLWOOD: It is not done in the United States, it is anything but done in the United States.



MR. CROSBIE: It is being done now.

MR. SMALLWOOD: It is not going to be done, it is not done and it will not be done, and Little Rhode Island will continue to have two Senators, and the great state of California, whose population is greater in number than the population of the great nation of Canada, California will have two and Rhode Island will have two, and New York State will have two, and so will Pennsylvania and so will Wyoming.

MR. CROSBIE: What about the House of Representatives?

MR. SMALLWOOD: That is part of the representation of the American people.

MR. CROSBIE: That is it, exactly.

MR. SMALLWOOD: That is part of the representation, part of the representation is 'rep by pop', but part of it is 'rep by geography', and in this House we combine population and geography, and we make representation in this House a matter that is based only in part on counting heads, counting noses and in part on the geography of the Province and on that score, I feel somewhat ashamed, that in this House we have the vast Labrador represented by only three members. I feel that Labrador could very well, could very justly be divided into four or five or six constituencies for representation in this House, the only difficulty being that a combination of representation by population and representation by geography does not quite mix in the case of Labrador. You have the territory, but you do not yet have the population. But I foresee the day when I may have the pleasure in this House of bringing legislation in here to increase the number of constituencies in Labrador and thereby the number of representatives of the people of Labrador.

Here in St. John's now in metropolitan St. John's we have about one-fifth of the population of the Province, would you have one-fifth of this House?

MR. CROSBIE: Yes.

MR. SMALLWOOD: Would you? Well the hon. gentleman is welcome, but he

MR. SMALLWOOD: will not get that pleasure. He is not going to get it, Metropolitan St. John's is about one-fifth of the Newfoundland population including Labrador now, one-fifth about, one-fifth. Would he have one-fifth of the membership in this House elected by Metropolitan St. John's? He says, yes, and I say no.

MR. HICKMAN: So would I, I say no.

MR. SMALLWOOD: I say no. That would be a barren, narrow unimaginative way of looking upon representation, if it is a matter of pure mathematics yes. But I am arguing that it is not. That if you live in St. John's in addition to being represented in this House, in addition to that, you will have all kinds of ways of making your presence felt. You have all kinds of ways of getting attention drawn to your needs, but you do not have if you are in Bonavista Bay or up in Burgeo Lapoile, or up at the head of Fortune Bay or in Hermitage Bay or down in White Bay or in the Straits of Belle/<sup>Isle</sup> If it would be highly unfair, highly unjust to have representation purely on a bases of population of equality of population.

In Canada representation is not done that way, it is in one of the two great Houses of Parliament, in the House of Commons representation is on the bases of population, but not in the Senate. They have divided Canada into four great pieces of geography, the Atlantic Provinces, Quebec, Ontario that is three and the rest Manitoba, Saskatchewan, Alberta and British Columbia. The great British Columbia, and the great Province of Alberta and the great Province of Saskatchewan and the great Province of Manitoba those four have twenty-four senators, and no more. Newfoundland, Nova Scotia, Prince Edward Island, and New Brunswick have - what have they got? I think it is twenty-four, no it is twenty-four plus seven is it not? Plus six. Thirty. The population of Ontario is 9 millions, they had twenty-four. The population of these four provinces is 2 millions, they have twenty-four. The population of Quebec is six odd millions, six to seven million, they have twenty-four and the population of Manitoba, Saskatchewan Alberta and British Columbia combined must equal five million, and they have twenty-four. So they represent the people of Canada.

MR. CROSBIE: A silly argument.

MR. SMALLWOOD: A silly argument, the hon. gentleman is very fond of his word silly and nonsense and so on and so on, when he is beaten and he

MR. SMALLWOOD: and he knows he is beaten in argument, he falls back on that kind of argument, which is infantile, purile, it is childish. The fact of the matter is that the people of Canada are represented in the Houses of Parliament, and there are two of them, one elective, one appointive, but the people of Canada are represented Federally in two Houses of Parliament, two, not one. One comes into existence by means of a general election, the other comes into existence in another way. But the two Houses between them represent the people of Canada (1) on the basis of population, and the other on the basis of geography, which is fair, the same as in the United States exactly the same as in the United States except that in detail it differs, but the principle is exactly the same. The great states of New York, Pennsylvania and California between them must elect a staggeringly high proportion of the members of the House of Representatives. I do not know what the proportion is, it must be very high, it cannot be awful short of one-half of all the members of the House of Representatives, those three states. But that is because the great mass of population are in those three states, but that would be a twisted and distorted representation. This would mean the small states, states of small population would not have any say, they would have to take a back seat, they would not count. They would be almost voiceless, unless one of them or more than one of them happened to produce a very able statesman who could by sheer weight of his personality make his state prominent and important in the councils of the nation. In the ordinary course, in the absence of such a man, you would have many of the states, the smaller the more sparsely populated states in that great nation, virtually unrepresented except in a kind of way. But to prevent that the great American Senate, one of the great legislative bodies in the world and the more important of the two House of Congress, now the Senate undubiously, undoubtly is the more important of the two, and the people get into the Senate by two, two's and two's, two from Wyoming, and two from Rhode Island, two from New York, two from California, two from each and every individual

MR. SMALLWOOD: state including now two from Alaska and two from Hawaii, That is how the Senate is made up and that is the senior legislative body of that great nation. In Britain they have two Houses, it is bicameral, they have a House of Lords and they have a House of Commons. The House of Lords is appointive, not elective. In Canada they have two, the Senate and the House of Commons, the Senate is appointive, We used to have two here, we had two Chambers, two Houses, House of Assembly and the Legislative Council, House of Assembly was elected, the Legislative Council was appointive. But here, Mr. Chairman, in this Chamber today representation is on the basis of population and geography. It is a blending, it is a combination, and no one is going to convince me that one-fifth of the entire membership of this House should be elected by St. John's, I do not believe it. And while I am around it is not going to be done, they could always get another Premier and another Leader, but while I am Leader, it will never be done in this House. Now this does not mean that there cannot be redistribution, this does not mean any such thing. I am the one who brought in legislation here giving St. John's six seat. Is it six? Six, I think, three St. John's East Extern, St. John's East, St. John's Centre, West, North and South, six constituencies. I did that -

MR. HICKMAN: Inaudible.

MR. MURPHY: Inaudible.

MR. SMALLWOOD: There are six in St. John's, six seats. St. John's elects six.

MR. MURPHY: When you refer to St. John's, referring to parts of St. Philips, Mount Pearl -

MR. SMALLWOOD: I am referring to metropolitan St. John's, and the hon. gentleman would not be too close to the truth if he began differentiating between purely the Municipal Council, the City Council territory and the territory of the Metropolitan Commission. It is greater St. John's, it is what every town in the world tries to do, when you talk of two million population in Toronto, you are talking about towns, twenty and thirty miles out from urban Toronto, all cities try to extend their boundaries to build themselves up into big population, today we are proud in this Province



MR. SMALLWOOD: that our capital City has a population now around a 110,000 people, not the municipality of St. John's; Metropolitan St. John's, the great capital city made up of an urban area and fringed around with many towns, little towns that form part of the community of St. John's, over 100,000 people. No I would not for a moment favour that, although I say when we have a little more time perhaps and matters not so urgent as are so many matters today, we could get around to having a redistribution, bring it in this House, have it debated, have it passed, appoint a committee, as we have done repeatedly in the past, and when that is done, if I am around it will be done on that great principle, that the voice of the people as you get farther away from St. John's, farther removed from the advantages and the power and the influence and the wealth of St. John's, then the little people in the far distant places shall be given a little more say in the running of Newfoundland by electing their representatives, not just on the bases of population. This is a principle which is recognized all over the world, I did not invent it, before I was born, I was born, before my grandfather was born this was the principle that was carried out and we should carry it out here in Newfoundland.

MR. CROSBIE: Mr. Chairman, this is a

MR. HICKMAN: How many times ....

MR. CROSBIE: vintage argument we have just heard, Mr. Chairman. You see I never suggested that population was the only basis on which to decide on electoral districts. But the hon. the Premier when he gets up, wants to obscure the true point, he wants to obscure the true fact, which is, are (is and are) that this district is completely gerrymandered to suit the political dictates of the hon. the Premier. We know that geography must enter into it as well as population, we are quite aware of that. But what geography dictates that St. John's East have 5,000 voters and St. John's North have 16,000 voters, what geography dictates that St. John's West have 12,000 voters and that St. John's Centre have 6,000 or 7,000 voters, what geography dictates that Port de Grave, Harbour Grace, Carbonear, and Baie de Verte all be separate districts of their own? Does the hon. Premier suggest that one member could not adequately cover the area from

MR. CROSBIE: Carbonear down to Bay de Verde or that one member could not adequately serve the geographical area of Port de Grave and Harbour Grace district, that is nonsensical, that is geography carried to the point of universality, to carry to some far distant point, yes, geography has in effect, Labrador, the gigantic 110,000 square miles of Labrador. You can excuse a district like Labrador South having 15,000 voters, or Labrador North having a couple of thousand or three thousand. Labrador West, Mr. Chairman, in the next election is going to have about 8,000 or 10,000 voters, you take in Labrador City, Wabush and Churchill Falls, if not more. That is where geography comes in, in a situation like Labrador or in a situation like Hermitage Bay or Fortune Bay were it is difficult to get around those districts and you have to go by plane or you have to go by boat, that is geography, yes I agree. You cannot have an exact mathematical number of voters in each district. But to carry it to the extreme that it is carried in this House, Mr. Chairman, it is quite possible for less than forty percent of the population to elect the next Government for this Province, and that is wrong.

St. John's, I say that the St. John's area if its population is twenty-five percent roughly, the St. John's Metropolitan area should have one-quarter of the members of this hon. House. Other areas should be given consideration, yes, I agree Labrador South a district, although it only has 1500 voters, that is a geographical reason, because if you took all of Labrador North and South, you still would not have 10,000 voters. So geographically you have to have Labrador South and Labrador North. St. Barbe North, no. St. Barbe North is only a small district today, you can drive up through St. Barbe North in half a day, from St. Barbe North into White Bay North.

MR. CHALKER: That is wrong, you cannot cover that district in half a day, not the way I cover it.

MR. CROSBIE: I am talking about driving straight through. Electorally you can cover the whole district certainly in a couple of days, and you

MR. CROSBIE: can travel the whole way by car, you do not have to take a plane, you do not have to take a boat. So St. Barbe North does not have to be a separate district.

MR. CHALKER: If the hon. gentleman would allow me, when I went down there first I covered the whole district from Wiltondale to Big Brook by boat, there were no roads, very few roads, dog team, snowmobile, or snow sled at the time, and through this Government I can do my district now comfortably in ten days.

MR. CROSBIE: Fine. Well, what I am saying I agree with the hon. minister, <sup>changed</sup> these are the ~~same~~ circumstances of today. Now the electoral law of today should suit the day's circumstances. The hon. the Premier starts to cite the Senate, now that is pretty good, that is pretty good! What has the Canadian Senate got to do with popular democratic election? Exactly nothing. We can have a Senate in this Province, if the Premier wants every geographical area exactly represented, let us have a second House in this Province. We had one before 1933. The American Constitution as interpreted by the U.S. Supreme Court in recent years is that the House of Representative must be elected on the basis of population, and they have had to redefine all their boundaries, and they said to every state in the United States, that you must cut out your rotten burrows and your gerrymandering, and that you have got to elect members to your lower House, the House that controls the money, that they have to be elected according to population. That is the democratic way. If you feel that there must ~~also be~~ exact geographical representation have a second House, that is how you can handle that. The hon. the Premier talks of the little people, the little people out in these remote areas must be represented, are there no little people in the St. John's Metropolitan area? There are thousands of them in the St. John's Metropolitan area, and they are entitled to their vote having just as much weight as the vote of a person in Hermitage Bay or Fortune Bay or St. Barbe. The people of St. John's North, their vote

MR. CROSBIE: should have as much weight as one in St. John's East.

MR. MURPHY: More.

MR. CROSBIE: More, their member said. Not 16,000 voters crammed in St. John's North and 5,000 in St. John's East, and 1500 somewhere else and 3000 somewhere else. It is geography, yes, and as far as it can be done by population, keeping in mind the geography, not this twisted electoral map that we got today, a gerrymandering map. When I stood up originally I said, we had to remember geography too, and the hon. the Premier went on as though I had said, we must have an exact mathematical equation for every district, which I never said at all. It is a sensitive point apparently.

St. John's West, East, Centre, East Extern, North, South, Humber East and West, Grand Falls, Gander and Labrador West, if you took those districts and add up their population, you will come darn close, it is certainly over forty percent of the voters in those eleven districts, and it is not right and it is not fair, it is not equitable, and it should be changed. The circumstances have changed. You have got two members in Harbour Main, one in Port de Grave, one in Harbour Grace, one in Carbonear, and one in Baie de Verde, five all in the geographical area you can drive through in one day.

MR. CALLAHAN: How does that compare with P.E. I.?

MR. CROSBIE: P.E.I., I do not know how it compares with P.E.I. because they got almost unusual system over in P.E.I.

So, Mr. Chairman, I say that it is time for a change, yes, we must remember the geography, but geography does not dictate that St. John's have 16,000, East Extern 1500 or 1600, St. John's West 10,000 or 12,000 voters, while there is another dozen districts that have 2500 or 3000 voters or less. Yes, geography comes into it too. And without changing any of the present districts, Mr. Chairman, without anybody losing a district, you could add more members to this House, so that it becomes more equitable. This House

MR. CROSBIE: is not going to represent the popular will after the next election, that is my guess; That the popular vote and the number of people elected to this House on the Government side, whoever forms the Government are not going to coincide. There is going to be a Government formed in this House after the next election that receives less than fifty percent of the votes, on an enlarged basis, based on the fact: that this unequal distribution of the voters among the electoral districts.

MR. HICKMAN: Unless you put that third party in there.

MR. CROSBIE: If the third party goes in there, they will be forming the Government probably with forty-one percent of the votes. The new Labrador party. There is an election coming up, Mr. Chairman, apparently it is not going to be done before the next election. But I think there is a change coming anyway whether these electoral boundaries are changed or not. But I am only introducing this now, with a view to the next election, because we know the hon. Premier is still going to control things up to the next election. It is for the Government that comes after this one, to give us fair electoral districts -

MR. CHALKER: That means controlling the one that comes after this one.

MR. CROSBIE: Based on population and geography, but not gone wild, so that one district has eight to nine times as many voters as another.

MR. HICKMAN: Mr. Chairman, I concur with the sentiments expressed by the hon. the Premier.

MR. SMALLWOOD: Concur in.

MR. HICKMAN: Whether it is "with" or whether it is "in", we are "aditum" on this matter, insofar as the electoral boundaries of the Province are concerned, obviously you have to take into consideration geography as well as population, and this has been done to a substantial degree. The trouble is that there has been no pattern to it, and when you see the geography that has been used sometimes it is the most unusual situation that you can imagine. I wish the hon. member for Placentia West were in his seat now



MR. HICKMAN: because the last time they carved up Burin District, it was the most fantastic - whoever did it was in the state of complete and absolute intoxication. Because to drive from Grand Bank to Burin, I have to drive through Fortune Bay and Placentia West, and during the last election I have to confess that I wasted an afternoon, not wasted because there are very fine people there, but from my own personal point of view, over in Winterland and they are very fine people in Winterland, but when I has spent the afternoon talking to the farmers there, one gentleman said, but we are in Placentia West. And I said, you have to be kidding you cannot be possibly in Placentia West, because to get into Placentia West you have to go way up and back, and he said, well, he said the fellow who came down here last, we were always in Burin District and we wish we were still were. But, he said the fellow who came down here to lay out the lines he was scared of cows, so he decided to go around us, and he stuck us over in Placentia West, and then you go over Grand Beach, eight miles from Grand Bank and my hon. friend to my left, he has got on to Grand Beach and Frenchmen's Cove and Garnish, all on the boot - just on the boot part of the peninsula.

But the point is with the principle, particularly an Island the size of Newfoundland, that you have to follow geography, the geography has not been followed either. And again, I am sure the hon. member for Hermitage would agree that Fortune Bay and Hermitage from a geographically point of view leaves a great deal to be desired in the way that it has been craved up.

MR. CHALKER: He wants to get to Harbour Breton.

MR. HICKMAN: Harbour Breton obviously should be in Fortune Bay District, there is no question about that. If the person who craved up the south coast had ever visited the south coast, had ever known anything about the south coast had known anything about the geography, you, Mr. Chairman, you would be the first to agree, you have to come down as far as Rencontre West, that again

MR. HICKMAN: the geographer who craved up the south coast had never seen the south coast, and there is a case where geography was thrown to the four winds and you have districts where the people are not being<sup>25</sup> conveniently and as properly served by their members as they could be, if geography - you would have the same number of districts, precisely the same number five on the south coast, but the geography of it is just beyond description, it makes no sense at all. There was a time, before I was born which may make some sense, when Burin was split down the centre between Burin East and Burin West, and Marystown I think was part of Burin East and that side of Placentia Bay. And I can recall when the hon. member for Placentia West was first elected to this House, his district took him right up into Arnold's Cove and all the islands of Placentia West, and that would break the back of any member who had to serve all these people. Well, since then with resettlement, he has got a long district, but anyone who tells me that the people of Swift Current can be served in the same way they should be served by the member who represents Marystown, again has never driven over the Burin Road.

But surely we will never reach the stage, I would hope, where you are going to have purely population, as the yardstick for deciding on representation in this House. But you know, you can whistle to the four winds

Mr. Hickman.

the four winds, Mr. Speaker. It does not make any difference. It all depends on who is in power, because in Ottawa, in the Federal scene, the Liberal party attracts the cityfied voters and the Tory party attracts the primary producer, and when the Liberals are in, they want to do as they did the last time, more votes for the urban voter, the cityfied voter and the Tories scream because the farmers are not getting enough representation, So what is the point in talking about it? You cannot do anything about it anyway. But if we are going to use geography as the yardstick, then next time will we please get somebody who can run a transit, who will first go to the south coast and find out that there is a part of Newfoundland called the south coast, and that Winterland is right on the boof of the Burin Peninsula.        Garnish and Hermitage could be much better, more conveniently served by <sup>my</sup>/hon. friend over there, if he did not have to go all the way from Pass Island right down around to Harbour Breton and my friend on my left, if he did not have to - he has to leave his district, drive 100 miles through Placentia West, leave Bay L'Argent to get up to Grand Beach. This, you know, as far as the south coast is concerned, the last time this Act was amended, the Government did not consider geography at all.

MR. BURGESS: I guess it depends on what side of the House you are sitting on, but listening to this debate, there has been an awful lot of validity to what the members who have participated in this debate so far have said. I am totally in agreement with what the hon. member who just sat down has said that it all depends on who is in power        as to how the boundaries, the electoral districts, are cut out. I was rather impressed with the statements of the Premier, when he talked about the fact that you cannot use a mathematical formula, as far as determining how many seats will be occupied in this House of Assembly. But, I think, essentially, in what he said, he may have touched upon the problem of Labrador in that he said that

he brought in the legislation which changed the formula from one representative for Labrador and he increased it by 100 per cent to 200 per cent and then he brought in the legislation that made three electoral districts in Labrador.

Now I do not think anybody in this House can deny the contribution that is being made materially and financially to the welfare of this Province from Labrador. Okay, if you do not want to use the mathematical formula as far as votes are concerned, the least consideration that could be given to an area on whose future the Province depends is to give them at least a half decent representative body in this House of Assembly. I think, while the hon. the Premier never said it, he was on the point, at least, I felt he was, of course, we feel a lot of the things the Premier is going to do and he always confounds us anyway, but I felt that he was trying to establish the fact that he recognizes the contribution that Labrador is making. Now if there were a larger representative body in this House from Labrador, the area that is making the most vital contribution to this Province, if it were to be divided up into five seats, into ten seats and incidentally both of the hon. members, the hon. the Premier and the hon. member from St. John's West were wrong. They say \$110,000 square miles. It is \$112,000. If it were to be divided up into five, six or seven seats, not using the mathematical formula of population, but in terms of the contribution that any given area is making to a Province, well then, I think, this would - the hon. the Premier rejects this principle?

MR. SMALLWOOD: So does the hon. gentleman, if he thinks about it.

MR. BURGESS: Look! the hon. the Premier would have to live in Labrador West or live in Labrador, period, before he would accept this philosophy and this is the problem that the hon. the Premier and the Government do not recognize, neither the contribution nor the sacrifices that the people up there are making towards the welfare of this Province    it is all very easy to sit

Mr. Burgess:

down in this House or to live in a hotel suite and to determine what these people want or how it can be achieved. It is all very well to do this, but you have to go and live there in order to be able to determine exactly what the feelings are. The contribution that they are making deserves more recognition than they are getting, and I think this has to be done.

MR. SMALLWOOD: You are talking about representation, not recognition.

MR. BURGESS: Well I am talking about recognition. You are talking about representation, the hon. the Premier. The hon. gentleman from Hermitage is right. I have seen so many members in this House stand up, and they talk about Newfoundland and the economy and the welfare of the Province, and then they look across and they see this bench and then say: "Oh, Labrador Oh! that is fine. I have seen this so often. Well the contribution that Labrador is making to this Province is a great contribution and they deserve a lot more recognition in terms of representatives in this House, and I think this is something that is going to have to be brought about one way or another and in a very short time.

MR. MURPHY: Mr. Chairman, there are just one or two words that I would like to add and that is on the actual - we are talking about geography and some of the districts. Take St. John's East (Extern). It begins: Take over here on the corner of Elizabeth Avenue. You have St. John's East (Extern) on one corner and you have St. John's West on another and you have St. John's Centre on the other. St. John's East (Extern) goes up into Baird development where I think the hon. Chairman, his district, they touch each other just about there. Now that is St. John's East (Extern).

The member for Gander, he leaves his district. To visit his district, he has to go to Norris Arm, which is right dead set in the centre, which is not in his district at all and travel on to Bishop's Falls and Botwood.

MR. COLLINS: The hon. Minister of Highways got to drive to Botwood. Thank goodness! he is getting the road fixed.

MR. MURPHY: He has to drive to Botwood to get down to Point Leamington way, right? Basically, my thought is this: We checked back before Confederation



where this Dominion at the time was represented by thirty-two and thirty-six members.

MR. SMALLWOOD: Twenty-seven.

MR. MURPHY: The hon. Premier, is he sure that was twenty-seven in 1931?

MR. SMALLWOOD: I am sure.

MR. MURPHY: All right we will take that - twenty-seven. There were not any roads outside St. John's that you could drive on.

MR. SMALLWOOD: Forty at one point and thirty-six..

MR. MURPHY: You had to take a schooner or a boat, i.e., Bonavista area, Bonavista North, I presume you had to go by schooner. There is no district in this Province now that you cannot get to and I do not mean from St. John's, but travel your district, except, I would say, Labrador South, within a couple of hours. It rather amuses me to hear the members talk about their districts, The hon. members talking about their districts. You know, St. John's the big and powerful. You are set right plank in the middle of about 3,000 people that are on your door morning, noon and night, not the whole lot of them. We must remember that eighty per cent of this Province is run by remote control from St John's by members representing districts who, perhaps during the summer time may take a nice trip down there with their families and do a bit of visiting - it is not fair to say that that is the only time, but they go down, and I have heard the hon. member for Bonavista South say, ..

MR. BARBOUR: Eighty-four trips in this year.

MR. MURPHY: Eighty-four trips and figured out at each month, there was - anyhow the way I figure it out unless he was working sixteen hours a day, it would take..

MR. BARBOUR: Right around the clock. I work around the clock.

MR. MURPHY: Right around the clock, yes. Well that is the only way I could figure out how the hon. member did not go from one month into the other to try to finish his district and not spend anytime at all in the House of Assembly.

MR. BARBOUR: When I go in my district, I just do not spend one hour. It takes

Mr. Barbour:

me four or five hours in each community, because I want to know the needs of the people. I want to meet the common people. I want to find out what they want me to tell the Government, when I come to St. John's.

MR. MURPHY: Well he has eighty-four districts. Right. Eighty-four little areas.

MR. BARBOUR: Eighty-four districts! Oh! my God, my district is too big now.

MR. SMALLWOOD: He talks about everthing under the sun now. He wants to make an oration four times every day. Do not be in ignorance.

MR. BARBOUR: I will have to tell my wife to change her mind, because..

MR. MURPHY: No! no! no! Do not let your wife change her mind. Mark her ballot the same way in the next election, "Murphy." But I was just trying to figure out the mathematics - eighty-four communities.

MR. BARBOUR: Eighty-four! My God! what is wrong with the hon. member.

MR. MURPHY: I said forty-eight.

MR. BARBOUR: I said forty-three communities.

MR. MURPHY: I was right the first time.

MR. BARBOUR: - 8 4, e i g h t - f o u r. Is that how you spell it?

MR. MURPHY: Yes, well I am just trying to get the mathematics. How difficult it is for the hon. member who has to come from Bonavista and go around..

MR. BARBOUR: Carried, carried.

MR. MURPHY: to the other side, So forty-three by five hours is 215 hours and an eight hour day, that would give the hon. member..

AN HON. MEMBER: An eight hour day?

MR. MURPHY: Well if he works an ordinary day. Well we will take the hon. member's district. He has to come up from Bonavista and go around and down through Glovertown area..

MR. BARBOUR: No, thank God, I do not have to go through Glovertown. I will tell you what I do. I go over twenty-seven miles of pavement put there by

the Federal and Liberal Government of Newfoundland, through the Terra Nova Park, which I will talk about next Wednesday on Private Members' Day.

Then I would turn off at Eastport, so I do not have to go through Glovertown.

MR. MURPHY: Oh! you do not go up to Glovertown. Very good, but Mr. Chairman, my idea is that there are too many members in the House, forty-two..

MR. BARBOUR: It must be a foreign country. You are never down there.

Come down with me sometime, You will get a good meal of salmon.

MR. MURPHY: If the hon. member had the telegrams and requests that I received to go to his district, he would not be so happy to be inviting me down.

MR. BARBOUR: I did not get what the honl member said.

MR. MURPHY: Only for we are such good friends, I am staying clear of it. I believe, Mr. Chairman, and I do not want to delay this, but it is time now that we set up a committee and have a long hard look at representation and the number of seats that we should have, and I think and I said earlier today that this would cut down any necessity of the Government - overpowering in numbers - Government like this, to have to find Cabinet posts and what not for different members and that is what is adding to the cost. But the Premier has said that when we do get time, we will have a long hard look at it and I am quite in agreement with that.

MR. CHAIRMAN: Shall 302-02-01 carry? Carried. Shall 302-02-02 carry? Carried. Shall 302-02-03 carry? Carried. Shall the sub-total carry? Carried.

Shall 303-01 carry?

MR. EARLE: Mr. Chairman, just look at this. I notice that there has been a considerable reduction in the staff of the Premier's Office. The details are on page ninety-three. I am just wondering - ninety-four; I am sorry. It is reduced from twenty-five to nineteen. I am wondering what has been discontinued, certainly, the burden of the Premier's work must be <sup>as</sup> heavy now as before and probably heavier, but there must have been some transfer to other departments or something of that nature?

MR. SMALLWOOD: There has been a transfer of a number from my department to other departments.

MR. CHAIRMAN: Shall the item carry?

MR. CROSBIE: No, Mr. Chairman. In connection with the Premier's office, there have been questions tabled here, Mr. Chairman, for a considerable period of time, and we still do not have the answers to the questions tabled for the hon. the Premier, i.e., there was a question tabled early in April which asked as to the expenses of a trip to Europe of the hon. the Premier, other Cabinet ministers and other officials of the Government - the trip that commenced March 11th., 1970, having reference to the oil refinery project at Come-by-Chance. The question asked was; "what was the total cost to the Government, with reference to participation by the Premier, these ministers and officials" and the question went on to ask for a breakdown of the total cost of transportation, hotel and meals entertainment and miscellaneous expenses, giving the particulars with reference to the Premier and each minister and each official and the third part of the question asked, in connection with this trip, what European countries were visited by the Premier and his party?

Now, Mr. Chairman, this question has not been answered, although, it was tabled in the first week in April, certainly the first ten days. I cannot understand why that has not been answered, why that information has not been given. It is a legitimate question asking for legitimate information in connection with the Premier and his office. There are other questions tabled, Mr. Chairman, not answered. There is a question tabled asking what were the travelling expenses of the hon. the Premier last year, within the last fiscal year, to show the total travelling expenses separately for travelling within the Province and travelling outside the Province and that question is not answered? What is the secret about these travelling expenses? There was a question asked, Mr. Chairman, as to the travelling expenses of all Cabinet ministers. The answer was tabled here the other day. I have forgotten the number. The information was not given. The question asked was what were the travelling expenses? There is no information

Mr. Crosbie:

given on expenses at all, just a list of where the ministers went to and how many days they were gone and not how much these trips cost or the total cost. What is the trouble here, Mr. Chairman? Is there some secret about these travelling expenses? "What was the cost of the trip of Government officials, ministers, the Premier over to Paris and Amsterdam and London during the March recess?" "What were the Premier's travelling expenses last year?" The information must have been gathered long ago and I would like to know why it is not given or whether that information can be given now? There is a question asked about how many employees of the Government are receiving an annual salary in excess of \$20,000. "What are the names of the employees? What position do they hold?" That is not answered either. A question asked of the Premier; "How many employees of the Government or any agency of the Government employed under special contracts or agreements whether written or verbal and what are the terms, in addition, salary or pension rights and so on?" That question is not answered. This is all information, Mr. Chairman, readily available in the Department of Finance or the Premier's Office, yet it is not given. It is not tabled in this House in response to questions.

Now we are now at the estimates and this is the time for us to get the answer to these questions. There are many other questions tabled which are not answered, some of them I will skip until we come to Royal Commissions. There is a question asked, to the Premier, Mr. Chairman, "are there any persons employed by the Government to serve in the position of executive assistant to any ministers of the Government, if so, what are their names? When were they appointed? What are their annual salaries?" That question, Mr. Chairman, was asked weeks and weeks ago. Now, if the answer is simply, 'no', there are not special assistants to ministers or if the answer is 'yes', then it only takes a day to get when they were appointed - what salary they are being paid and who they are. Why is not that question answered, Mr. Chairman? Is there some



mystery about it? Are there ministers who have special assistants, and they do not want the world to know it? I understand that there is one minister who has a special assistant.

MR. ROBERTS: If the hon. gentleman is referring to me--

MR. CROSBIE: I asked the question to get an answer, and I have not been given an answer.

There

MR. ROBERTS: is a young man attached to my staff for special studies and right now he is doing labour negotiations.

MR. CROSBIE: I see.

MR. ROBERTS: He is not a special assistant to the minister, with reference to the Minister of Health.

MR. CROSBIE: Well the question I asked was not about the Minister of Health. The question I asked was whether there were any ministers who have special assistants or an executive assistant?

Now that question is easily answered, just as easy as the hon. Minister answering it there for himself.

MR. ROBERTS: I am only speaking for myself. The Premier answers for the Government. He is our leader.

MR. CROSBIE: Well the minister answers now and said that he does not have a special assistant.

MR. ROBERTS: I am delighted to give him any information within my power, as is the Premier.

MR. CROSBIE: I am afraid that I must disagree with the hon. the minister. The Premier is not delighted to give information. I am just reciting now a whole group of questions that the Premier will not or has not given the answers to. Well it is getting late in the session and these were questions asked weeks and weeks ago. There was an answer, Mr. Chairman.

There was a question asked: "How many in the office of the Premier? Who was employed there? etc." That was answered. "What was the nature of their work?" That was one that was answered.

MR CROSBIE:

There was a group of questions asked the Premier, with reference to the Melville Pulp and Paper Project - question after question, none of them answered. There is a question here: "What principal agreement was entered into?" A question was asked about feasibility studies: "Have there been any feasibility studies received in connection with the Melville Fourth Mill Project, since they made the decision to replace the two, 65,000 ton, carriers with those smaller ships?" "Has there been any feasibility study made?" The question was not answered. "Has the chartered accountant firm of Peet, Marwick, Mitchell made a final report in connection with Melville Pulp and Paper Limited, with respect to the financial figures in the proposal of Melville Pulp and Paper?" It is not answered. The question is not answered.

Is it important to this Province that we have some questions to get some information on a \$120. million project that the Government is involved in guarantying directly \$58. million and guarantee to everybody participating that the whole thing is going to be completed? Is it important that the hon. the Premier answer those questions? Well, the Premier is not answering them. Another question, "Has the Department of Industry of Canada, through the area development agency, agreed in writing to make any grants in connection with the Melville project, the Craft Mill at Stephenville?" The question is not answered.

Mr. Chairman, it only takes five minutes for a Minister to find out the answer to that question and answer the question. Either there is an ADA grant to the Fourth Mill project at Melville or there is not. See, it is as simple as that. Why is the question not answered? It has been on the Order Paper since around April 10th, over a month ago and the Minister of Health says, "Oh, the hon. the Premier and I, we give all the information." That is not true. The hon. the Minister of Health has answered all the questions ask him but the hon. the Premier has not.

Another question in connection with the Melville Project, according to statements made two years ago two 65,000 ton bulk carriers were under construction

MR. CROSBIE:

in Belfast, Ireland, for Javelin Bulk Carriers Limited and the question ask is; "Was construction commenced or arrangements made to cancel those contracts in view of the new arrangements for transporting logs rather than wood chips?" This question is not answered. Why not? Should not the people of Newfoundland have this kind of information?

A question was asked; "what is the total guarantees given by the Province in connection with the Melville Project?" This was asked over four weeks ago. "Has the Government advanced any money by way of loan or otherwise?" Not answered. Legislation passed by this House was not observed, agreements were not tabled and we had to force those to be tabled. There were questions asked about this committee. There is a committee, Mr. Chairman, of three, to vote the majority shares in Canadian Javelin Limited, on which the Government has a representative who is now Mr. Stead. Mr. Dennis Groom was the chairman of that committee and Mr. Doyle had a representative, Mr. Wiser. In reply to questions to the Premier we have been told that Mr. Groom has resigned and there has been no replacement appointed for him.

Mr. Chairman, this is too important a matter. The day Mr. Groom resigned there should have been somebody appointed as chairman to take his place. This is a committee which controls Canadian Javelin Limited, devoting shares of Canadian Javelin Limited, yet no steps have been taken to replace the chairman of that committee and we have to agree to the chairman with Mr. Doyle, have to jointly agree on a chairman. Is one not appointed because we cannot agree with Mr. Doyle on who he should be? What is the situation? Is there a dead lock now in that committee? We all remember that there was tabled in this House an agreement covering voting control of Canadian Javelin in return for our guarantee and we are told it was security for the guarantee that the Government of Newfoundland was giving yet here is the chairman gone. Mr. Groom who was our financial advisor is now gone. Mr. Fred Russell, who represented the Government on that committee, has resigned, whether voluntarily or otherwise. The Premier has said it was voluntary, as far as he knows.

Mr. Stead is our representative and there are two people on that committee. That is too important to let go without some hasty action or some quick action

MR. CROSBIE:

to get a chairman that we can trust, as well as Mr. Doyle. There is the financial consultant for the Premier, Mr. Dennis Groom resigned sometime ago and there was a question ask about his contract, that was only partly answered. What the provisions of the contract were with respect to yearly salary, what the provisions were with respect to pension or retirement allowances? Mr. Groom had an excellent contract with this Government, Mr. Chairman. His total salary was about \$28,000 or \$30,000 a year when he resigned. He had the right, after ten years, to a substantial noncontributory pension yet he left all that, left all that and went back to the United Kingdom when he wanted to live in Newfoundland for the rest of his life. Why?

MR. SMALLWOOD: Double the salary.

MR. CROSBIE: Double the salary is not just the only answer. I hope he is getting double the salary.

MR. SMALLWOOD: It is a very good answer.

MR. CROSBIE: It is not a good enough answer.

MR. SMALLWOOD: It is fairly good.

MR. CROSBIE: I know why Mr. Groom left.

MR. HICKMAN: He will be back too.

MR. CROSBIE: I hope he will be back. Now these are some of the questions that have been addressed to the hon. the Premier, Mr. Chairman, that are not answered. So what I would like to know now is can the hon. the Premier answer these questions now or when is he going to answer them?

Question 108 on the Order Paper, Mr. Chairman, ask by the member for St. Barbe South, travelling expenses paid to each Cabinet Minister last year and the answer tabled May 19th gives all the Cabinet Ministers the date they went somewhere, the place, the number of days they were absent and not one word on the answer about their travelling expenses. The hon. Mr. Earle sixteen days, the hon. Minister of Finance thirty-eight days, the hon. Minister of Health thirty-nine days, the hon. Mr. Callahan the days are not added up but quite a few days including Rome, London and Dublin.

AN HON. MEMBER: His days are numbered though.

MR. CROSBIE: His days are numbered, yes. Another hon. Minister; England,

MR. CROSBIE:

Scandinavia and Italy fourteen days and so on. The question ask for the travelling expenses paid to each Minister and the answer tabled does not give them, does not give the information. The first time that I know of in this House, Mr. Chairman, that a question like that was not answered, the amount for travelling expenses not given. These are some of the questions that remain unanswered. Can the Premier give us some of those answers now?

MR. SMALLWOOD: Mr. Chairman, in the present session 517 questions have been asked, formal questions put on the Order Paper and 370 of them have been answered so far, 370 out of 517. As fast as the answers are passed to me by the officials I deliver them in the House. To be quite honest about it I do not have any time to go preparing answers. If I happen to know the answer I give it orally without delay but in a great many cases I just do not know the answers. The questions are put in here to the clerks and they appear the following day on the Order Paper and copies are made by the clerks office and sent around to the various departments and the officials get at them and prepare the answers. As the answers are prepared and sent to me I deliver them in the House and I shall continue doing so and other Ministers the same and out of 517 so far 370 have been answered. Now if the hon. gentleman wants to ~~make~~ anything out of that he is welcome. If he can get any percentage and make any head way and he can make a few yards, he will have to do better than he did last night in Grand Falls. If he thinks he is getting anywhere that is fine. Self-deception is very sad.

Mr. Chairman, as soon as I have any other answers I will give them. I have nothing to hide. He knows as well as I do, having been a Minister once, that the expenses of Ministers are computed on a per diem basis at so much a day. Ministers do not have to, they do not have to and therefore they do not, in fact say what was their hotel bill, what were the tips, what were their taxi expenses, entertainment expenses and so on. They just put in the bill at so much a day. While it is true that there was an ~~answer~~ tabled here, I think by me, a day or so ago in respect of virtually all the Ministers in reply to a question asking where they were and how many days they had been out of the Province and within the Province there was another question earlier in the



MR. SMALLWOOD:

session which ask for their travelling expenses and this was answered and then there was another question I believe asking what travelling they had done. The question was put in two forms, travelling within the Province and without the Province and Ministers keep going around the Province and when they do not they are usually banished out and too modest to tell you who does the banishing. There has always been a very strong move within this administration to have Ministers and private members get around the Province, mix with the people, get around and they do.

I say to my colleague here, the Minister of Education, every time I see him, "Nice to see you, visit St. John's occasionally" and it is fun among all of us in the Cabinet but he lives in his constituency, half way across the island, Grand Falls out in the center of this Province.

MR. HICKMAN: Not that he lives in Grand Falls, I do not agree with that statement.

MR. SMALLWOOD: Is that so, is that so now. Well, that is not the way I heard it. I was in Grand Falls last night and we had people there last night from every nook and cranny of that great constituency, the biggest industrial constituency we have in this Province, the industrial heart-land of our Province if you can speak of an industrial heart-land in Newfoundland. They were there from every section of it and go and tell them that the member does not visit his constituency. The champion is the member for Bonavista South who as he has told us here today has made eighty-four separate visits to his constituency in eleven years and these visits run six and seven and eight days and sometimes a fortnight, eighty-four visits in eleven years to Bonavista South.

MR. MURPHY: I have made 2920 in eight years.

MR. SMALLWOOD: Yes, because the hon. gentleman never stirs out of it.

MR. MURPHY: Yes, that is right.

MR. SMALLWOOD: If he got up as far as Maggoty Cove in the East End he would be lost and if he went to Riverhead in the West End he would need a guide, the Crossroads. Riverhead to Maggoty Cove, he is a townie. If ever there was a townie it is the Leader of the Opposition. He is a townie, he is a corner boy. Well, I am a bay nobby, I say it, confess it and I am proud of it. I am an

MR. SMALLWOOD:

out harbour man, I am a bay man, I am a bay noddy and the hon. gentleman is a corner boy, he is a townie.

MR. CHAIRMAN(NOEL): Order please!

MR. SMALLWOOD: I agree, Mr. Chairman, I agree.

MR. BARBOUR: More of us have to come down from Bonavista Bay, more of us are from Bonavista Bay.

MR. SMALLWOOD: That is right, I am a Bonavista Bay man.

MR. MURPHY: There is only one member lives in Bonavista Bay today.

MR. CHAIRMAN: (Inaudible).

MR. SMALLWOOD: Yes, but Your Honour I listened here with fascinated, rapt attention to the hon. the Leader of the Renegades and I did not interrupt. I just listened to him lacerate me and lacerate the Government and we practically fell while he was doing it.

AN HON. MEMBER: Lashing out is what you mean, is it?

MR. SMALLWOOD: Yes, lashing but this is the way it will be described. The way he lashed at us. Georges Jacques Danton (I do not know if that is right or not - I am not bilingual), made a great speech in the Chamber of Deputies in Paris on the Dreyfus case and in the Chamber, I have never been in the French Chamber but I understand you leave your place and go up and sit up to a sort of rostrum and you address the Chamber and he addressed that Chamber on the Dreyfus case and he spoke until that administration died there before his eyes. One by one they got up and walked across the floor and the Government fell - with that almost happening now, This orator, this great leader, this tribune of the people, this young tribune, this renegade here, I had all I could do to stand it. It is a good thing that there is two sword lengths between us here.

MR. MURPHY: I would like to ask a question on the matter we are discussing here.

MR. SMALLWOOD: Yes, after I have finished. I am answering some questions now.

MR. CROSBIE: Mr. Chairman, I have some points I want to make.

MR. SMALLWOOD: Yes, after I am finished.

MR. CROSBIE: Mr. Chairman.

MR. CHAIRMAN: One at a time please.

MR. SMALLWOOD: After I am finished.

MR. CROSBIE: Question 108 here, Mr. Chairman.

MR. SMALLWOOD: After I am finished.

MR. CROSBIE: Pardon! Oh, the Premier still has the floor.

MR. SMALLWOOD: Yes, I have the floor.

MR. CROSBIE: I see. He is carrying on as though he was on the stage as a great actor. Is there somebody in the gallery he wants to impress?

MR. SMALLWOOD: The hon. gentleman ought to have been out to Grand Falls last night. He would have enjoyed it.

MR. CROSBIE: Yes, there was a mere handful there I understand.

MR. SMALLWOOD: A mere handful. Yes, that is true. The hon. gentleman got fifteen per-cent, I got eighty-five per-cent of the votes and the hon. gentleman got fifteen and I think he was lucky to get fifteen. I think he ought to feel happy.

MR. MURPHY: The hon. gentleman did have at least one hundred at a meeting.

MR. CHAIRMAN: (Inaudible).

MR. CROSBIE: No, Mr. Chairman.

MR. MURPHY: No, Mr. Chairman.

MR. SMALLWOOD: The committee are not ready for it. The committee are not ready to pass it you see. This is the Premier's office and it is fair game and so they are going to move to have my salary decreased after we have just increased it, they are going to do that. I ought to explain that the Deputy Minister is Mr. Channing, Mr. James G. Channing, The Parliamentary assistant sits here but he is not in at the moment, the Financial Adviser office is vacant and I am trying to get one. I urgently invited Mr. Robert Bryce, when he retired as Deputy Minister of Finance of Canada I invited him but I was -

MR. CROSBIE: He is too experienced a character for that, he would not come near it.

MR. SMALLWOOD: The hon. gentleman ought to have been in Grand Falls last night.

MR. CROSBIE: Yes, I wish I was.

MR. SMALLWOOD: Grand Falls, he ought to have been in Grand Falls last night.

MR. CROSBIE: The hon. gentleman should have been with me at Gander on April 25th.

MR. SMALLWOOD: I have a tape of the hon. gentleman's speech.

MR. CROSBIE: I am glad the hon. gentleman has.

MR. SMALLWOOD: I have it and if I could get permission, if the committee would permit it I would bring the tape of his speech in here and play it.

MR. CROSBIE: Wonderful. I would like that.

MR. SMALLWOOD: Indeed I would prefer to put it on all the networks in Newfoundland. I would like all Newfoundland to hear that speech.

MR. CROSBIE: You mean I can spread my poison on all networks.

MR. SMALLWOOD: That is right.

MR. CROSBIE: Thank you!

MR. SMALLWOOD: No, I do not think the hon. gentleman would be allowed. I wish he were allowed. I wish the networks -

MR. CROSBIE: The hon. gentleman did not want CBC to allow me on for ten minutes.

MR. HICKMAN: Mr. Chairman, if I can fight my way through the waves of hate is it possible to get back to these items -

MR. SMALLWOOD: I happen to have the floor. Is this a point of order or something?

MR. HICKMAN: Yes, it is a good a point of order as any. I cannot find anything under 303 about the Grand Falls meeting. I presume the cost of it did not come out of the Premier's office. If it did not then what is the relevancy?

MR. SMALLWOOD: There is only one man in Newfoundland's five hundred years of history who in six months attended a liberal party convention and sought the leadership of it -

MR. CROSBIE: Mr. Chairman, on a point of order.

MR. SMALLWOOD: And the Tory convention -

MR. CROSBIE: On a point of order, Mr. Chairman. If we are not going to observe the rule of relevancy we intend to respond and we will give the Premier as good as he gets. Now if he is going to be allowed to discuss leadership conventions and Grand Falls meetings and other childish waves of hate and red rimmed eyes and all that pitiful stuff that the hon. great grandfather does, we will respond in kind.

MR. CALLAHAN: (Inaudible).

MR. CROSBIE: And the hon. Rocky Harbour rooster better stop cock-a-doodle-doodling or he might -

MR. CHAIRMAN: Order please! When the Chairman finds himself in this position that hon. members begin a little cross fire and then other hon. members pick it up and then the very hon. members who start the thing then object and the Chair has to do one of two things. It either has to adhere strictly to the rules in other words play the game by the rules, in which case it will be a very dull affair or has to allow a certain latitude. But I think we have gone far enough on this and would the hon. Premier please continue.

MR. SMALLWOOD: Yes, I was interrupted a moment ago there Your Honour by an hon. gentleman who is unique in our history. In six months he attended two conventions as a delegate, one liberal and the other Tory.

MR. HICKMAN: The second one was a democratic one and the first one was not.

MR. SMALLWOOD: The first one was undemocratic because it did not elect him leader.

MR. HICKMAN: (Inaudible).

MR. SMALLWOOD: The millionaire who tried at the Liberal convention and the other millionaire who tried and won at the Tory convention.

MR. CROSBIE: Three millionaires .....

MR. SMALLWOOD: I invited Mr. Robert Bryce to accept the position of Financial Advisor to the Government and told him that I believed that my colleagues in the Cabinet would support me in my offer to him to name his own ticket and we were prepared to pay him up to \$50,000 a year if he would come with us as Financial Advisor. Unfortunately for us he had already accepted an invitation of the Prime Minister to go on his staff so we lost him. I then -



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MR. SMALLWOOD: asked one of the senior vice-presidents of the Bank of Montreal to come, to resign from that position and come with us. And he has still three, four years to go before his term is up, and he declined to come. But he happens to be the vice-president who has acted as financial advisor to this Government ever since Confederation. Well not ever since, but in the last eight or ten years, and before that there was someone else. So at the moment, the office is vacant. We are on the look-out all the time for a man of great ability, prestige, if we can get one, and we do not want anything less, and we are not going to have anything less.

Mr. Herman Batten, former Deputy Speaker of the House of Commons, is on my staff. His duties are to act, <sup>as</sup> liason between my office and the major industrial projects that are going ahead in the Province. The great new Paper Mill at Stephenville, and in connection with that Mr. Chairman, it was only last night the first steamship arrived from England bringing equipment for that Paper Mill, and the Oil Refinery project at Come-by-Chance and other industrial projects. I cannot get out as much as I would like to do to visit those plants, and so he does it for me, and he does other duties as well. He is now chairman of a special committee appointed in connection with the unfortunate situation at Argentina, due to the phase down of the American Base. He is the chairman of a committee of citizens to work with the DREE officials and the department of DREE. Mr. Herman Batten - I am very proud to have him on my staff.

Then I have - Mr. Max Button is retired of course. We have not been able to replace him. My executive assistant in the Premier's office at Corner Brook is Frank Colbourne, and Mrs. Templeman is my executive assistant here in this building. And Mr. Robert Jenkins is another - I have three. And then the Directors Grade 1, as hon. members will see there, are Miss Duff and Miss Murphy. Now Miss Murphy used to do Hansard. She is the Steno-Typist who used to do Hansard before we had the new system. She is now in my office. And then there are the Stenographers and Typists. I can give their names if the names are wanted. I think that is all.

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I do not know if there is anything else asked. If there is. Do not ask me now, to answer now the questions that are on the Order Paper that have not been answered. I still do not have these answers. As they arrive, I give them, and as they arrive I will continue to give them. But I do not have them yet. When they are given to me I will pass them on to the House.

MR. HICKMAN: Mr. Chairman, under the same heading, the liason officer, which we have been told this gentleman is Mr. Herman Batten, a former Speaker of the House of Commons

MR. SMALLWOOD: No, a former Deputy-Speaker.

MR. HICKMAN: A former Deputy Speaker. Now Mr. Batten, we have been told now, his job is to liason, to look after the Come-by-Chance and Stephenville development. May I remind you Sir, that earlier in this Session you indicated, quite clearly, you would not be able to support, that you would not be able to support a Resolution, or alternatively you would not support a Resolution without the assurance that this control by Government, of Stephenville and Come-by-Chance, would be in the hands of competent experts. Now Mr. Batten was undoubtedly a very excellent Deputy-Speaker. From reading the press, his arithmetic went wrong on one sitting of the House, but there is nothing wrong with that. And he is an excellent school teacher. And he is an excellent administrator. But the job that we need now, when we are about to embark on an open-ended agreement for a \$120 million in Stephenville, and when we may be about to embark upon \$155 million target price at Come-by-Chance, it is not one man but a group of experts, as you so rightly pointed out Mr. Chairman, who have to be there in advance. They cannot wander in one by one, and someone says, "well now, we seem to <sup>be</sup> experiencing problems in Stephenville, we better get a couple of more engineers, send them out, and we need some more accountants and staff to go out and check to see that nobody is crooking the books." What you have to have Mr. Chairman is this staff, this group of people out there well in advance, before anyone gets out there and starts work on this industry

at all. Because Mr. Chairman, particularly in Stephenville, where we know the details of that project, and where we know it is an open-ended guarantee, we have to have men on the job there day and night. Accountants, not simply engineers, but engineers who know something about the pulp and paper industry. People who know something<sup>of</sup> the other service requirements for that area. And I suggest Mr. Chairman, to this Committee that the office of liason officer serves no useful purpose, because it is not a liason we want in Come-by-Chance. It is not a liason that we want at Stephenville or that we may want at Come-by-Chance, but we want somebody to go in there and read the riot act to these entrepreneurs who are spending this Province's money. Not a liason officer, but as you so properly said and as you state your position so clearly Mr. Chairman, that is what we must have and they must be there now assuming work has started in Stephenville. A group of experts in the linerboard industry who are out there today checking every cent that has been spent, and checking every projection, so that that open-ended guarantee will not go beyond, hopefully beyond the \$53 million that was authorized, and certainly not beyond the \$66 million that had been mentioned in documents that were tabled in this House. And as far as I can see, this liason office - I would love to see Mr. Batten's talents, and he has very considerable talents, put to use in the Department of Education, or some other department of Government, but to try and impose on this fine gentleman the responsibility of Come-by-Chance, and possibly Stephenville, if we ever see it out there.

It is silly. It escapes any sign of good sense, and Mr. Chairman, it does not at all meet the very real concern that was expressed by the hon. the member for St. John's North, and when he repeated in this House in February, "hot one cent in Stephenville, not one cent in Come-by-Chance, until these experts are appointed." Now we are told that ships are arriving in Stephenville. We hear from announcements that work has been started in Stephenville, and I am sure that very much to the concern of the hon. the member for St. John's North, and I hope to the concern of other hon. members of this House, there is no one out there protecting

the interests of this Province.

MR. SMALLWOOD: Mr. Chairman, the hon. gentleman maybe as innocent as he sounds, I do not know. Mr. Herman Batten is on my staff and his principal duty is to act as liaison between my office and these industrial establishments, not as supervising any engineers.

MR. HICKMAN: Who is the supervising engineer?

MR. SMALLWOOD: We are engaging two separate firms of engineers. One to supervise construction of the paper mill at Stephenville, and the other to supervise the construction of the oil refinery at Come-by-Chance. We tried to get a distinguished Newfoundlander, Gerald Penney, former manager of the mill at Corner Brook, the great Bowater Mill. Gerald Penney from Carbonear, But he had accepted a mission for the United Nations to go to Addis Ababa Eth. He spent some time there, and then came in to see me on the way back. He came in to see me and we are old friends, and declined to resign from his firm in British Columbia, the firm of Sandwell Company, with whom he is a very high officer indeed, goes around different parts of the world on their behalf. He declined as I say to resign from that firm and come with the Government as we wanted him to do.

But there are several firms that can be retained to act, <sup>as</sup> supervising engineers, and there are firms too with great experience in the construction and also the operation of paper mills of one kind and another. And the same is true of the oil refinery. We have just received a report, I tabled it here yesterday, from the Jacob's Engineering Company in California, a firm who examined carefully, the feasibility report of Universal Oil Products of Chicago. That was the firm that made the feasibility study of the oil refinery project and we have that report. The Government has it. As the Committee knows, we have no intention of tabling it. We might as well send it off to all the oil companies, all their rivals and competitors, as table it and make it public property. This we have no intention at all of doing. But we have the Report, and instead of leaving it to our own judgement in the Cabinet as to the soundness of

the Report, we decided to put it to the test of the judgement of competent engineers in the field of oil refinery design, construction and operation. And we retained the firm of Jacob's Engineering. Now Jacob's Engineering could be retained if we decided to do it as the supervising engineers of the oil refinery construction. But whether it is Jacob's or some other firm, and there are lots of them, and whether it is Sandwell in British Columbia, certainly in each case we will have firms of supervising engineers representing the Government, as the owners representatives, in the construction of these great plants.

Mr. Batten is not an engineering. Mr. Batten is a former school teacher. He was principal of one of the great schools of this Province in the second city of Newfoundland, namely Corner Brook. It was from that he went into Parliament, and while in Parliament he became Deputy Speaker. He is not a lawyer. He is not a chartered accountant. He is not an engineer. He is a highly intelligent, highly reputable Newfoundlander, who is on my staff, and I have been very proud to have him on my staff to go where I cannot go all the time as Minister of Economic Development, or as Premier. He is my eyes and ears - to keep in touch with these construction jobs. To report to me any difficulties that may arise. Not to superintend the construction, the hon. gentleman must have known that, when he made that statement. It was so characteristic of him.

MR. HICKMAN: The hon. the Premier gave a firm undertaking to the hon. member for St. John's North that nobody would be sent to Stephenville before. Now we are told that the Construction Company has not been yet retained, or the Engineering Company.

MR. SMALLWOOD: That is right.

MR. CROSBIE: Mr. Chairman, where does that leave the member for St. John's North? The member for St. John's North knows full well where he is and what he should do. And I do not doubt that he will do it. Mr. Chairman, in connection with this matter, there are questions tabled in this House that have been tabled for weeks past, weeks past, and if the Premier has got any kind of competent staff, and if he has Mr. Batten as liason officer with these industries, they could have been answered the next day, but they are not answered. Whether Melville pulp and paper, whether that



project has received an ADA grant or whether the Federal agency, ADA, area development agency, has agreed to give them a grant, can be ascertained in five minutes in a telephone call. Yet that question was asked here weeks ago and is not answered yet. So if the Premier tables here the answer, <sup>to</sup> assume he receives them, he says he does and I must accept that, there is some very, very, very slow staff work, or the staff are being told, "do not bother to give me the answers yet." Ridiculous. Anyone on the staff can pick up the phone and call Mr. Doyle or call one of his officials. "Has the Government of Canada agreed yet to give you an ADA grant of \$5 million?" Then the gentleman says yes or no. "Have they agreed in writing?" Yes or No? And the answer can be tabled. The kind of useless information we get Mr. Chairman about these vast projects which involve hundreds of millions of the taxpayers money or guarantees in this Province is this: That a ship arrived in Stephenville yesterday carrying certain construction material for the plant at Stephenville. That is the kind of useless information that we have already seen in the paper, that the hon. the Premier pawns off on us in this House. Not the questions of real interest and concern to the members of this House and the Province that are being tabled here. There are at least twenty questions tabled on the Come-by-Chance oil refinery unanswered. Some tabled in March, the first week in March. There are another ten or fifteen or twenty tabled on Melville, asking the essentials. "What is the amount of the guarantee? What are the amount of the loans? And where are the feasibility studies? Have any been done?" And so on. Important questions, unanswered. But the Premier will get up and pretend to be giving out a great nugget of information, a real jewel, something that is really going to affect this Province, that a ship arrived in Stephenville yesterday. We all heard it on the Air this morning, with some construction material for Stephenville. These are not answers to questions. There are eighty-seven questions Mr. Chairman on the Order Paper not answered. And of these eighty-seven, at least seventy have been in excess of three weeks, some

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going back to the first week of March. The Premier has said that they have answered 350 out of 370 questions - half answered. At least half the answers are only half answers, not full answers, unsatisfactory answers. If the Premier says, "we will not give this information" when a question is tabled asking, as of January 1, 1970, the question was - "What is the amount of our funded indebtedness guarantees etc. and so on?" The Premier answered; "you will get that information in the Budget Speech." Is that an answer to a question? No. That is not an answer. The question is not answered. And when the Budget Speech comes in April 23, and there is not one jot or tickle of information on the disposition of this Province. That is not an answer either. So we are not getting any answers to questions here.

Two firms of supervising engineers, the Premier says, are going to be appointed for the Melville project and the oil refinery. It is about time they were appointed, but it is not enough to have supervising engineers. What the Premier's department needs is a unit that does nothing but supervise, look over the shoulders of, check out every industry that has been assisted by the Government of this Province. And they should have in their employ, engineers, chartered accountants, lawyers, commerce graduates. Anyone else who is necessary. Not just Melville. Yes, check the contractor, check the whole thing. What is that gem of wisdom from the hon. member for Placentia West? Yes, check it all. Check it. That is what he should do on behalf of the people of Newfoundland. Not just the contracts, the whole project. Is it going according to the cost? Is there anything happening? Are the costs increasing more than they should? Are the tenders being called? Are the contracts being awarded to the lowest responsible tenderer? That is the kind of stuff that we would like to see checked. Jacob's Engineering Report: The hon. the Premier mentioned the Jacob's Engineering Report. The agreement entered into Mr. Chairman several years ago called for an independent feasibility study on behalf of the Government. The Jacob's document tabled here,

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dated May 6, is not an independent feasibility study. All it is, is an examination and up-dating of a Universal Oil Products Company feasibility study. And what does it say on the first page? The UOP Feasibility Study contains certain disclaimers of responsibility for items beyond their control or they are acknowledged. We find these reasonable. What does that mean Mr. Chairman? The Feasibility Study of UOP disclaims responsibility for items beyond their control or they are acknowledged. We find these reasonable. We do not even know what those disclaimers are. And then when we look at this, it is not a real feasibility study at all.

They say that Procon Limited entered into a fixed price agreement. Here is one of the most interesting piece of information in the Jacob's Report Mr. Chairman. It appears in Point (7) of the Study. We understand that Procon has a firm price contract. Now in answer to a question here that was stated to be \$155 million, to build the refinery, including the plant itself, spare parts, financing charges during construction. The fixed price excludes the cost of two 605,000 barrels crude tanks, some site preparation and tank foundations and engineering up to this point. Also this price does not include Federal or Provincial tariff if any. So already now, we understand from this Report Mr. Chairman, that the price of the refinery is now \$165 million. Forget the \$10 million working capital that Mr. Shaheen has to put in. It is \$155 million contract with Procon, and another \$8 million or \$10 million what has already been spent on the site, and Federal and Provincial tariff. So the cost of that refinery is now gone from \$100 million to \$165 million, and Mr. Shaheen's \$10 million for working capital, is \$175 million. Although we have not examined the Procon contract, we have reviewed the essence of it. How can these gentlemen Mr. Chairman, turn in this as a feasibility report, when they have not even examined the Procon contract?

Paragraph (8) They say it is an economically <sup>viable</sup> project. What I say is, how can they say that when there are all these things they have not examined? That is the only question I asked. And their report

turns out to show that the thing is going to be \$10 million more than we thought when the Shaheen group were in the House here just several weeks ago.

It is not quite six Mr. Chairman. Do you want me to recess? Call it six?

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

MR HODDER: Mr. Speaker, the Committee of Supply have considered the matters to them referred and directed me to report having passed estimates of current expenditure under the following headings:

Legislative, all items, with some amendment to 201-01, 201-02-01 and Block Provision for Salary Increases and New Posts.

Executive Council, Item 301 to 302, inclusive,

And asks leave to sit again.

On motion report received and adopted.

Committee ordered sit again presently.

MR SPEAKER: I now call it 6:00 o'clock and leave the Chair until 8:00 o'clock.



PROVINCE OF NEWFOUNDLAND AND LABRADOR

HOUSE OF ASSEMBLY

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Volume 1

Number 77

4th. Session

34th. General Assembly

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VERBATIM REPORT

THURSDAY, MAY 21, 1970

SPEAKER: THE HONOURABLE GEORGE W. CLARKE



The House Resumed at 8:00 P.M.

MR. CURTIS: Committee of Supply.

MR. SPEAKER: Before we go into committee may I advise members of the House that at the funeral of the late John R. Courage tomorrow afternoon at 2:00 P.M. seats have been reserved at St. Thomas's, the funeral is at 2:00 P.M. seats have been reserved for members of the House of Assembly, who I would presume would wish to attend the funeral service and the House will resume its sitting at 3:00 P.M. or as near thereafter as it is convenient after we return from the funeral.

Chairman of Committees.

MR. CROSBIE: Mr. Speaker, before we go into Committee there is a motion that has to be moved while we are not in committee, the hon. the Minister of Education give notice that the motion to appoint a committee.

MR. CURTIS: I move that the committee be appointed to, suggested by -

MR. SMALLWOOD: He named the committee too.

MR. CURTIS: I move those, whoever they are.

MR. SMALLWOOD: Fine.

MR. SPEAKER: The motion is that a committee, I am not sure what the motion is, but that a committee be appointed to enquire into and consider -

MR. SMALLWOOD: Mr. Speaker, for -

MR. SPEAKER: For the staff of the House.

MR. SMALLWOOD: No. Staff of Internally Economic Commission, Mr. Speaker, and what else? And travelling expenses of the hon. members.

MR. SPEAKER: Travelling expense of the Hon. members, private members.

MR. SMALLWOOD: Yes.

MR. SPEAKER: Those in favour of the motion please say "I", contrary "nay", the motion is carried. I will name the committee a little later on in this present sitting, if I have the opportunity.

MR. CHAIRMAN: Shall Item 303-01 carry?

MR. CROSBIE: Mr. Chairman, when we adjourned I was just finishing some remarks

MR. CROSBIE: and I want to refer to a question that was subject to some debate, it is question 108, Mr. Chairman, on the Order Paper of this House which asked, the question was asked by the hon. member for St. Barbe South to the Minister of Finance. "The travelling expenses paid to each Cabinet Minister from January 1, 1969 to December 31st. 1969 inclusive, showing particulars of visits to places, dates of each visit, number of days absent, hotel and meals and transportation. This information to cover travelling within the Province as well as Mainland Canada, United States and Overseas."

Now the answer was tabled by the Acting Minister of Finance on May 19th., Mr. Chairman. And the answer tabled -

MR. CHAIRMAN: Order, please. Would it be better now if that were taken up under finance matters, we are dealing now with the salaries for the Premier's staff.

MR. CROSBIE: The Premier's office, Mr. Chairman, this has already been the subject of discussion.

MR. CHAIRMAN: Was not the question directed to the Minister of Finance?

MR. CROSBIE: But it has already been discussed under this heading, because the Premier is the Acting Minister of Finance. I will only take me a minute to complete my remarks on it, Mr. Chairman, the point is that the answer tabled did not give these travelling expenses, and the hon. the Premier this afternoon said everyone knows that when a Cabinet Minister travels he gets a certain per diem allowance. But the hon. the Premier did not give the per diem., I cannot remember myself what it is. The information has not been given as<sup>to</sup> what the per diem travelling allowance of a Cabinet Minister is. And no amount is given in this question, no amount in the answer and no amount is submitted for travelling expenses. For example, the Minister of Finance thirty-eight days travelling out of the Province, last year, within and out of the Province. There is no amount given for his transportation expenses, no amount given for his per diem expenses, no amount given at all, so that the question is not answered. And this

MR. CROSBIE: ties in, Mr. Chairman, with several questions that are tabled in connection with the travelling expenses of the hon. the Premier, which I referred to this afternoon. One, the travelling expenses of the hon. the Premier and the whole party that went to Europe in March, spend two or three weeks in Europe, that question is not answered yet, and when it is answered we hope that we will not get a contemptuous answer like this one, that will show the number of days the party was gone, and where they visited. Because the question asked, "what were these expenses? And asked for a breakdown under transportation, hotel and meals and the rest of it. And there is another question tabled here in this session, Mr. Chairman, as to the travelling expenses of the Premier for the last financial year, which has not yet been answered, and when it is answered, we hope that the question that is asked will be answered. "What was the amount of the travelling expenses incurred by the hon. the Premier last year? How much for inside the province? How much for outside of the Province? What were the transportation expenses? And what were any other expenses paid including the per diem expenses?" These are legitimate questions asked in every Parliament and answered in every Parliament, and we hope we will not get an answer like the one tabled here on May 19th. with respect to the other Cabinet Ministers, which has not been completely answered, or really has not been answered at all.

Now, Mr. Speaker, we are dealing now with the Executive Council

MR. WELLS: The Premier's office salary.

MR. CROSBIE: The Premier's office is the item we are on now. There is a Parliamentary Assistant to the hon. the Premier, the member for Trinity North. The extra stipend for being Parliamentary Assistant to the Premier is \$6,000. Now Trinity South.

Mr. Chairman, a Parliamentary Assistant, as it is recognized or known in other Legislative Assemblies or in the Parliament of Canada, is a person who assist the minister or the Prime Minister in his duties in the Legislature or in Parliament, answers questions for him or otherwise assist in his

MR. CROSBIE: Parliamentary duties. We had no evidence of that in this session here at all. What are the duties of the Parliamentary Assistant to the hon. the Premier? Does he have an office? Is his office up by the hon. the Premier? Where is the office of the Parliamentary Assistant? Just exactly what does the Parliamentary Assistant do? The Parliamentary Assistant to the hon. the Premier, Mr. Chairman, is being paid an amount in excess of what the Speaker is being paid. The Speaker's allowance is \$5500, the Deputy Speaker receives an allowance of \$4500 additional to his Sessional Indemnity, the Leader of the Opposition up until today received \$5000 extra. The Parliamentary Assistant to the Premier is receiving \$6000 additional remuneration. And really this does seem to be out of line. This is a House of Assembly that meets ten to twelve weeks a year, three to four months at the most, usually not more than twelve weeks per year. And if the Parliamentary Assistants duties are only in connection with the meetings of this House, then Mr. Chairman, it is hardly justified that an hon. member of this House should be paid an additional \$6000 for that.

MR. WELLS: Is that same member on the Commission?

MR. CROSBIE: This is the same hon. member, yes.

MR. WELLS: He is appointed to the Bell Island Ferry?

MR. CROSBIE: The Bell Island Ferry.

The Liaison Officer, I can see the need for that. The Premier is also Minister of Economic Development. He needs an assistant to help with the liaison of these great industrial developments. I would only hope, Mr. Chairman, that the Liaison Officer will do a lot more than just be the eyes and ears of the Premier. I would like to see that gentleman in charge of an office properly staffed, that can safeguard our interest in every enterprise in which this Government is involved in the financial assisting of that enterprise. That has already been debated today, so I will not continue to discuss that, I will just mention that in passing.

MR. CROSBIE: Now, Mr. Chairman, the Premier of the Province is also the Leader of the Government, the Premier is also in charge of what happens in this House or what does not happen. The Leader of the Government, the Premier of the Province, controls what happens in this House because he controls the votes of the majority of the members in this House. The hon. the Premier controls the votes of the majority of the people in this House or at least they follow his advice and suggestions. But the actual fact of it is that the hon. the Premier, as long as the majority of the House are prepared to follow him, can close the House through the votes of this majority. It is just as well to face the facts. This is the same in other Houses too, naturally.

And, Mr. Chairman, the handicaps that we have laboured in, in this House since the session started, the atmosphere in this House, the lack of any co-operation between the Government and the Opposition or party or groups in this House, the failure to communicate the business of the House, through us on this side of the House, in advance, the refusal to give valid information asked for on this side of the House, at times contemptuous refusal to answer questions in this House or to give information in this House, has been exhibited all through this session, is the responsibility of the hon. the Premier, has been initiated by him and directed by him. The situation we are in, in this House, five of the hon. members have no accommodation within the precincts of the ninth and tenth floors of this House. Here five of the hon. members have no secretarial assistance. Here five of the hon. members or four in any event have no ---

MR. SMALLWOOD: Mr. Chairman, we were discussing we were treated here, by the hon. gentleman who has the floor, to a long dissertation about the way they are treated, the five who have no offices and now we are going all into it again under the heading of Premier, now will we go into it under the heading of Economic Development? Will we go into it under the heading of Finance? Will we have the same story on every vote virtually?



MR. CROSBIE: In connection with that point of order, Mr. Chairman, I am speaking with reference to the office of Premier and the amount of \$12,000 provided in the estimates for the office of Premier, and I am explaining why I am going to move that the amount of \$12,000 be reduced to \$1.00. Because these things that we have suffered under in this House are caused by and directed by the hon. the Premier, by the man who holds the Premier's office, the refusal to give us legitimate information, the refusal to answer questions, the contemptuous treatment that we have received in this House since February 23th. is all the responsibility of the hon. the Premier, and I am explaining why.

I am going to move now when I finish these remarks, that the hon. the Premier's salary be reduced from \$12,000 to \$1.00. That is what I am now about to do. I would wait until we got to Economic Development, if the hon. the Premier received a salary as Minister of Economic Development. I would move it on the grounds that the Premier has failed lamentably in the Portfolio of Minister of Economic Development. As I said the other day, it is uneconomic development in this Province, not economic development. That this Government has failed, the Premier has failed, in the economic development of this Province, that the results of this failure are seen everyday in the jobless and in the unemployment statistics that we see everyday here in Newfoundland.

MR. SMALLWOOD: He is discussing Economic Development Department.

MR. CROSBIE: I cannot move that, Mr. Chairman.

MR. CHAIRMAN: I would like to explain to the hon. member that he understand the rule of Procedure in this particular case, because he made reference to it. And since he made reference to it, I think that it should be followed. We are discussing now the salaries of the Premier's staff, those who are listed on Page 44 of the Estimates, and I think you can confine yourself to that. And if there are any other remarks about any other departments that should come in due course, I think.

MR. CROSBIE: Fine, Mr. Chairman. I am explaining why I will now move that the salary of \$12,000 provided for the Premier be reduced to \$1.00, that is what I move.

And Mr. Chairman some of the reasons I have outlined and others. Mr. Chairman there have been questions tabled in this House since March of the utmost importance of this Province and I outline some of them this afternoon. In connection with the Oil Refinery Project at Come-by-Chance, a \$175 million project, the credit of this Province ties inexplicitly to \$165 million of it. The fourth mill at Melville, it is gone up, because of the Jacob's Report from \$155 million to \$165 million, plus the \$10 million working capital that Mr. Shaheen has put into it, that is \$175 million. The fourth mill -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: It has gone up from \$155, the answer given in this House by the Procon people who said their contract was \$155 million, the Jacob's Engineering Report now reveals that this does not include gigantic oil storage tanks now down at Come-by-Chance. I went into this, this afternoon with the hon. Minister, but the hon. Minister did not hear it. It does not include crude tanks, site preparation, tank foundations and engineering up to this point, and it does not include Federal or Provincial tariffs. And I therefore say that the cost of the Oil Refinery has now been revealed to be \$165 million at least. Construction cost plus the \$10 million Mr. Shaheen must put in as working capital, is \$175 million. It is \$165 million which now credit is involved for. Here is the fourth mill project at Melville, Mr. Chairman, since the documents were tabled in this House in 1968, when the whole deal was with the French group of companies, and the whole deal is changed since, there has not been hardly a thread of information given in this House on the fourth mill project at Melville. And I referred to it this afternoon, and I will not refer to it again, Mr. Chairman, to some of the questions tabled asking the Premier

MR. CROSBIE: for information on the Melville project since this session started in February, and not answered. Questions that would only take a minute, or ten minutes to find the answers to. Such as, "Is there an area development grant for the Melville Project from the Government of Canada?" Just one of them. Questions about feasibility studies. Since the whole project is ~~was~~ changed from cheap transportation of wood chips from Happy Valley to Stephenville in two 65,000 ton carriers. And we were told the essence of the whole project was this, was this cheap transportation, bulk transportation of wood chips. Since that project changed to eight 20,000 tons ships carrying logs, the question is asked - I am referring to the question that has been asked in this House.

MR. SMALLWOOD: The heading is Premier, \$12,000. Now does this mean because there is a Province called Newfoundland, that there is a Premier, that his salary is \$12,000, that on that motion "this be recommended to the House," a member can talk about anything under the sun so long as somehow he can tie it to the Premier? Is that

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MR. SMALLWOOD: Is that the case? I know it is not, but I ask it - it is not a rhetorical question. I am on a point of order.

MR. CROSBIE: Now could I speak to that point of order Mr. Chairman? I am referring to the refusal to answer questions by the hon. the Premier. And what I am referring to now is a question for the hon. the Premier has been tabled in this House since early in April, addressed to the hon. the Premier and not answered. And this is one of the reasons why I am making this Motion - the refusal of the hon. the Premier to give basic information on the very projects that is life and death to this Province. And that is why I am substantiating my Motion that the salary for the Premier be reduced from \$12,000 to \$1.00. That is the relevancy.

MR. SMALLWOOD: Now Mr. Chairman, on that point of order. May I ask Your Honour to consider this? That after the vote is taken on this amendment, the Motion is that the \$12,000 salary to the Premier be recommended to the House. If the House accepted the recommendation, it would pass a law and the Premier would get his \$12,000 a year. But if the amendment is carried, he would get one dollar a year. Now when that is disposed of, am I to take it that any hon. member including the hon. member over there, can move a Motion on any official of the 7,000. And on that Motion of that amendment to reduce his salary, anyone at all, Premier or anyone else, any minister, any Deputy Minister, any Assistant Deputy Minister, any Civil Servant, any vote that the Committees ask to consider and recommend, there may be an amendment to reduce? And on that amendment to reduce, any topic almost under the sun can be dragged in? This is what the hon. gentleman is doing. Where does he stop? What is the limit of the matters he may discuss on an amendment that the Premier's salary be reduced to one dollar? Is this the signal for a discussion about anything in the world, so long as somehow the Premier, because you have to prove that the Premier should get only a dollar a year. Does this justify him and give him the opportunity, or any hon.

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member to discuss anything under the sun so long only as he can tie it to the Premier, and if the Premier why not every minister, and if every minister, why not every deputy minister, and why not every civil servant?

MR. CROSBIE: Mr. Chairman, does the Premier know that he cannot ask a question of the hon. the Chairman? And I have already related this question to my Motion. I am moving this Motion because <sup>of</sup> the Premier's refusal to give information. That is the connection.

MR. SPEAKER (NOEL): As I see it the vote under debate now includes a vote of the Premier's salary. And any hon. member can seek to prove that the hon. the Premier is not worth the \$12,000. And in doing so, as long as he is relevant to the carrying out of the Premier's duties by the Premier, I think it would be in order. And therefore I feel that this present Motion before Committee is in order, and the remarks of the hon. member for St. John's West, insofar as they relate to the Premier's duties as Premier, are in order. But I do not believe it is in order for the hon. member for St. John's West to go into the field of Economic Development, because that is a different cap altogether, and I have already intimated that. There is one more thing to say before we go on and that is that I might just as well say it now that we are early. Apart from the rule of relevancy, there is a rule of repetition, and an hon. member is not allowed to take up time of the House by stating over and over and over again the same particular thing.

MR. CROSBIE: The nursery corner is squeaking again. Mr. Chairman, there is a nursery corner there. The hon. the minister is in the nursery corner, we all know that, in the Cabinet. He has not left his first childhood yet. And there is another member there with him. He is in his second childhood.

Now Mr. Chairman, I accept your ruling. Economic Development is another department. We cannot move that that be reduced to a dollar, because there is no salary paid there. But the basic reason is this Mr. Chairman, and I do not intend to speak to any great length in this.



I will outline my reasons. Refusal, willful refusal of the hon. the Premier to give information that is legitimately requested by the members of this House, in particular information relating to great industrial projects that make or break this Province have not been tabled in this House, is readily available to the Government. In addition Mr. Speaker, I base it on the whole proceedings of this House, and the way that members on this side of the House have been treated since the Session has started. I base it on the fact that I believe that it is a heavy responsibility of a Premier of any Province, or the leader of any government, to see that members of the Opposition and Opposition parties are given every chance that their minority rights are observed scrupulously. That they are given advance notice of the business of the House. That a speech for example, like the Budget Speech, is carried on with communication between both sides of the House, so that members speak alternatively. That there is no undue pressure exerted by the majority and the minorities of the House.

In all those respects, it is my humble submission Mr. Chairman, that this session of the House amply shows that the hon. the Premier failed with respect to those great duties that are required of a leader in a Liberal democracy.

MR. NEARY: Repetition Mr. Chairman.

MR. CROSBIE: We have never heard repetition from the hon. the minister. We do not hear repetition, we hear babbling from the hon. the minister. The hon. the Chairman does not want me to refer to Economic Development, so I cannot refer to Economic Development. But in the office of the Premier, there is a liason officer with industries in this Province. The hon. the Premier has failed to establish, in his office or in any department of Government, a supervisory division of this Government, to supervise, inspect, a liason with industries or businesses assisted by this Government, in particular no provision has yet been made adequate with the oil refinery project at Come-by-Chance, with respect to the

fourth mill at Melville, or with respect to any other industry that is operating in Newfoundland with Government assistance. Our interests are not being protected in that respect. The liason officer is only the ears and eyes of the Premier to deal with these gentlemen, which is not sufficient, which does not protect our interests. There are a lot of other reasons I could give besides. There are <sup>other</sup> points in the Estimates that we will come to, but that is basically Mr. Chairman, why I make this Motion.

MR. CHAIRMAN: The Motion is that Item 03-01 be reduced by the amount of \$11,999 in apportioning the Premier's salary. Those in favour please say "aye" - Contrary "nay." The Motion is defeated.

MR. EARLE: There is an error here. It may be a printing error, but I will check the addition and it does not seem to be. In 1969 Revised Estimates as shown here under "Salaries" it is \$145,000. If you look up the salaries as specified on Page 94, the total is \$168,000. Now I take it that these are the revised salaries shown on Page 94. There is a difference of \$24,000. If that is correct, then the Estimates are thrown off completely. It is a question on the salary vote. In 1969-70 Revised Estimates show the salary vote to be \$145,000, under Item 303 "Salaries," 303-01 "Salaries" - \$145,000 for 1969. The addition is not correct right through the Estimates. I have checked it.

HON. E. R. ROBERTS (Minister of Welfare): It is a typographical error. I do not doubt the hon. gentleman's arithmetic. It would only affect the revised columns, not the Estimates we are being asked to vote this year. Because the figures in the 1970-71 Estimates for the Committee are \$145,400.

MR. EARLE: But the total of the revised the column right through

MR. ROBERTS: Apparently it is a printer's error. We will ask the officials to have it corrected.

MR. CROSBIE: Mr. Chairman, 02-01 Travelling \$10,000. Last year the amount was \$9,800. Is that amount the actual amount spent, or what is the actual amount spent? The revised Estimates is \$9,800. What was the actual amount spent on Travelling Expenses in connection with the Premier's office last year?

MR. SMALLWOOD: It was only an Estimate, it was not an account of expenditure. An Estimate of what was to be spent, and then that was revised. But what was actually the expenditure of course appears in the Report of the Public Accounts, the Report of the Auditor General.

MR. CROSBIE: Well Mr. Chairman, the point is on this here, that in the Estimates there are <sup>two</sup> columns. The Estimates for this year, the year we are in now, and one on the revised Estimates for last year. Now if going through the Estimates, we are comparing the Revised Estimates, the figures given for Revised Estimates, the Estimates for this year, we can be getting an entirely incorrect picture, an entirely incorrect picture. Because the Revised Estimates for last year are not what was actually spent. It does not matter if they are audited. We know they are unaudited. The Financial year ended March 31, 1970. It ended a month and a half ago. And we had in the House the Deputy Minister of Finance and other officials. And if ask what was the actual amount spent for travelling in the Premier's office, the answer Mr. Chairman, is readily available. Now we have asked other questions here today and we were told the information was not available, over under Legislative. "Why the office expenses are down from \$12,000 to \$3,000." What is the point of going through these Estimates if Item after Item, we are told the information is not now available. This is the Committee where the information is supposed to be available. Now were the actual travelling expenses in the Premier's office last year \$9,800, or were they perhaps \$32,000, or \$25,000? What were they actually?

MR. SMALLWOOD: Mr. Chairman, there are some thousands of Items here on these pages. Every page has two columns. One column showing what we are asking the Committee to recommend to the House, to spent in this financial year. And the other column showing the Revised Estimates, not an account of the spending, but the Estimate of what was to be spent last year. The actual amount that was spent will be known in a few months from now, and some Estimates of what were spent can be known now. But

until the accounts are closed, which is usually about two months after the close of the financial year, until the closing of the accounts, the exact amount that was spent is approximately, but that is all you can say, approximately was shown in the Revised Estimates. Always remembering that the year ended with our having spent \$7 million more than was estimated we spent, and we took in \$8 million more than we estimated we would take in. So there was an actual increase over the Revised Estimates. The Estimates are only Estimates. That column on the right hand side of each page is the Estimate of last year, not just what was spent, but an Estimate of what would be spent. Actually, if you add all these up, the total would be \$7 million less than we did spend. So some of these Items are more, some of them are less, as Supplementary Supply showed.

MR. CROSBIE: Mr. Chairman, in connection with this Item, I have here the Public Accounts of the Province of Newfoundland for the year ended March 31, 1969. And on Page 52 under "Premier's Office" the expenses for that year, that is the financial year ending March 31, 1969, Travelling Expenses - the actual expenses were \$13,975 in that year. Yet we look at these Estimates here, and we see the Revised Estimates for the financial year that just ended March 31, 1970, \$9,800. Now that is obviously an unrealistic estimate, when one considers that Auditor General's Report shows almost \$4,000 more in the previous year. That is why I am saying that we are not getting a correct picture, if we have to just go by the Revised Estimates. That means that we have to wait until the Auditor General's Report is presented in this House next year, his Report for March 31, 1970, to see what the actual was for the year that ended March 31, 1970. Now in 1969, the actual expenses were \$13,975 and the Revised Estimates for last year \$9,800. What caused all the difference in Travelling Expenses according to these Revised Estimates last year?

MR. ROBERTS: Mr. Chairman, may I have a word or two? The revised figures

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shown in the right hand column, are the revised figures including Supplementary Supply as of the March 31. They are not the complete figures because the Government's books are not closed until April 30, under the Revenue and Audit Act. It may also help the hon. gentleman to recall that during the year in respect to which the Auditor General's Report from which he quoted was made, there were a number of people including myself in the Premier's office, and when I travelled at that time, as Parliamentary Assistant, my expenses were quite properly charged against that vote. And I can assure the hon. gentleman the information was tabled in the House time and time again. My own expenses alone would total the account to two, three or four thousand dollars. The \$9,800 figure Sir, as far as we are aware is an accurate revised estimate as of March 31.

MR. WELLS: There has been no revision. It was the same as estimated last year.

MR. ROBERTS: Well in that case, the estimating is well on. The Items under \$5,000 were not changed in the Supplementary Supply process, but the Items over \$5,000 throughout, were brought into line. I think that is correct.

MR. CROSBIE: Mr. Chairman, in connection with what the hon. the minister has said. The hon. gentleman this year, the past financial year, has gone on to be a minister himself, and has been a Parliamentary Assistant. But he has been replaced by the hon. the member for Trinity South. There have been additions to the office of the hon. the Premier. There has been the liason officer with new industries and so on. So that will not wash. The hon. the Minister of Health has now left the Premier's office. There are other people there. And I will be willing to bet at least two dollars and fifty cents, that when we see the Auditor General's Report next year, we will see that the actual travelling expenses of the Premier's office last year were at least \$14,000, the same as the year before.

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MR. ROBERTS: I will take up the hon. gentleman and I will put my two-fifty on the table. I cannot speak for my friend, the hon. gentleman for Trinity South, but I am willing to bet that he has not done anything like the travelling I did, when I was on the Premier's staff. And I do not think as a matter of fact, the other additions to staff, including Mr. Batten, would have done the same amount of travelling. If the hon. gentleman wants to put his two-fifty on the table Mr. Chairman, I will put mine up Sir.

MR. CROSBIE: Two-fifty, not \$250.

MR. EARLE: This is a comparatively small item Mr. Chairman. But just a question on this. It is more than double last year's Revised Estimates, and I brought to the House's attention this afternoon that the Premier's office staff had been reduced by six persons. Why is the staff



MR. EARLE: the staff which was reduced by six. Do the office expense double? The office expenses are now \$10,000. There are six less people, but the expenses are doubled.

MR. ROBERTS: Postage, stationery.

MR. WELLS: Postage is down below.

MR. ROBERTS: Yes, postage is transferred back out.

MR. WELLS: Stationery is down below as well.

MR. ROBERTS: Postage was transferred back out, so is printing and stationery, so is office equipment and furniture. What are the office expenses? What do they cover?

MR. SMALLWOOD: We might go on, we might adopt that, and when I get the information I will table it.

MR. WELLS: Set it aside.

MR. SMALLWOOD: No, we can adopt it, we have got to pay it. And I will table it when it arrives.

MR. WELLS: It is not incurred, we do not have to pay it, may be it is an error.

MR. SMALLWOOD: May be we will not be allowed to travel.

MR. WELLS: It is not travel.

MR. SMALLWOOD: ..... office expenses.

MR. WELLS: Well, why the increase? I do not know if it is postage or not.

MR. SMALLWOOD: Cut it out all together, reduce it to a \$1.00. Go ahead I will vote for it.

MR. CROSBIE: Mr. Chairman, this shows the attitude, you see reduce it to a \$1.00 yes, and get it back in supplementary supply next year.

MR. SMALLWOOD: Did I not say, I would have it in a few minutes. Well am I refusing to get it?

MR. WELLS: We will vote on it.

MR. CROSBIE: We were told this afternoon, Mr. Chairman, the information was going to be gotten. This is the estimates going through the House. The

MR. CROSBIE: information is suppose to be here when we are all asked to vote. Now under Legislative this afternoon there are two Items passed, office and books and binding in the same manner. Why should we pass an Item, when we cannot be given an explanation as to what the money is for and why the increase? Let us wait until we get the explanation.

Is 02 standing?

MR. CHAIRMAN: 02-01 standing. I am sorry 02-02 is standing. Shall 09-01 carry? carried. Shall 09-02 carry?

MR. WELLS: 09 -02 is that intended just to be a token vote? It is intended as a token. Where does postage now occur? In previous years its been shown in the revised estimates 1968-69 as \$1,000 in the postage, and last year it was reduced presumably to a token vote of \$100.00. What purpose? Where is it now? If that is just a token vote. May be it is included in the office expense is it?

MR. ROBERTS: Page 152 gives a breakdown of the division of the Central Mail costs, between department. It is relatively arbitrary I think, because all mail comes in and out through one office.

MR. CHAIRMAN: Shall 02 carry? Carried. Shall 06 carry? Carried. Shall Item 304-02-01 carry?

MR. CROSBIE: Mr. Chairman, what expenses of travelling are these, is it the Executive Council?

MR. ROBERTS: For all council.

MR. CROSBIE: Just a minute now, who has to travel in the Executive Council office?

MR. ROBERTS: The Clerk, Mr. Channing.

MR. CROSBIE: Mr. Channing, yes, and Mr. Channing travelled last year his travelling cost was \$3000, why would his travelling be down this year to \$1,000.

MR. ROBERTS: Travel less.

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MR. CROSBIE: Why is he going to travel less? Is this year any different from previous years?

MR. SMALLWOOD: Yes, I am not asking this year to travel as much.

MR. CROSBIE: I see, and what about other people, what about ministers without Portfolio, do they not come under the Executive Council Office.

MR. ROBERTS: They do.

MR. CROSBIE: Page 94.

Mr. WELLS: Their travelling will be included.

MR. SMALLWOOD: That is not travel, that is salary, now \$5000 each.

MR. CROSBIE: Ministers without Portfolio \$10,000. Presumably if they travelled, then their travelling expenses have to be charged to the Executive Council office, which office they come under.

MR. ROBERTS: Where they travel on Government's business.

MR. CROSBIE: Yes, when they travel on Government business actually, we feel sure they would not charge it off, if they were not travelling on Government business. I am positive of that.. How can travel, you see the estimates are unrealistic Mr. Chairman, this is the point. How can travelling arbitrarily be cut \$3,000 to \$1,000?

MR. SMALLWOOD: By ordering everybody to travel less.

MR. CROSBIE: Without any explanation or any sensible explanation what is going to be done. The Clerk of the Executive Council, if he had to travel last year, will have to travel this year. The Premier if he had to travel last year, would have to travel this year. Supplementary Supply will go through next year for another \$25 million.

MR. WELLS: So it is not realistic.

MR. CROSBIE: So these are not realistic estimates.

MR. CHAIRMAN: Shall the Item carry? Carried. Shall 02 carry?

MR. CROSBIE: Whose motor car allowance is this, Mr. Chairman?

MR. WELLS: Ministers without Portfolio.

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MR. CROSBIE: I am asking a question?

MR. SMALLWOOD: What department are we on?

MR. ROBERTS: We are still under Executive Council.

Those are paid to the ministers without Portfolio. There are only two, but the provision is \$3,000.

MR. WELLS: I wonder what the President of the Council gets?

MR. ROBERTS: He only draws one, he draws the Minister of Justice, he does not draw this one. He only draws one salary.

MR. CROSBIE: This is \$1,000 each is it?

MR. ROBERTS: Yes, the standard ministerial allowances, every minister gets them.

MR. SMALLWOOD: One-third of that will not be spent:

MR. ROBERTS: That is right.

MR. SMALLWOOD: Because, I think that is right.

MR. ROBERTS: There are only two now.

MR. CROSBIE: Last year there were four.

MR. ROBERTS: I know how many there were last year.

MR. CHAIRMAN: We will go back now - we have one Item standing?

MR. SMALLWOOD: Which one? The one we let stand, that has not arrived yet, so could we go on to Head IV.

MR. CHAIRMAN: Shall block provision, Canada Pension Plan, carry?

MR. SMALLWOOD: It is changed, Mr. Chairman, from \$7,300 to \$16,700.

MR. CHAIRMAN: The total subhead 304 is carried. The motion is that the Canada Pension be increased to \$16,700. Those in favour please say "aye" contrary "nay" carried. Shall total Executive Council carry? Carried.

Heading IV Finance, 401-01.

MR. WELLS: Under this heading generally under the Department of Finance I have a few remarks that I would like to make about the way the finances of this Province are handled and about the information that is given to the members of the House, or the lack of information, and that some of the

MR. WELLS: information that is given is in fact misleading us. We do not know what conclusion to draw. For example in the Budget Speech, information is given that - (on Page 22 with respect to the last fiscal year) that the total cost to the Treasury of assisting industrial development was \$1. 75 million, where as in truth, ERCO alone required \$3 million. When the Budget Speech was being delivered the Premier, as Acting Minister of Finance, gave this information, and said that there was a net loss last year of one-quarter of \$1 million, because the benefits had been \$1 1/2 million and the cost \$1 3/4 million. This is misleading information then, I cannot understand how it could be a mistake, how could a mistake be made? I mean it is clearly known and clearly shown that the cost of ERCO alone was \$3 million, and if we want a further example of it, all we got to do is look at it for this year on Page 23 of the Budget Speech. The total cost projected for this current fiscal year that we are now in, ending March 31st. 1971 is \$3,982,000.00, yet when we look to the estimates under Economic Development there is a vote proposed for \$6,752,000 under the Industrial Incentives Act. It obviously must be wrong.

Now, I do not know what is wrong with the Department of Finance, or the Acting Minister of Finance, if this is the kind of figures upon which the Budget is supposed to be balanced, it is meaningless. Figures and totals and balances and comparisons mean nothing, if these are intended to be reliable figures. Because all we got to do is look to page 75 in the Estimates, and there is an amount put forward there under Head 15-20 of \$6,752,000, yet on page 23 of the Budget Speech, as delivered in this House sometime ago, the total cost of the year 1971 is put forth as \$3,982,000. How can we rely on anything that is contained in the Budget Speech when we see these major discrepancies? A similar thing happened last year and the Minister of Education stood in the House and told us it was a typographical error of \$400,000, yet the Budget was balanced on that. I do not know who has responsibility for it, if the hon. the Premier is

MR. WELLS: Acting Minister of Finance is relying entirely on figures given to him by staff of the Department of Finance, and is being misled by this. This leads me into considerable doubt, Mr. Chairman, as to the validity or the reasonableness of the estimates which we are now considering, and the Department of Finance has basic responsibility for this. Last year when I spoke in this debate, in the Budget Speech or during the course of consideration of the estimates, I expressed the opinion that these estimates were not realistic, and that this year we would be considering a Supplementary Supply Bill that totalled upwards of \$20 million. And sure enough this year, we had a Supplementary Supply Bill, this could be seen by looking at the estimates because the reductions were artificial and could not be justified. And I would suggest, Mr. Chairman, that the Department of Finance, the department that has basic responsibility for this, and the Minister of Finance are similiarly at fault this year because these estimates are obviously not realistic, and we are again going to find ourselves here next year facing another Supplementary Supply Bill. And we are now led to believe that, in the words of the Premier, the Budget is balanced, when in fact even on these figures the Budget is not balanced. The current account expenditures on these figures is somewhat less than the current account revenue, that is the truth of it, the Budget is not balanced. But even on these figures, from past experience with last year and the year before, the Department of Finance or the Minister of Finance or the Cabinet generally one of those three, I do not know which one must take Government responsibility for them. The Government as a whole, as a whole, must take ultimate responsibility for it. But direct responsibility for the origins of it must rest with one or the other.

In fact if these estimates contained realistic figures we would now, in this current year, be showing our projected current expenditures as exceeding our projected current revenue by some \$6 million to \$10 million. And again the responsibility for this lies with the Minister of Finance, He is the man to whom this House looks directly for this. The Budget Speech



MR. WELLS: again in another area where it misleads or deceives whatever one prefers on page 7, its reference to servicing the Public Debt of \$32 million, what it estimates to service the Public Debt. The Public Debt can only be serviced by paying everything that has to be paid in that year. On the Items which this House has no power to vote, that is put forward in the Budget Speech as being \$32 million, when, in fact, the direct figure, the total cost of servicing the Public Debt, principle and interest, (interest alone cannot service the debt, it takes principle payment under the terms of the borrowing) the total cost of servicing, completely servicing the Public Debt, in other words the amount which this House has no choice but to pay— It cannot even vote it— It is \$53 million. When we see these kind of figures, how can we have faith or confidence at all in what is contained in the estimates? Are we totally justified in saying that the figures are unrealistic and unreliable? This is clear, it is obviously done to paint by the Minister of Finance, to paint a good picture. The Minister of Finance should <sup>paint</sup> for this House and for the people of this Province the total picture. We are all adults, we can fully understand what the situation is. That is what is the duty of the Minister of Finance to do, to give it to us in cold hard facts, tell us that the cost of servicing the Public Debt, if twenty percent of the total revenue, capital included, if twenty-three percent of the total current account revenue. Take out what is set aside as capital income, grants from the Federal Government and so on, when you just set up current account revenue, it is twenty-three percent, yet, the Minister of Finance, in his Budget Speech, would have us believe that it is only \$32 million to service the Public Debt.

Well, Mr. Chairman, the even more startling figure Sir, is that it is 42.7 percent of the total direct taxation imposed by this House. If you leave aside the payments from the Government of Canada under the Canada Assistant Plan, the payments under the DREE Plan, the payment under the Trans-Canada Highway and Trunk Road Plans, the payment for post-secondary education. If you leave aside the payments, the equalization grants, the payments that

MR. WELLS: come directly from Ottawa, but include the Provincial Income Tax that Ottawa collects and pays to us, because that tax is imposed by this House, and the Taxation Department at Ottawa is used and quite properly so to collect it, because I am sure they can do it a lot less expensive than we can, because they have already have the system, so it is very reasonable to do it this way. But this House determines the proportion and the rates of it, including that, including every single kind of tax imposed by this House, including our income from the sale of alcoholic liquor, our income from all sources except the Government of Canada Grants, the cost of servicing

MR. WELLS:

who servicing our public debt is a staggering forty-two point seven per-cent of that annual direct taxation. If for some reason or other by some incredible emergency like war or something, I do not know it could ever happen, but if for some reason or other the Government of Canada found itself in a position where it would have to cut out this program and that program because it had to direct its energies toward its role in a war we would be in a position of using forty-two point seven per-cent of our direct taxes to service our public debt in this current fiscal year that we are now in. That is what is project in the figures and this is why I say, Mr. Chairman, that the Minister of Finance has not done his job thoroughly. He has not properly informed the members of the House of Assembly and the people of this Province as to what their exact financial position is. It certainly was not clear in the budget speech.

When one takes the current estimates and the estimates that we approved in this House last year and when one does<sup>a</sup> comparison with these figures and looks at them then you can see the true picture. On interest alone, Mr. Chairman, with respect to the interest provided alone despite, the fact that the Minister of Finance has failed to show this and has failed to point this out to the members of the House of Assembly, we have increased fifteen per-cent over the year before, interest alone on the public debt. The Minister of Finance did not point this out in his budget speech instead on page (7) he makes it look as rosy as he possibly can and says the cost of servicing the public debt is \$32. million.

I would say, Mr. Chairman, that the Minister of Finance has failed in his duty. He has failed in his duty to the House of Assembly to point out that in three years, over the short span of three years, the interest on the direct public debt, this does not count guarantees or anything like that that would follow, but on the direct borrowings of this Province, the interest alone has increased from \$12. million to \$32. million, an increase of more than 150 per-cent in three years. It is the duty of the Minister of Finance to point this out and if the people of this Province want to follow that course, which I doubt, then surely it is the duty of the Government to go to the people and find out if this is the policy that they want to follow. This has not been done. I do not

MR. WELLS:

know whether it is intended to be done as there is no indication of it in the immediate future. I doubt very much, Mr. Chairman, if the people of this Province would approve of what the Minister of Finance is doing in this respect and would approve of the manner in which he is putting it forward for the people of this Province.

Again a projected deficit this year and our borrowings cannot but go up to offset it, they must increase to offset it, a projected deficit again this year of \$56. million. The figures when you put them together properly clearly show that. The source of funds on page (5) of the estimates, if you put them all together the total is there \$56,243,200. and now that has increased, that will increase.

MR. CALLAHAN: What is the deficit on the hon. gentleman's new home in Corner Brook?

MR. WELLS: That is none of the hon. gentleman's blank blank business.

MR. CALLAHAN: It is the same thing.

MR. WELLS: This is public business. The public are not liable for my home.

MR. CALLAHAN: It is the same thing.

MR. WELLS: It is not the same thing. What a rotten statement to make. Whether there is a deficit on it or whether I own it out-right, it is none of his business. It has no relationship to this at all. No wonder they call him the Rocky Harbour rooster laying an egg like that everytime he opens his mouth.

Mr. Chairman, I submit, Sir, that the Minister of Finance and the acting Minister of Finance taken together have failed us miserably in putting forward the proper picture of the financial situation of this Province. It has gone beyond failing us miserably when on pages (22) and (23) of the budget speech they indicate, for example, that the total cost of Government assistance under the Industrial Incentives Act is \$3. million, less than it actually projected to be when you look at the estimates. How can that be justified or tolerated in any House?

I do not propose, Mr. Chairman, to move a motion to reduce the salary of the Minister of Finance. If he were in his seat I probably would but I do not propose to do it. But it is incumbent upon me, Sir, to point out -

MR. CALLAHAN: That is very decent, yes.

MR. WELLS: I wish the Minister would keep his mouth shut for awhile then I can finish, Mr. Chairman, and sit down.

AN HON. MEMBER: He is smiling now.

MR. WELLS: He is not smiling, he is smirking. Mr. Chairman, I do not propose as I say to move that the Minister's salary be reduced but it is incumbent upon me to point this out to the committee, that these discrepancies do exist and that the responsibility for it must lie with the Minister of Finance and the whole Government because not only in this situation but throughout, in the answers to questions and everything else all year, it has been clear the Government is not desirous of giving full financial information, full and total information on the financial situation of this Province. It is a disgusting one, we are in a difficult circumstance and it is time now for complete candor and time now for an effort to make sure that we try and govern ourselves accordingly, to ensure that we do not fall into financial difficulties in the future, which is quite possible with the course that we are headed on, when you consider the rate by which our borrowings are being increased and the rate by which our annual liabilities to service those borrowings are being increased - and to paint them in this rosy picture when the truth is something else is nothing less than shock<sup>ing</sup> and somebody should tell the Minister so.

Thank you, Mr. Chairman.

MR. EARLE: Mr. Chairman, under this general heading of finance I would just like to make a few remarks. I have been glancing over the staff in particular, the staff of the department and when I was Minister of Finance I think my colleagues in Cabinet always felt that I favoured that department rather strongly and I make no apologies for it as I did fight very hard to upgrade the department. The fact is, of course, the Department of Finance is the life blood, the life and death of the Province in so far as the collection of revenues and the expenditure of the Province is controlled in that Department and no Government can function properly without a very adequate Department of Finance.

What distresses and worries me since leaving that Department is that I notice that the total staff for the coming year has not been increased. Actually

MR. EARLE:

it is decreased by a few pegs. There are one or two particular divisions in the department which even in my time were very inadequate indeed to do a proper job and my Deputy Minister of the day and all his officials were continuously beating a path to my door to try and get not only more staff but better qualified staff to help them. The thing which amazes me at the moment is that we have a new Deputy Minister and incidently I would like to pay tribute to him, as I worked with him for a year and a half and found him to be a very able person, and I am delighted that he is now Deputy Minister of that Department.

When I was there, there was a Deputy Minister of Finance who was also the financial advisor to the Premier, and the gentleman who is now Deputy Minister of Finance was the Associate Deputy. He has moved up but yet there does not seem to be the replacements for all these gentleman. All along the line there have been some movements up but somewhere along the line without the increase in staff there must be a gap and the worst feature of this gap is that it is in the most important and vital positions in the Department. For instance the financial advisor to the Premier was constantly bringing to me up to date statistics of how we were going by way of revenue and expenditure. Now this is an essential performance of Government, that the Premier be continuously advised of how the Province is faring. I am wondering, in the burden of work that these gentlemen had to do when I was there and the situation as it exists today, I question whether this can be kept up adequately, because I was not by any means satisfied that it was being done well or as it should be done when I was there.

For instance in the staff, the central accounts division in that department came under great criticism from the Auditor General. Year after year we have seen the Auditor General's report criticize the activities of the Department of Finance. We know there was an awkward session here in the House last year and again some very awkward questions were ask this year. The Auditor General himself complained that he did not have sufficient staff. I note in the estimates here that he is getting a few more staff this year. The central accounts division, which was the division of which the Auditor General was most



MR. EARLE:

critical, has, I see, not had any additional staff this year and I suspect that if we are all here again this time next year the same criticisms will be aimed by the Auditor General at the accounts. Now this is most unfair, because the people who are in the department are doing the best that they can with the limited staff at their disposal but they cannot do an impossible job if they do not have sufficient staff and sufficiently qualified staff.

The Taxation Division is actually one less this year than last year. Well that in itself, in the collection of SSA tax, the filing of the records and so on in that division, this was something which was deplorably badly behind when I was there. We were going over the SSA tax records when I was in the office and I suppose I signed hundreds of demand notes on delinquent SSA tax and we had to follow this up very, very urgently indeed to try to make this collection efficient. Now here again they were suffering from lack of staff and the Government and the Province itself suffered by many of these taxation collections falling very badly behind.

This is not to be blamed on the present officials of the Department but it is to be blamed on the policy of Government as a whole, in not recognizing the importance and vital necessity of keeping these efforts of Government up to top efficiency at all times. I noticed that the date of processing, of course, has been transferred over to the new operation in the Elizabeth Towers and it is taken out of the Department. There was sixty-seven staff there which have now, I take it, gone to the new division. I believe that it is the aim, eventually if not quite soon, to have that particular operation self-supporting.

I have questions to ask later on on the expenses which are shown within the Department, but I thought that all of the expenses which that division would incur would be spread over various departments for which they did work, but there still seems to be a very, very sizeable amount for them in the Department of Finance.

The Collector of Revenue, this again is a staff which was fifteen and is now fourteen. It seems to me, Mr. Chairman, that we are going backwards in very vital services indeed. Collector of Revenue, what the title itself says

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MR. EARLE:

is self-explanatory but this is another vital service of the Government and yet it seems to be falling behind. On the Loan and Debt Management services the staff is reduced from six to three. Now this I think might answer some of the questions that my hon. colleague here on the right who has questioned the proper presentation of the facts. This division, if it were properly staffed, could well bring up the sort of material that he is asking questions on.

The Treasury Board Secretariat, this is a comparatively new body over the past couple of years and here again they are doing a vital service for the Government. This body of persons goes into every department of Government, assists the accountants in these departments and the staff of these departments to keep a running record on what is happening with the expenses and revenues of each department. If a department is going overboard in its expenditure this is the body that catches it and tries to check up on it and it shows them ways and means of making savings. This Treasury Board Secretariat and the staff under that is an absolute necessity because all departments in Government complain that they themselves need assistance in keeping their own expenditures and so on in line with the budget. Now we see what happens if they do not, then we are faced at the end of the year with a \$21. million supplementary supply estimate. All departments are inclined to overrun and it is the job of this Treasury Board Secretariat, with the help of the Treasury Board itself, to try to keep this in line.

I think last year the Treasury Board with the limited staff it had, did an excellent job and it was for that reason really that these men who work with me, members of Cabinet and so on, were able to keep their fingers on the pulse of expenditures of Government and try their very best to keep it within line. This is an impossible task but I take off my hat to them. They did an excellent job. They did as good as they possibly could under the circumstances and I most certainly hope that that division will be strengthened.

What it all adds up to, Mr. Chairman, is that, speaking general on this Department of Finance, I can only reiterate that it is in my opinion the heart of the whole of Government in so far as presenting proper details of the Government's operations and how we are coming out and I know from experience

MR. EARLE:

that the records and the details given to the Cabinet and to the Government, so that they can be aware of how things are headed throughout the year, are not sufficiently paid attention to. These fellows work very hard indeed to try to keep the records before the Government but they are wasting their time unless the Government pays strict attention to them.

MR. CROSBIE: Mr. Chairman, we are now discussing the Department of Finance generally and Mr. Chairman there are serious problems that faces, problems in the field of finance some of which ought to be mentioned now when we are discussing the estimates of the Department of Finance. There is \$100. million coming due in debtness of this Province between the years 1971 and 1974, \$98. million I think to be exact, monies that have been borrowed in the last two or three years without any sinking funds.

Now, Mr. Chairman, if you look at our borrowing over the last three or four years you will see an increasing tendency of the Government, of the Minister of Finance, to borrow large sums of money without any provision being made in the estimates of this Government for the repayment of the principal amounts of the money borrowed. The sinking funds that we are paying into now are almost all sinking funds that were established with bond issues between 1949 and 1966 or 67. Increasingly in the last three or four years this Government is borrowing money on the basis of a three year loan or a five year loan without any provision for sinking funds at all. In other words we are not providing year by year for any contribution towards the principal repayment.

When these loans fall due they are going to have to be paid in toto. We are not going to have any reserve, we are not going to have anything put aside in sinking funds to help meet them. Now, Mr. Chairman, this Government cannot in 1971 or 72 or 73 or 74 get \$30. million of extra revenue to meet a bond issue that is coming due, a three or five year loan. It is going to have to go out to the financial markets of the world and borrow the \$30. million or the \$15. million to repay that loan that is coming due and while it is doing that the -

MR. CROSBIE: In doing that the Government of that day, which is very unlikely the Government now sitting opposite us, is going to have to be borrowing for its own purposes. For its own purposes it is going to have to be borrowing the twenty-five, thirty or forty million dollars that is needed just to keep the Province standing still.

Q: Is the Government worried about that? No, the Government is not worried about the problem that is going to face its successors, all it is worried about are the problems of the moment. Stagger on from month to month or week to week at the moment. Borrow three year money, borrow five year money, borrow it in Deutschmarks, borrow it in Euro-dollars, borrow it in any kind of currency as long as we can get it for our purposes now. Agree to eight per cent, nine per cent, ten per cent. Agree to any amount, do not worry about how it is going to be paid back, this \$100 million that is going to have to be paid back from 1971 to 1974. Do not provide sinking funds. This is going to be a very serious problem for the Government that is in office from 1971 to 1974.

A: The only great words of wisdom we have heard from the Government about that \$100 million, is that (we did not hear them in this House, I think we heard them on a radio program) There is nothing to it, we just rolled it over, just rolled it over. We will just borrow money and pay off the borrowed money, which brings up another point Mr. Chairman.

MR. HICKMAN: Roll me over lay me down and do it again!

MR. CROSBIE: Exactly, that is the tune. Roll me over. That is roll over the bonds. Mr. Chairman, I think it was a year ago this Government changed the method of accounting it had used since 1949, and instead of having sinking fund repayments down in current account, move them up to capital account. And sinking fund payments this year are going to be in excess of \$10 million. That money is in current account and we are going to borrow \$10 million this year to put into those sinking funds. That is the effect of it in capital account. We are going to borrow, in other words we are not, we do not generate now enough current revenue to help meet our debts. The payments of sinking funds

are no longer in current account, where they would have to be paid into the sinking funds, where that money would have to come from current account revenue. The sinking fund payments are now up in capital account because the Government did not want to show a tremendous current account deficit. They are up in capital account and the \$10 million to be paid in the sinking funds this year is going to be borrowed, has to be borrowed by the Government. So, we are going to borrow the exact figure of ten million, one hundred and some odd thousand.

Sinking funds; \$10, 137,100. is going to have to be borrowed this year in capital account to be paid in the sinking funds. So Mr. Chairman, if this is the method of accounting we are going to adopt now, this Province will never be in any other position than borrowing to repay its past borrowings, and borrowing to pay its past borrowings, and borrowing to pay into sinking funds to meet past borrowings. That is what has happened. If that \$10 million were down in current account where it should be, the Government could not come into this House this year and pretend there was going to be a current account surplus of \$1.5 million. They would have to show a current account deficit on the estimates of \$8.5 million. The deficit for the year ending March 31st., 1969, if that change had not been made, the deficit on current account would not have been \$3.2 million, it would have been around \$12 million.

The Government is not worried about that, as long as it can appear to the public in Newfoundland that we have not a current account deficit, what difference? Let us put sinking fund payments up in capital account so we will not have a current account deficit. There was a question asked in this House and answered today, Mr. Chairman, about whether or not the Newfoundland Government had any indebtedness to the Bank of Montreal at the present time. The answer was given, "no". We were told today in answer to a question that the Government at this present moment does not owe, does not owe, the Bank of Montreal any monies at all. It is question 515. "What is the amount of any demand loans or other indebtedness of the Government to the Bank of Montreal and what is the interest rate charged?" The answer; "we do not owe the Bank of 4791

Montreal any money, or words to that effect. Question 227, which was on the Order Paper of March 10th., asked whether there was an overdraft of the Government at March 31, 1969 and the answer was that there has never been an overdraft. Part (2) of the question was, "at March 31, 1970, what is the indebtedness of the Government to the Bank of Montreal with respect to any overdraft or loan account of the Government with the Bank of Montreal, and at the same date, what is the amount of the indebtedness of Government Crown Corporations, commissions or any Government agency to the Bank of Montreal or any Canadian chartered bank with reference to overdrafts or loan accounts of those agencies with the said banks?"

The answer given, was that the Government owed the Bank of Montreal \$14, 859, 670. at March 31, 1970. Are we to understand from the answer to the question, given today Mr. Chairman, that this \$14,859, 670. has been repaid? That we do not today owe the Bank of Montreal, the Province's bankers any amount of money at all? If the answer is yes, it is hard to believe. It needs an explanation. How was the \$14 million repaid? As part of question 227, it was asked; "what is the amount owed by the Government Crown Corporations and so on in connection with treasury bills or notes or short term indebtedness having the term six months or less?" Treasury bills, \$4,697,000., that was the Government, and the Power Commission \$3 million. That is the only note I have on that answer.

Mr. Chairman, I say that this Government owes Canadian Chartered Banks today, must owe Canadian Chartered Banks today some money and the Bank of Montreal in particular, and that it must be paying to the bank the prime rate of interest which is at least nine per cent or nine and a half per cent. Despite this, the Government has made a loan to the Newfoundland Industrial Development Corporation to the Franklyn Bank down in New York, the Franklyn Bank, a deposit of \$1 million and the Government is receiving six and one quarter per cent interest on that deposit. Now what kind of financial madness is that? A Government that borrows on the one hand \$1 million, on which it has to be paying nine or ten per cent and loans it on the other hand to a bank down in New York where it is only getting six and one quarter per cent



for its money. What is the financial sense, the economic sense, or any kind of sense to that?

Why should we have a deposit, if we has a spare \$1 million, why would we not reduce our loans Mr. Chairman and save the interest? Are we to understand that as of today's date this Government does not owe one cent in short-term indebtedness? Not one cent in treasury Bills? Not one cent that is on money that is on call for six months or under? Not one cent to a bank? It is incredible. If it is true, we would be delighted to hear about it and how it was done. Fourteen million and some odd dollars owed the Bank of Montreal the end of March and the interest rate must be nine or ten per cent. Then there is this \$1 million down in the Franklyn Bank, is it down there legally? Is it a contravention of the Revenue and Audit Act or is it not? Surely the Minister of Finance must be advised on that.

Why is it there? Is it down there to keep the New York Franklyn Bank sweet on Mr. Shaheen? Is that the purpose of it? Unheard of.

Mr. Chairman, when you consider the finances of this Province, just consider this, that a member of this House, in fact more than one member, several members tabled questions in March. The Order Paper of February 23rd. the hon. Leader of the Opposition tabled a similar one. I tabled a question asking the Minister of Finance, at January 1, 1970, what is the amount of the gross funded debt of the Province less any sinking fund. What is the amount of the net funded debt of the Crown Corporations involved in lease-backs? What is the amount of direct unfunded debt under the headings of Bank overdraft, temporary borrowings, due on new road machinery, due on road building contracts, due on hospital equipment contracts and other unfunded debts?

As of January 1, what was the amount of the Government debt under the following headings: Guaranteed debenture debt with reference to municipalities? Guaranteed debenture debt other than with respect to Newfoundland municipalities? Guaranteed bank loans for Newfoundland municipalities? Guaranteed bank loans for other than Newfoundland municipalities? Any other guaranteed debt? And as at the same date what was the total amount of any commitments given to guarantee debts in the future?

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The Minister of Finance Mr. Chairman, refused to answer that question. He refused to answer the question as to what the debt of the Province was in January 1970. A Minister of Finance that refuses to tell the members of this House, and through them the public, what our indebtedness was on January the first 1970, with the contemptuous answer " this will all be in the Budget Speech." We have all seen the Budget Speech, we have read it and digested it; gone over it page by page, line by line, word by word, and there is not one syllable in the Budget Speech as to what our indebtedness is at January 1, 1970 or March 31, 1970, or at any date. What is the secret?

Now, the Auditor General's report shows us what the debt was the year ending March 31, 1969. Why should we have to wait, Mr. Chairman, till January or February or March 1971 to discover what our debt was at January 1, 1970? We should not have to. What is the big secret?

It has to be in financial prospectuses. There is a \$15 million loan the Government borrowed there in March before Mr. Groom went. Mr. Groom waved his magic wand and got \$15 million over in Europe. There has to be a prospectus when there is a bond issue, Mr. Chairman. That information has to be given the investors, the people who are buying the debentures. Why not to the members of this House?

There was a question asked about this \$15 million loan that was negotiated in March. The question was tabled on April 10th., the question number 365. "Did the Government recently borrow \$15 million in Europe? If so, what is the term of the loan? What is the interest rate to be paid in connection with the loan and is there any provision for a sinking fund in connection with the repayment of the loan?" Not one syllable, not one syllable tabled in reply to that question Mr. Chairman. It was tabled April 10th., this is May 21st. No one can tell me that the officials of the Department of Finance need five weeks to search out and discover what the terms of the loan were that they negotiated in March. They know that immediately. What has happened to that reply? Is that another reply that did not get to the Premier so he cannot table it?

MR. SMALLWOOD: That is right, I have not received it.

MR. CROSBIE: Well, if the hon. the Premier has not received it I say shame on the Department of Finance that they do not know the terms of a loan they negotiated in March, if they cannot answer that question in ten or fifteen minutes. Was the amount borrowed? Yes or no that is all. What is the term of the loan? Five years, four, three, two, one. What is the interest rate? Nine, ten, eleven, fluctuating. Is there any provision for a sinking fund? Yes or no. The Deputy Minister of Finance is in the House tonight, Mr. Speaker, he can answer all those questions right now, right this minute. He does not even have to research it.

Part two of the question; if such a loan has been arranged by the Government recently are the proceeds of this loan to be used in connection with capital expenditures or deficits of the Government during the financial year ending March 31, 1970 or is it for the next financial year? Nothing could be simpler, yes or no. (3) In connection with the loan, who acted on behalf of the Government to place it? What commission did they get? What were the amount of legal fees if any paid? What were the total expenses of the Government? All that is obtainable in the Department of Finance. A half hours work. (4) "Were the debentures of the Government or other legal obligations sold at par or below par, were these bonds sold at par or below par? What price were they sold for? What was the effect of yield to the purchasers?" That is all. Now any official in the top echelon of the Department of Finance can answer that question, Mr. Chairman, in half an hour, definitely no more than half an hour but we are not given it. It is not tabled in this House. Forty-one days have gone by and we are not given that information.

Another question, Mr. Chairman, question after question and somebody has the gall to get up in the House and say they answered 370 questions out of the 515, answered them. Another question for the Minister of Finance, "in connection with Government debt and so on what are the amounts of repayment of principal that must be met by the Government or any town corporation between April 1st, 1970 and March 31st, 1973 showing the total principal repayments during that period and the amount each agency is liable for?" In connection with the above

MR. CROSBIE:

what are the amount of sinking funds available to be used towards meeting those payments? That question was asked the beginning of April, no answer: Just not answered. The Government does not want to answer. The Government hopes this session of the House will close without having to answer these questions and that we are going to forget them. Well, we are not going to forget them.

AN HON. MEMBER: He is being repetitious again, Mr. Chairman.

MR. CROSBIE: The hon. Ministers' presence in this House is quite repetitious without his butting in. The hon. Minister might think it is repetitious but you cannot repeat too much some of the things that are happening here.

MR. WELLS: The hon. Minister would not know anything about that kind of thing.

MR. NEARY: If we get stuck the hon. member will give us a loan.

MR. CROSBIE: Which hon. member?

MR. NEARY: The hon. member who is speaking.

MR. CROSBIE: Do not look to me my friend. If I had the money I would loan it to myself. The hon. Minister is in a very dangerous profession and he would not be safe to loan money to because he could be out of office within the next year and a half. You know that is one of the first questions a Finance Company asks. What is the stability of your employment? And the hon. Ministers is very, very unstable, very uncertain.

Another question asked, Mr. Chairman, it was tabled, I think, in March. "What were the names of the owners and operators of hotels or motels within the Province to which the Government has given financial assistance by way of loan or guarantee, showing the amount and the date and so on?" Not answered, no answer to that. Here is an interesting question not answered. "In connection with the Crown Corporation known as Hotel Buildings Limited, for what reason has the said Crown Corporation made an investment of \$200.00 in Bally Haly Golf and Country Club?" What is the Crown Corporation doing investing \$200.00 in Bally Haly Golf and Country Club? That is what the balance sheet shows to March 31st, 1969.

MR. NEARY: How about the Marble Mountain Ski Club?

MR. CROSBIE: If that was reported by the Auditor General I would ask about that.

MR. CROSBIE:

\$200.00 that the Crown Corporation has invested in Bally Haly, now who wanted to play golf, that is the question, or curl? Now that would not take long to answer. Another part of the question, "has Hotel Buildings Limited or the Government entered into a contract with Atlific Newfoundland Limited covering the operation of the hotels and if so would they table it?"

AN HON. MEMBER: Who is Atlific?

MR. CROSBIE: Atlific is, we will have to ask the hon. friend from Rumber East who Atlific is.

MR. WELLS: I have no idea.

MR. CROSBIE: "It is the company that operates the Holiday Inns hotels which are owned by Hotel Buildings Limited, a Crown Corporation. If so, will the Government table a copy of the contract in the House of Assembly? "No answer. This was asked the beginning of April. No answer. Now if there is a contract why cannot the Government table it in this House of Assembly so that we can see what the arrangement is between the Crown Corporation and Atlific Newfoundland Limited? Is it something to be ashamed of? Is it such a poor bargain, such a poor agreement that the Minister of Finance does not want the members of this House or the public to see it? Answer is; yes it is such a poor bargain, yes it is such a poor agreement that the Government does not want the members of this House or the public to see it. That question was not answered. "What is the amount of the investment of the Government or any agency of the Government in Hotel Buildings Limited?" Another question with its various sections. "Has Hotel Buildings Limited or the operators of Holiday Inns, Atlific Newfoundland Limited, made any contribution to date for the Government or any Government towards the cost of meeting annual payments and principal and interest required in connection with the investment of the Government and Hotel Buildings Limited?" That is not answered.

Any competent official in the Department of Finance can prepare all the answers to those questions in an afternoon. There is something gone wrong in the pipe lining that goes between the officials and the Minister if the Minister has not the answers to table here.

MR. NEARY: There is something about Newfoundland lease-backs I want to hear.

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MR. CROSBIE: I will tell that hon. gentleman about quite a few things if he will just listen. He wants to know about lease-backs, yes I will tell him about lease-backs, I will do that.

MR. NEARY: The hon. gentleman do not have to ask us about lease-backs, we have all the answers.

MR. CROSBIE: Yes, good and I am glad you have got the answers. Now perhaps the hon. gentleman will tell me about Atlantic Brewing? Let us get down to Atlantic Brewing next. Those are some of the questions that were not answered, Mr. Chairman, and still not answered. In addition to the borrowing the Newfoundland Government is doing direct, it is guaranteeing all kinds of borrowing. Here is an answer to a question. They are borrowings by the Newfoundland and Labrador Power Commission. April 1st, 1967, December 31st, 1969 all guaranteed by the Government, in that two year period \$123,156,000. Borrowed from April 1st, 1969 to December 31st, 1969 - \$32.5 million. There is borrowing going on in every direction, direct and indirect.

Royal Commissions, this is the Department, Mr. Chairman, that deals with Royal Commissions. I will wait until we get to the Royal Commission item to speak on Royal Commissions and the money that is being fired away by the Government on Royal Commissions that they are ignoring, absolutely ignoring. There was a motion put in the Order Paper here, Mr. Chairman, and the hon. member for Burin moved that a select committee be appointed to consider the report of the Auditor General and the public accounts for last year and it came -



MR. CROSBIE: and it came up for debate, the Government voted against it, despite the fact that the Auditor General has put in this report which indited the Government in many respects. The Government voted against that resolution, and moved one themselves the next day, that is still on the Order Paper. Still on the Order Paper.

Motion No. 1, "The hon. Minister of Finance to move: that Mr. Speaker do appoint a Select Committee of this House to consider the report of the Auditor General and the statement of the Minister of Finance thereon and to report to this House and that the said Select Committee have permission to sit during the sitting hours of the House." That was the motion, never called since then, that has been on the Order Paper I believe March. Yes, it was March, before we adjourned that has been on the Order Paper. Not brought before this House, the Select Committee not appointed, why not? Because the Government never intended in the first place to have any Select Committee or any committee.

MR. CHAIRMAN: Order, please.

MR. CROSBIE: Mr. Chairman, this was the motion of the Minister of Finance on the Order Paper.

MR. WELLS: Failed to bring out.

MR. CROSBIE: And this is the report of the Auditor General reporting on the Financial Year ending March 31st. 1969. Well there is no point going through it all, the right place for this to be done is in a committee, a Standing Committee of this House, that should every year receive the Auditor General's report and then go through it with the Minister of Finance and other officials. But this Government has stubbornly refused every year to permit it.

Now, I am only going to refer to one item in it, and that is an item on Atlantic Brewing Limited. On page 20, Item 60, the Auditor General <sup>the</sup> said, that during course of the audit of the accounts of the Newfoundland Liquor Commission, for which the Minister of Finance is responsible, for the

MR. CROSBIE: ended March 31st. 1969, it was ascertained that the Commission's profit on sales of beer collected by Atlantic Brewing Company Limited amounting to \$373,852.13 has not been received by the Commission. I was informed that the company claimed that it was permitted to retain this profit under an exemption or concession granted by the Premier for purposes of encouraging the establishment of new industries at Stephenville. In subsequent discussion with the Department of Justice, I have been informed that no legislative authority for this exemption or concession exists, and that in consequence the Commission had caused a writ to be issued against the company in an effort to affect recovery of the amounts owing. "Profits of the Newfoundland Liquor Commission are public money, and the non-receipt of the amount as well as a doubtful value of the writ that has been issued, constitute in my opinion a potential loss of public funds." That is what the Auditor General said, it was one of the items in his report.

The question was put on the Order Paper, Mr. Chairman, about that. That question asked, "did the Premier inform Atlantic Brewing Company Limited that they had an exemption or concession granted by the Government, exempting them from paying the profit of the Newfoundland and Labrador Liquor Commission on sales of beer, as claimed by Atlantic Brewing Company Limited and as reported in Item 60 of the Report of the Auditor General of the House of Assembly for the financial year ended March 31st. 1969?" The answer the Premier gave, the Premier gave the House, was "no", that he had not informed Atlantic Brewing Company Limited to that effect. "If any such exemption or concession was granted or reported to be granted by the hon. the Premier, was it in writing or verbal only?" That did not follow because it was said that it had not been granted an exemption. "Was an Order-in-Council passed?"

There was an subsequent question tabled in the House, and it is number 247, Mr. Chairman. It is worded differently. "Did the Premier inform Mr.

MR. CROSBIE: John O'Dea of St. John's by a letter dated December 30th, 1966, that in connection with the new Brewery proposed for Stephenville there would, <sup>be</sup> an exemption from taxes of the Newfoundland Government and in particular, that there would be an exemption from the taxes imposed by the Board of Liquor Control and then amounting to \$2.17 per case of beer sold or shipped from the plant?" Now it is different wording, not did the Premier inform Atlantic Brewing Company Limited, Mr. John O'Dea one of the principals in it. That question has not been answered yet, Mr. Chairman, for some reason. I say that the Premier did inform Mr. John O'Dea, by a letter dated December 30th. 1966, that there would be an exemption from taxes of the Newfoundland Government, and in particular an exemption from the taxes imposed by the Board of Liquor Control, then amounting to \$2.17 per case of beer sold or shipped from the plant.

In 1966 the profit or the commission of the Newfoundland Liquor Commission on every case of beer was \$2.17. Now the breweries of Newfoundland act as agents for the Government in delivering and selling beer. The Government owns the beer once it leaves the breweries. And they had to add on to the price of every case of beer what the Liquor Commission tells them to add on. In 1966 it was \$2.17, it is now gone up to \$2.49, That is what it is now. And I say that the Premier informed Mr. John O'Dea, by letter, that the taxes imposed by the Board of Liquor Control and presently amounting to \$2.17 per case of beer sold or shipped from the plant that their beer would not be subject to that tax.

Now in the Premier's letter he described it as a tax of \$2.17, it is not technically a tax, it is a commission or a profit. In the Alcoholic Liquors Act, it is called a commission. It was known by the person who asked the question, and the person who answered it or who did not answer it, what is meant, or the person who got the letter. It is called a commission in the Act, it is really a tax. It is really the Government taxing, and the Atlantic Brewery was informed that they were exempt from this \$2.17.

MR. CROSBIE: In other words they were led to believe that they could sell their beer in Newfoundland and collect \$2.17 per case from the public and keep it, not turn it over to the Government, keep it. The other three breweries would have to collect the \$2.17 and turn it over to the Government, but Atlantic Brewing was led to believe that they would collect the \$2.17 and keep it for themselves and not have to turn it over to the Government. That is what the letter led them to believe.

Now, Mr. Chairman, it is obvious what happened, it was later discovered that the Premier could not exempt Atlantic Brewing from that profit or commission of \$2.17, He could not do it, he did have the legal authority to do it. The Alcoholic Liquors Act would have had to be amended to do it, That was never done, and I say further, Mr. Chairman, that exemption never came before the Cabinet. But this is the reason why Atlantic Brewing were allowed to operate for thirteen months and not one attempt was made to collect the \$2.17 later the \$2.49 per case from them, because they were told they had an exemption. And the Premier would not allow it to be collected.

Now what is the result? The result is that the Government is owed some \$400 and some odd thousand dollars. The writ issued on October 27th. 1969 for \$407,361.59, Profit of the Newfoundland Liquor Commission on beer sold by Atlantic Brewing Company Limited to persons licenced by the Newfoundland Liquor Commission to sell beer and to other persons. And then it goes on with more details. That this money was not turned over to the Newfoundland Liquor Commission from May 1st. 1968 to May 1st. 1969, 343,261 and one-half dozen bottles of beer on which the commission is owed \$407,361.59.

The Minister of Finance is responsible for the collection of that money. And under the Alcoholic Liquors Act, Mr. Chairman, under that Act the Brewery must turn over to the Newfoundland Liquor Commission, by the middle of the following month, the commission it has collected in the previous month. In other words what is collected for January it must be turned over on February 20th. to the Newfoundland Liquor Commission, and if you do not

MR. CROSBIE: turn it over they are on your doorstep knocking on the door to get it. That is if you are one of the three established breweries. But Atlantic Brewing are allowed to go thirteen months without paying it at all.

MR. HICKMAN: The Brewery is going to reopen.

MR. CROSBIE: I hope the brewery does reopen, but it has got nothing to do with the reopening. I am talking about the commission that every other brewery has to pay in this Province, Monies that belong to the Government of Newfoundland, Atlantic Brewery was allowed to retain and keep and told that they had an exemption from paying that tax. A letter from the Premier, December 1966, not authorized by the Cabinet.

MR. WORNELL: Inaudible.

MR. CROSBIE: Under the Bankruptcy this is a preferred claim, but not a secured claim, I do not think.

Now, Mr. Chairman, when the original question was asked was any communication directed to Atlantic Brewing? It is true it was not Atlantic Brewing Company Limited that was written, it turns out it was Mr. John O'Dea, before that company was incorporated. But there is a difference between answering the exact literal words of a question, (we have been around) answering the exact literal words and answering what is obviously intended and meant by the question. These are two different things, and while that was literally correct, there was no letter written to Atlantic Brewing Company Limited, there was a letter written to one of the principals of that company, who was going to establish the brewery at Stephenville, stating that they had an exemption from the tax of \$2.17 per case on beer. That is poor administration. It is not the way to administer the affairs of this Province. And if the Government had had the power to give the exemption in my view it would have been wrong.

Here you have a situation where you have three breweries in Newfoundland manufacturing beer and employing a few hundred people, which have been

MR. CROSBIE:

here for many, many years, they had to turn over \$2.17 or \$2.49 from every case of beer they sell, they must turn over to the Government, but a competitor was going to be permitted to come into the Province, sell the beer for the same price, but keep the \$2.17 or \$2.49. How is that for competition?

MR. MURPHY: Nice work if they can get it.

MR. CROSBIE: Yes, I agree with giving incentives, Mr. Chairman, to help industry establish in Newfoundland, but not incentives that are going to put under the industries that we all ready have in Newfoundland, what is the sense or point of that? Not only that but a new modern brewery will have far less employees than an older brewery, because of the new machinery and the new automation and the rest of it, it just <sup>does</sup> not make any sense.

Now there was a Minister of Finance, and the Minister of Finance was responsible for collecting that money or seen that the Newfoundland Liquor Commission did. And the only reason that can be given for the fact that he, the minister, did not do it, was, he must be under orders not to do it, because there had been this exemption attempted to be given, or the minister did not know anything or there is something wrong with the situation.

There is another alarming thing about the estimates too, Mr. Chairman, the estimates -

MR. MURPHY: Would the hon. member think that legally, can that firm be prosecuted in view of -

MR. CROSBIE: I do not know, that would be a question for the court to decide whether they had a defence. You see the letter said that tax of \$2.17, instead of saying the commission or profit of the Liquor Commission on beer, it says the tax, it wrongly calls it a tax. Well they would not have a defence, you see, because the Government could not legally do it, the Premier had no legal rights to grant them the exemption, nor did the Government without this House amending the Alcoholic Liquors Act.



MR. CROSBIE: Another alarming feature of the estimates, Mr. Chairman, that has to do with the Minister of Finance is this, his optimistic projects of how our revenue is going to go up next year. The minister says that the personal income tax collected by the Newfoundland Government, he says that last year \$19,232,000 was collected by this Province in personal income tax received by us, but this year, the year we are in now, the Government is going to get \$5 million, just about \$5 million more. He estimates \$24,029,000. Well what explains this over twenty-five percent increase in receipts from the personal income tax this year. Where is it coming from? Why? There was a slight rate increase last year, but that is going to bring in anything like \$5 million? The Minister of Finance presumably will now explain how he is going to get \$5 million in extra income tax this present year.

Another thing I do not understand, and I know there must be an easy explanation, was mining tax and royalties went down this year by almost \$1 million from - the revised estimate for last year is \$3,490,000, this year the estimated mining tax and royalties are only \$2,552,000. Now there is probably some simple explanation, but it needs to be explained. Tax equalization is estimated to go up, this amount we received from the Federal Government is estimated to go up \$6 million this year. How is the estimate arrived at? Would the Minister of Finance mind telling us that? I do not like to <sup>be</sup> interrupting him, but it is a question, how is the tax equalization going to go up by \$6 million this year? We are not going to get the answer I suppose, I do not know why I am asking the question. I think I will give up. Will I give up?

MR. MURPHY: Surrender.

MR. CROSBIE: Just for that I will not give up. I will go on asking them, although we do not get the answers.

Revenue - Sales and services, trading profits of the Newfoundland Liquor Commission.

MR. SMALLWOOD: If the hon. gentleman would sit down for a minute, I would give him a number of answers, and then he can start a new batch.

MR. CROSBIE: Now this is my last question, Mr. Chairman, the last question I have is this, trading profits of the Board of Liquor Control the Government Estimates are going to go up from \$14.3 million last year to \$15.8 million this year, that is \$1.5 million increase, now is that likely in view of the fact that this, certainly not yet anyway, is not a very prosperous year, in fact it is the reverse, what leads the Government to expect that their revenue from beer and liquor is going to go up \$1.5 million this year without any tax increase? There, I think that will about do it.

MR. MURPHY: A half a million in the Budget.

MR. CROSBIE: \$1.5 million in the estimates.

MR. SMALLWOOD: Mr. Chairman, the mining royalties for this year, which of course we received in respect of last year, mining royalties are paid to the Government for the year after they were contracted, will be \$2.5 million or will be substantially less than we estimated last year, because of the fact that there was a strike. I had a study made of the loss to the Treasury of this Province resulting from that strike and it is \$2.5 million. The Treasury of this Province will lose this year in respect of last year \$2.5 million on account of the strike, direct and indirect. There will be that much less money come into our Treasury this year, than would have come in this year, if there had not been the strike last year. It is always paid in arrears, the royalties for last year are paid this year, the royalties for this year will be paid next year. So we are receiving into our Treasury this year \$2.5 million less than we would have received from Labrador Mining Enterprises had there not been a strike.

Let me say this, that there are still twenty questions outstanding in the Department of Finance. There are twenty questions they still have that they have not answered yet, I was just told a minute ago. I was also told something interesting, that rather surprised me, and that is

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MR. SMALLWOOD: that it is the practice in the Department of Finance among the officials to answer the question seriatim, they answer number one first, and then they answer number two, and then they answer number three, they take them in the order of their numbering on the Order Paper, and by that I would assume that the twenty questions that they have not answered are the last twenty that were asked, this may not be down to the last detail, but this is approximately, so I am told now, this is approximately what happens.

Now let me talk about the money we owe the banks, I said here, today or may be it was yesterday, that we had no over-drafts at the bank or banks, which is correct, and that there are no demand loans at the bank or banks, which is correct. Now I did not say, or any other indebtednesses, but what I said was there was no over-draft, there were no over drafts, there is no over draft at any banks, and there are no demand loans at any banks. The only money we owe the bank or

MR. SMALLWOOD: As you know, the amounts at this moment are to the Bank of Montreal, two loans. One for the purchase of shares we bought, the Government bought in Churchill Falls Corporation. We bought shares to the extent of about \$10 million. Something in the order of \$10 million. The Bank of Montreal financed them, and lent us the money with which to buy those shares. We owe that money. We have not paid. We have found other things that we considered to be more important to finance, than the financing of those shares. The Bank owes the shares for us, and we owe the Bank, and we pay interest on the loan.

Also Mr. Chairman, we owe the Bank an advance they made to the Steel Company, and the two together, that is \$2½ million. So it is approximately \$12½ million we owe the Bank of Montreal, and we owe no other Bank anything in this Province.

Now in connection with the deposits we have caused to be placed in the Franklin National Bank in New York. May I say this in the first place? That the Franklin National Bank is one of the big banks of the United States. This of course makes it one of the big Banks of the world. And that is the Bank that advanced the Newfoundland Government a loan of \$5 million, to do the bridge financing in connection with the Oil Refinery at Come-by-Chance. We borrowed \$5 million from that Bank, and we made a deposit. The Government made a deposit of \$100,000 in that Bank, that same Bank - we have \$100,000 there now on deposit drawing interest. We caused \$1 million to be lent to that Bank, or not lent to it, but put on deposit. It is our account. It is our money. Instead of lying on deposit in a Bank here. It is lying on deposit in a Bank in New York, the property of the NIDC. Newfoundland Industrial Development Corporation. A Crown Corporation. A Corporation wholly owned by the Government of Newfoundland, and that Crown Corporation keeps \$1 million on deposit in the Franklin National Bank. Now the question may naturally enough be asked, why is it we have these two deposits, our money belonging

to the Treasury of Newfoundland on deposit with Franklin National Bank? And the answer is this. It is almost the universal practice in the United States, and it is a common enough practice in Canada, but a universal practice in the United States to place deposits in Banks from which you borrow money.

Now commonly across Canada, the way it is done is, that if you go and borrow \$1 million from a Bank, they lend you perhaps \$800,000. And the \$200,000 is left in the Bank on deposit. This is a commonplace practice both in Canada and the United States. But when we borrowed the \$5 million from Franklin National in New York, they did not demand from us any deposit. And we made no deposit. The deposit we made at first of \$100,000 directly from the Treasury, and subsequently \$1 million from N.I.D.C. were made subsequently, a fairly substantial period of time after they had made the loan of \$5 million to this Government.

I say this is a commonplace practice across Canada, and a universal one in the United States. Now with regard to the short-term borrowing done by the Government. It is I suppose now, common knowledge in Newfoundland, and certainly in the other nine Provinces, it is common knowledge. And it is universal knowledge in the United States that there is such a thing as tight money. There is such a thing as shortage of money in the world, in the European world, and the North American world, a shortage of money. A scarcity of money! Though there is more money than there ever was since time began, but there is a shortage of money compared with the need or the demand for money. In that sense there is a shortage, and a shortage of money compared with the demand for it, has sent the cost soaring. This is what we call tight money, meaning really, expensive money. And when money is expensive, interest is high. In other words it is dear money, it is expensive money, the interests rates are high. When money is dear, when money is tight, it is a poor time to borrow. Normally a Government goes out and borrows for a period of fifteen years, and we have had many loans in the past for a term of twenty years. And

we have had loans for twenty-five years. The trend in recent years, in the last decade or longer, has been for rather shorter terms than twenty years and certainly much shorter than twenty-five. Fifteen years now or even twelve years has become a commonplace term for bond issues. But, if we went out in a time of tight money, expensive money, high rates of interest, and borrowed for fifteen years, if we could get it for fifteen years, assuming we could get people to lend money for so long a term as that, if we could do it, we would be tying ourselves to the present high rates of interest, for fifteen years. So what is the practical thing to do? What is it that Governments have done all across Canada? What have they done? What have they done down in the United States? What have Governments done in the past two years, since money was expensive and scarce? What have Governments done? What has this Government done? It has done exactly what Governments have all done - borrowed short-term.

If you have to pay a very high rate of interest for the money you borrow, then borrow it for a short-term as possible in the belief, in the belief, indeed in the confidence that when it falls due, you can roll it over at a much lower rate of interest. Now what you are doing of course is taking a chance. Two, three years from now, interest rates will not be as high as they are now, that they will come down. This is the belief of the financial world right around the world, that interest rates must come down. They cannot stay up at the very high levels where they are, where they have been for the past year or two years. There was a time when American business men were going over to Europe, and this is a difficult thing to comprehend, but it happens to be true.

Business Corporations of the United States were going over to Europe and borrowing Euro-dollars, that is American dollars. Euro dollars are United States dollars. But they are United States dollars in Europe, that companies over there have earned and kept and put on deposit in their own Banks, in Germany, in France, in Switzerland and the other countries of West Germany. American dollars on deposit in European

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Banks, Euro-dollars, U.S. dollars, Euro-dollars. And hundreds of American firms in the past two years have gone over to Europe and borrowed American dollars in Europe and paid up to fourteen percent interest. But they would be short-term loans. Fourteen percent Mr. Chairman! Fourteen percent interest! It dropped to thirteen, to twelve. It dropped to eleven and to ten, and it dropped to nine, and you can get money in Europe today for around nine percent, maybe a bit more, between nine and ten. And it was fourteen. It is within the past two years that the rates have gone skyhigh. At the present time - the Canadian prime rate dropped a half point the other day down to seven and a-half. The Bank rate dropped one percentage point down to seven percent. It was seven and a-half.

Now most financial advisors, the Banks in Canada, our financial advisors, and will the Committee please bear in mind that our principal financial advisors are the Bank of Montreal, who serve us in three ways. Number one, they are our bankers for our Exchequer account. They are our principal bankers. Number two; they are our fiscal agents. Number three; they are managers of our public debt. And number four; they are our financial advisors. Four functions the Bank of Montreal serves, and has served ever since the early 1890's for almost three-quarters of a century. The Bank of Montreal are one of, I think, two or three banks in a syndicate, a financial syndicate, in Canada, whose managers are Ames and Company, the largest finance House in Canada. Ames and Company of Toronto. manage this financial syndicate which includes at least two of Canada's largest banks, and they are our financial advisors. They handle our borrowing. Every dollar we float, every bond we sell is sold for us by the biggest financial syndicate in Canada. Even when we had Mr. Groom as financial advisor to the Premier, that was the situation, and it is the situation, and it will remain the situation, that the financial advice that we get comes from the largest financial syndicate in Canada, including our own Bank, who are our bankers, our fiscal agents,



managers of our public debt, and financial advisers, and have been for almost three-quarters of a century. This must be borne in mind, and when we place an issue, we never do it, we never place an issue, without getting intimate advice from our syndicate. And indeed it is our syndicate that places it. We do not. It was said by the hon. gentleman who just sat down that Mr. Groom raised that last loan of \$15 million. Not so. not so. It was raised by our financial syndicate, largely with the help of the House of Rothchild in London. That is where that \$15 million came <sup>from</sup>. That is how it was raised. Mr. Groom as the deputy minister of Finance and financial advisor to the Premier, went over with Ames and Company, with the Rothchilds and was present at the floating of that issue.

He did not raise it. Mr. Groom did not raise one dollar while he was with the Government. He was the Deputy Minister of Finance for a large part of the time he was with us, and he was financial adviser pretty well all the time, and he did not raise one dollar. Every dollar we have raised, has been raised for us by the syndicate, headed by Ames and Company. How many more times do I have to say that, before it sinks in. So Mr. Groom could take a job with what has become one of the fastest growing industrial giants in all the world R.T.Z., Rio Tinto Zinc. One of the world's giants they have become in the last years <sup>ten</sup> under Sir Val Duncan. He could leave this Government and go with that fast-growing financial and industrial giant for much more money than he is getting from us. And from us he was at the top of his scale. He could not look forward to increasing income year after year from us. He was at the top of his scale. He could not look forward to much more, if any, whereas by going with Sir Val Duncan, which is a Rothchild organization, The Rothchilds of London and the Rothchilds of Paris, Baron De Guy Rothchild. The Rothchild House in both countries are the prime owners of R.T.Z. And that is the firm with whom he has gone.

And he has gone to better himself, and I say better, I mean better himself, where his prospects are much brighter than they could have been just staying here as Deputy Minister of Finance, and financial advisor to the Premier. Obviously he has improved his lot. Obviously, and he would have been a pretty short-sighted man if had not seized the opportunity when it was offered him. He was going back and forth across the Atlantic. He was conferring with the House of Rothchild. They could easily see that he was a man of very fine presence. A man of fine vocabulary, well-spoken, good-looking, well dressed, and with exactly the right manner for a financier. And they could see the value of having a man like that, and so we lost him. But Sir, if we had not lost him to the House of Rothchild, or the Rothchild Enterprises, we would have lost him to some other firm, if they made it attractive enough for him to go. And I say now we have an outstanding man as Deputy Minister of Finance. I do not think for one single minute, that we are going to be able to hold him forever, if in his moving back and forth across the Atlantic, and across this continent and he has dealings with outstanding firms, banks, finance houses, industrial concerns, we will probably have a job to hold him here, because we will not be able to afford, competing the firm that might want to seize him. Because Mr. Chairman, the greatest single need of large industrial and financial concerns is for men, not money. Key-men. Men with something extra, something special. And if you start off as a chartered accountant, and then you meet the right people, in three or four or five years, you get to be a figure known on both sides of the Atlantic, and the opportunities open up wide for you. So I have no great confidence that we will hold anybody that comes in here from outside with a background to begin with, that we can hold him indefinitely here in our Province. I do not think it at all likely.

Now, it ought to be remembered that it is one thing to stand up over there on that side of the House, and reel off endless statements, reel them off, one by one, by one, by one, one after the other, and reel them off in tones of indignation. A lot of people listening do not know

whether it is right or wrong. They do not know whether these statements and these arguments are correct or incorrect. They do not know. It sounds convincing. And there is not one single individual one of them, that is not susceptible of a reasonable explanation. Let me give an explanation of some things.

Does anyone, in this Committee tonight, doubt that in the course of a year I signed five or six or seven thousand communications and documents of one kind or another? Does anybody doubt that? Has anyone really got any doubt that every year I sign many, many thousands of documents, letters, contracts? I have signed I supposed, in the past twelve months, I have signed minutes of meetings, crown corporations. They bring me in books piled high, and they pass them to me and I sign them. One man handing them to me, another man taking them away, as I sign! sign! sign! sign! sign! I may be signing my death warrant for all I know. Life is just too short for me to sit back and study each document that is put before me. Life is just too short. And so the result is that year after year, I sign thousands, literally thousands, probably five, six, seven thousand things that I do not write, but I sign them. Every day of my life. Sign them in dozens. Dozens upon dozens I sign. Cabinet Ministers will bring things in to me. The Minister of Justice brings them in in armfuls. I sign, I sign. I do not read them, life is too short. I do not have the time. If I did nothing else in this world except read the documents that come to me, I would not get through half of them. If I did nothing else.

MR. SMALLWOOD:

But read them. This would use up most of my life. Life is too short and I have too many things to do to read these documents. I sign and I sign, day in and day out, in thousands, I sign. Now with that background let me remind this committee that when disaster, economic disaster, overtook Bell Island and Stephenville the Government rightly or wrongly, I would say rightly, the Government decided that to help those two stricken communities we would exempt from taxes any new industries that would start in either place. We would exempt them from taxes for two years, two years from the time of their industry starting, not counting the time it would get them to build or install their machinery but when they were ready to start production. From that time on to exempt them from Provincial Government taxes, Newfoundland Government taxes. We could not exempt them from Federal Government taxes. We could only exempt them from taxes imposed by this House. So we announced this policy of exemption from taxes.

We tried, I personally tried, endlessly and intermittently to get enterprises to move in to both places. I was not too successful but you work just as hard to get a project that you do not get as you work to get a project that you do get. You do not know whether you are going to get it or not, you just work and you try to get it and I worked hard to get things to go to Bell Island and to Stephenville and I did get a few to go to Stephenville. When John O'Dea came to me, I knew him as he had sat in this House, he was a member of this House and he had latterly joined the Liberal party and been a candidate for the Liberal party in St. John's South where he was defeated, so I knew John O'Dea well and I had a lot of respect for him and I still have a lot of respect for John R. O'Dea.

Mr. O'Dea had spent a large part of his life associated with a large brewery here in St. John's. When, I think, he had sold out his interest in that brewery and others had sold out their interests. Incidentally, Mr. Chairman, I do not know if you know this, but the three great mainland brewers, I do not even know their names. Canadian Breweries would that be one? What were the names of the others? Carlings and Labatts. Three great Canadian Brewers came down to Newfoundland, one by one, and they lashed out millions piled on

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millions, they lashed out hard cash to buy up those three breweries and they created a number of millionaires, a number of them. They paid out millions to buy up those three breweries including the one of which Mr. John O'Dea was an owner. He was one of the owners, I do not know who the other owners were but I know he was an owner.

Mr. O'Dea came to me one day in my office, accompanied by his financial adviser and said, "Premier, you are anxious to get something going in Stephenville" and I said, "I am indeed, that I am." He said, "Well, we are thinking of starting a brewery." I said, "Well, there are three breweries now." He said, "Yes, but we will start a completely modern brewery that will make draft beer." I had heard of draft beer but I did not know what it was and I ask them what it was and they told me. Draft beer is merely beer that has not been pasteurized, that is all. It has to be pasteurized if it is made in the old fashioned way but if you make it in stainless steel the bacteria count is utterly insignificant, so there is no danger and you do not need to pasteurize it. The reason you must pasteurize beer and milk is because the containers it is in will have millions of little interstices, almost invisible holes on the surface of the metal, into which uncountable billions of bacteria congregate. So you must pasteurize the beer or the milk, but if you have stainless steel you do not have to. This is what they told me.

They said, "What will you do for us if we start a brewery there?" They told me what it was going to cost. I think it was \$2. million, which is a lot of money. They were going to get, I think, half a million from the Canadian Government, from the ADA - Area Development Agency of the Canadian Government, and they were going to borrow from the banks and they were going to put in money of their own and it was going to be a total cost, I think, \$2. million. I am speaking from memory. I was astounded to think of that much money going into a brewery but I figured they knew what they were doing, as John O'Dea spent his life at it, so he should know what he was doing.

Well, I said, "What we do is this; we give you complete exemption from taxes but only Newfoundland Government taxes. We will give you that for two years and once your plant is built and ready to produce, have a ceremony, open

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it up and from two years after that you pay no tax." It is not only a brewery, any industry that goes to Stephenville or to Bell Island will get exemption from Newfoundland Government taxes for two years. They said, "Well, just what would the taxes be?" I said, "I do not know, whatever they are. Sales tax, gasoline tax, we cannot exempt you from corporation income tax because that is Federal," although I should have remember and I did not that partly it is Provincial." There is a Provincial corporation income tax and there is a Provincial personal income tax but I do not think they were ever given exemption from that. But anyhow they were to get exemption from Newfoundland Government taxes whatever they were.

Well, that was fine, They were delighted, as this would help a great deal and I said, "Well, that is good, I am delighted gentlemen" and of they went. They came back with a letter for me to sign, to take it to the bank or banks, I think there were more than one bank lending them money, and they had too ADA, Area Development Agency of the Government of Canada, that was giving out money to help industries get going. This was the outfit from whom they expected to get, I think, something of the order of half a million dollars. They brought me in the letter one day to sign and I signed it. Yes, this is a letter exempting you from taxes, signed Joseph R. Smallwood and they went of with the letter.

I am told here tonight that they promptly photostated the letter and distributed it throughout to their dealers. They evidently did not think there was anything secret about it because it was public knowledge that the Government had adopted the policy of exempting industries going into Stephenville from Provincial Government taxes. This was common knowledge and the fact that they did not think it was mysterious or secret or unusual is shown by their action in photostating the letter, and I did not know this until half an hour ago, photostating it and distributing it about among their dealers.

Well, time went on and went on and finally, I do not know how long went on as I was not just stopped still between the date when I signed the letter and this thing happened. I was not stopped still, I was a very busy man. Many months passed, I do not know how many months, maybe a year, I do not know but I do know this that the firm began to go broke. They began to go broke. their

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sales were small, their overhead was high and they were losing money and the financial advisor of that Company started going over to England and started negotiations in England to sell out, to get them to pump some money in. Those negotiations went on for three, four or five months. Then they negotiated with three other outfits on the mainland of Canada, one in Ottawa, and one American firm and the American firm, I think, was the firm that makes, I remember the beer myself as I had a bottle of it, not Swipes no, not Budwiser, oh, a well known name in New York, a brewery there, anyway they negotiated with them for a while and the negotiations went on for, well, the best part of a year. But in the meantime, while the negotiations were going on, the thing was going steadily in the hole. Until one day the Minister of Finance came to see me, and he was a worried man. He said; "Do you know that they have not paid the Liquor Boards profits?" I said; "Crazy, they have to pay it."

MR. EARLE: Would the Premier permit a question?

MR. SMALLWOOD: Yes, of course.

MR. EARLE: Does he remember what date that was that I went to him?

MR. SMALLWOOD: No, I do not.

MR. EARLE: It was October 28th, 1968.

MR. SMALLWOOD: That could be, I do not remember. I do not even remember the date of the letter when I signed the letter. I have no idea. The Minister of Finance came to me and told me that the Company were refusing, not only failing but refusing, they failed and they refused to pay the Liquor Boards profits. I said; "This is crazy. They have to pay their profits."

"Well, they claim to have a letter from you exempting them from paying the profits to the Liquor Board." I said; "That is crazy. I would not give them such a letter as that. I have no authority to give it in fact the Government have no authority to give it, no one has authority to do that except this House." Then I told the Minister, I said; "Now look, we are owed, (I do not know, hundreds of thousands of dollars at that point) I do not remember how much but we are owed a substantial sum of money." He was for going right out and collecting it and I said; "For God's sake, do not do that right now. Do you want to put him down the drain. Hold your horses and give them a chance



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to make their deal." They were negotiating a deal with Whitbread, the biggest or one of the biggest brewers in all the world, in all the world, an outfit that had the tavern at Expo 67 which was so enormously popular. Everybody flocked to that tavern operated by Whitbread, an English type of tavern and they were going to come in and take over that place which would be a wonderful thing for Newfoundland to bring Whitbread and they were going to do more than that. They were going to produce beer in Stephenville, double and triple the brewery, and sell that beer right across Canada. That was the plan. So I said to my friend, he was then my friend, my personal friend and he is now my hon. friend in this House, I said to him, "For God's sake do not do it, look, spare your horses will you, just be patient, give them a chance, give them a break."

Well, he gave them a break but he was unhappy about it because his clear duty in the narrow sense was to collect that money. In the broadest sense, as a Newfoundland, he wanted the industry to succeed, so he was unhappy between the two positions, very unhappy. I learned afterwards, I learned from where he is sitting over there now, I never knew at that time he was so unhappy as he was but he has told us here -

AN HON. MEMBER: (Inaudible).

MR. SMALLWOOD: Yes, well I did not know that. I had no idea, had no notion of it. It is a great pity that the hon. gentleman did not come to me and tell me how unhappy he was.

AN HON. MEMBER: (Inaudible).

MR. SMALLWOOD: He came and asked me, "what are you going to do about this?" and I would say, "Well, give them a break, give them a chance, wait awhile."

AN HON. MEMBER: (Inaudible).

MR. SMALLWOOD: Yes, but I did not know he was unhappy to that extent, I did not have the slightest notion of it, not the foggiest idea of it. The hon. gentleman is a natural worrier anyhow and I do not know any time when he was not a little bit unhappy about something or other. So I mean that was not -

MR. MURPHY: Very conscientious about the Government's money, I guess.

MR. SMALLWOOD: Yes. Well, before he was Minister of Finance he was a worrier in other departments and that is his nature. That is the type of man he is.

AN HON. MEMBER: It takes a worried man to sing a worried song.

MR. SMALLWOOD: That is right and I was responsible for trying to get industry going. Now when we sent for them we had a conference in my office, Minister of Finance, Minister of Justice I think, Officials from the Finance Department, I do not remember who they all were, there was half an office full, Mr. Green from the Department of Justice, I invited them all in to have a showdown on it and the letter was produced. I said, "For God's sake, did I sign that?" That was the first time I ever read it, I did not read it when I signed it. Now that is water under the bridge or it is beer under the bridge. Ginter <sup>?</sup> has bought it, I understand and the Government have made an arrangement with Ginter whereby he pays every nickle that he has owed to the Government besides paying what he has to pay on the beer that he will produce and sell, he will also pay the arrears of the old company. So the Treasury will not lose a dollar of it.

Now when questions were asked me in this House; "did I give them exemption from taxes?" Yes, of course I did from taxes but I did not give them exemption, at least not knowingly, from the payment of the Boards profit. I am not crazy in the head. I would have to be if I did that knowingly, that could not stand, it could not last. You could not give a company exemption from, you cannot give any company in the world exemption from payment of the profits that are due the Liquor Board. You can give exemption from taxes at Stephenville and at Bell Island. It is still the law, we can do it. Any industry that will start, for the first two years after they begin to produce pay no taxes to this Government and we are proud and happy to do it and do not see anything wrong with doing it either. We think it is the right thing to do. But to forfeit the profits to the Liquor Board is just plain silly and they must be awfully silly to think that that was a situation that could go on. It could not go on. The minute it was known exactly what they were claiming, they were claiming. Mind you it is one thing to fail to pay, it is another thing to refuse to pay and it is something else again to say, "I do not have to pay" and here is a letter to prove it.

That situation is just too silly for words and that is what happened. Now this can be made to look, well it can be made to look anything that anyone wants

to make it look, this can be done. But these are the facts, as I recall them, and I do not recall any other facts except that the Minister, then Minister of Finance, repeatedly came to me and was worried about it because it was his duty to collect that money. It is his duty, and that is not the only firm he came to me about. He came to me frequently and when he did not come to me he sometimes came in Cabinet. I mean, I am not breaking any Cabinet secret, as I am only saying that he fulfilled his duty, he carried out his duty. When people were in arrears he wanted the Attorney General to, naturally that is what any Minister of Finance would do, to sue, to place cases in court and collect the arrears of taxes and the Cabinet then eventually ordered a writ to be issued, but by that time, I suppose, the place was practically down the drain and there was no chance of collecting.

But now we have made a new deal with them, under which we will get every dollar, the Treasury will not lose one cent on that transaction.

MR. WELLS: Mr. Chairman, I will not delay long but I have a couple of matters, one in response to what the Premier has said and the matter which I overlooked earlier.

The Premier has explained with respect to borrowings, the short term of recent borrowings, that it was the Government's desire to borrow short term. Now I realized that the financial situation is such that most lending institutions would prefer, they very soon got to prefer, shortly after this started in 1968, they very soon got to prefer to lend on short term because they did not know how long it would keep going or where the interest rate would ultimately settle. If the Premier's statement is correct, how does this coincide with or how do you explain the fact that some of the bond issues, maybe only one of them but I recall reading about one in particular that provided for a three to five year term on the loan but, if the bond holders were to take up the loan for a continuing fifteen year term, it would be at an increased rate of interest. Was there not such an issue with such conditions as that? At least I recall reading it in the newspaper. Maybe I have something in error and I would like to be corrected.

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MR. SMALLWOOD: The hon. gentleman is wrong. There was no such issue.

MR. WELLS: There was no such issue. There was no such issue, with any option on any of the bond holders to take for an additional fifteen year term.

MR. SMALLWOOD: We have some redeemable issues, on the contrary, redeemable.

MR. WELLS: Redeemable by the Government but callable by the bond holders and

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by the bond holders, and there is a substantial difference. The report that I read indicated that they were callable by the bondholders within three to five years. I think it was probably a five year term.

MR. SMALLWOOD: Bond buyers, everywhere in the world, have been able to lay down the law..

MR. WELLS: Of course they have.

MR. SMALLWOOD: The lenders are in a stronger position than the borrowers.

MR. WELLS: Of course they are.

MR. SMALLWOOD: That is tight money. That is what tight money means.

MR. WELLS: Of course they are. That is why the explanation that it is the Government's desire to borrow on short-term does not ring true. The truth is that money lenders are laying down the most stringent conditions possible with the highest interest rates they can possibly get. That is the fact of it.

MR. SMALLWOOD: And if we borrow at the highest interest rates, the shorter the term of borrowing the better, because when we have to renew it, the interest will be down..

MR. WELLS: In a sense. That is true, if we are borrowing say \$10 million or a \$15 million issue, but when it is consistent borrowing over a two or three year period that will give us a larger amount being called within a short period of time, then in that short period of time, in the foreseeable future, we could be in real trouble, because we have to be able to roll that over for further terms or for longer term money and that may be extremely difficult and that is what places us in a bit of jeopardy; particularly, Mr. Chairman, and this is what I neglected to note earlier. When you realize that at this point and for the last couple of years, we are not paying off a single cent of what we are borrowing, not a cent. We are paying the interest only. That is all. We are not paying anything on capital. The net result of the Government's new bookkeeping, as they called it last year, is that we do not repay a single cent of what we borrow. We just keep borrowing and just keep increasing the interest. That is the net effect of it. Until the last fiscal year, the amount that was requi

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to satisfy sinking fund requirements every year was part of our current expenses and shown as such in the budget every year - shown as such in the estimates. Last year the Government announced that it was an accounting change and "there was a \$7 million differential due to an accounting change" was the reference in the budget speech. The fact is that \$7 million, some odd thousand, was the payment due under the sinking fund requirements of our several bond issues, and it had been taken from current and placed on the capital side of the ledger.

Just look at what that means, when you really reduce it and let us understand this clearly before we do any voting. What it means, Mr. Chairman, is this: look at our budget last year and our budget this year. We are pretty well right on the line. The Government claims that we have had \$1.5 million surplus, and they are projecting \$250,000 surplus now or something less than that with the increases recently given to the Government employees. We are right on the line. We spend every cent we get of current revenue - every single cent. On top of that, we borrow further for capital.

Now then, Sir, when we put the sinking fund payments every year into the capital side of the ledger, we are, in fact, borrowing to pay our sinking fund requirements. The net effect is: we pay off not one cent of our debt in any year. We are not paying a single cent of our public debt. Whatever is due on capital that year shows up as capital in the estimates and is borrowed. This is why it should be current, not capital. Current is where it belongs. All we are doing every year is going along merrily paying our interest and pay off none of our capital. That is why the interest keeps going up in leaps and bounds, because in years prior to this, we were reducing our public debt out of our current revenue, by a amount equal to the amount set aside for sinking funds. We have used that much every year to reduce our public debt and if we borrowed more on capital, then our public debt was increased by the differential. The amount by which we cut it down by making the sinking fund payments out of current, the difference between that amount and the new amount that we borrowed, that was the increase in the public

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debt.

If say in the fiscal year 1966, 1967 we borrowed \$15 million, and we put aside \$6 million out of current revenue for sinking funds, then our net increase in public debt for that year was only \$9 million. What is our net increase in public debt for this year? It is going to be our gross borrowings, our gross capital means, less the amount we put or we used of that capital to pay the sinking fund. In other words, \$46 million approximately. We are going to increase the direct public debt of this Province this year by \$46 million.

Now, before we do any voting on the Department of Finance estimates, let us clearly understand that and clearly understand that when we say, when two things happen, when the Government says they have made an accounting change and they have taken the sinking fund requirements out of current and put it into capital, when they say that, and within the same year as they have for the past couple of years or so, they spend up to the absolute limit of current revenue, on current operating expenses, they spend every thing that we get of current revenue, on current operating expenses, then we are making no payments whatsoever toward liquidating our public debt. None at all. Not a red cent. All we are doing is paying the interest as we go along. That is why, Mr. Chairman, this so-called little, simple, accounting change is the simple reason why our interest has increased in the last three years from \$12 million to \$27 million to \$32 million - in a three year period, this happened. From \$12 million a year to \$32 million, because we are not repaying a single cent of what we borrowed previously and we are continuing to borrow more.

Now, that is the simple truth of the net effect of that accounting change so called - that simple little accounting change that moves the sinking fund payments every year from capital to current - from current to capital. They belong in current and <sup>if</sup> the Government are going to consider balancing its current account budget that must be taken into consideration. It

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Mr. Wells:

must be. I realize that it has, in a sense it has a capital nature to it. The borrowings were probably made to carry out capital work like building a hospital or building schools or building a hospital or building schools or building roads or whatever else and these are works of capital nature. They are not ordinary operating expenses. But where Government follows a philosophy, as has been announced here in the House by the hon. the Premier and hon. members of the Government, that the sane and sensible thing to do is to use your current revenue to cover your operating expenses and borrow for your capital works. Where they follow that philosophy and basically there is not a great deal wrong with that either. You cannot argue too much with the principles of that. It is nice, if you can pay your way entirely, but we are not in a financial position, quite honestly, where we can do that. We have to borrow, if we have to expand hospital and school facilities, but we are only blindfolding the devil in the dark, if we also at one and the same time, take the payments that are intended to repay this debt that we borrowed in years gone by and are continuing to borrow and put it in capital and reborrow again, where is the end? When is this policy going to stop?

The end is that we never pay a cent. We are not paying back a single cent of what we borrowed and this has to stop somewhere. It is where we are going to get caught up in a snowball and it just keeps getting bigger and bigger and very soon the interest alone is like it is this year. It is up to \$32 million - interest alone on our direct debt, and it is those percentage figures that I gave earlier of our revenue - twenty-three per cent of our gross current revenue to service the public debt, that is interest and principal and the pension requirements and so on, every thing that the House cannot vote - we have no choice but to pay. Where does it stop? We have to take a long, hard look at ourselves and where we are going and what we are doing to this Province, and we have to take a long, hard look at our ability to stand this. Do we or can we project into the future and

Mr. Wells:

see such tremendous income that in the next two, three or four years, we will be able to repay these principal amounts, as they fall due, without having to roll them over again and borrow again for that current, for that then current year, for the new hospitals and schools and roads that will have to be built in that year. Can we foresee this kind of income? May be the Premier can, I cannot.

The first step to stop fooling ourselves, and that is all we are doing, is to reverse this so-called minor accounting change, because that is what is blindfolding it. I do not know whether it was intended to do that and intended to fool us in the first place. Perhaps, it was, I do not know. We are sure going along with our heads in the sand, if we do not realize what is happening. We are not paying back a single cent of our debt and that accounting change covers up this fact - covers up this fact. Then it looks as though, we balanced our current budget and here it is called generally balancing the budget and the policy is followed that it is the sane and logical and sensible practise to borrow for all capital needs. Well as soon as you start to put the repayment of your debt into your capital needs, then you blindfold yourself, and you try to fool yourself and it has to catch up with us and this is what is wrong with it. If we put this back in current, where it belongs, we would have to face the fact that as the Government policy now stands for this current year, we would have a deficit on current account of \$10 million on the figures as they exist in this book at the moment.

Perhaps, Mr. Chairman, that would be a sufficient inducement to us to try and cut back further on some other items so as to not get ourselves in such a severe financial position, but all we are doing - look! we are headed towards a dangerous situation where you do not pay back anything of what you borrowed, and you still keep borrowing further, that is a dangerous situation. May be it is not totally dangerous at this point but that is a dangerous course to continue on. If you are walking - if any person is walking towards the

Mr. Wells

edge of a cliff, he does not blindfold himself so he cannot see, when he gets there and that is all we have done with this so called minor accounting change. But it does not work, when you look at the real figures and re-examine the thing and fully understand what we are doing, and before we go voting monies in the Department of Finance who are basically responsible for this, perhaps orders come down from on high. I do not know. I have my suspicions, because I have had an involvement, but the Department of Finance, the Minister of Finance, has basic responsibility, the Government, direct responsibility to this House for pursuing this policy and for so blindfolding us or attempting to blindfold us that we lead on, on this dangerous course, and know nothing about it.

So, before we start voting monies for the Department of Finance, Mr. Chairman, I suggest all hon. members think about that for a moment.

MR. HICKMAN: Mr. Chairman, it is getting late in the evening, and I do not know if you want to adjourn or start tomorrow morning.

Mr. Chairman, there is another danger or concern which obviously must assert itself insofar as the members of this committee are concerned and that is the nature of the borrowings that we have been compelled to do or have been carried <sup>on</sup> in the Province over the past few years. Most of the or a lot of the borrowings, particularly, in the last couple of years, as appears from the prospectus issued by Ames and Company during 1970, have obviously been used to roll over and redeem outstanding loans of the Government.

Now this type of borrowing, Mr. Chairman, does nothing to help the economy of the Province, nothing to generate employment. It is not the kind of borrowing that industrial provinces or governments in industrial areas are called upon to make and can look forward to some sort of return from the borrowing that that particular Government is called upon to make.

Now, Mr. Chairman, as I see it, the point of no return is rapidly approaching so far as the borrowing capacity of this Province is concerned.

Mr. Hickman.

Within the next four years, as appears from the prospectus that was issued in 1970 and from the public accounts, we are going to be called upon to repay the sum of \$98 million.

Now over and above that, Mr. Chairman, we can assume that this Province will have certain capital requirements. I think we are entitled to assume that having gotten by three years without any substantial capital expenditure on true capital projects, having gotten by three years without building any new hospitals, having gotten by three years without building any new roads, having gotten by three years seeing our education capital account being used to redeem or to pay off notes that have been incurred over the past five or six years, that this cannot last much longer. The social needs of the people of this Province are such that the next Government is going to be faced with very substantial genuine capital expenditures throughout Newfoundland. We are going to have to build more hospitals. The Minister of Highways has announced a road program without any details as to what it is going to cost, but I say at a very, very conservative estimate, it cannot cost less than \$25 million. There is nothing in the highway estimates to indicate where that money is coming from. So, again we have to assume that it is going to be borrowed and that it will show up in the capital borrowings.

Mr. Chairman, we cannot overlook the fact that with twenty-three per cent of our net revenue being used to service our debt, and when you realize that the twenty-five per cent is the point of no return, that when a province reaches the position that twenty-five per cent of its net revenue is being used simply to service its debt, its borrowing capacity has disappeared. It has gone, but regretfully, for this Province and for any ensuing Government, the demands for capital expenditure will continue. Now what are we going to do? We cannot look to Ottawa. Ottawa does not make that type of grant. Ottawa does not - it would have to be an out-right grant. Ottawa has not been known, except once in the case of Alberta, I think, it was in 1931, to ever rush to the assistance of a province and say "you have been borrowing and spending extravagantly - here is our cheque to pick up your debt redemption and bond payments." So, what are we going to do? Obviously,

Mr. Hickman

Mr. Chairman, the time has come for the Minister of Finance to tell the people of this Province that our days of borrowing are over and that any borrowing we do in the future and particularly during the years 1971-1974, regretfully, it is going to have to be used. It is a poor way to do it, but it is going to have to be used to pay off the notes that fall due at that time and, Mr. Chairman, the question was asked; what do the Government do? What do the Government do; when it is faced, as this Government and every government in North America is faced, with a situation of tight money, where money is not available except at very high interest rates? The obvious answer to that is that it stops borrowing and if it cannot stop borrowing, it borrows for the barest minimum essentials.

But, Mr. Chairman, this has not been the pattern. The fact is that <sup>is</sup> it like the finance company slogan, "you try and consolidate your loans." This would be great. If you go and you owe four finance companies - you go to the fifth and you borrow enough to pay them all off and you stop there, but having borrowed from the fifth and paid off the others, when you start going back to the other four, then obviously, with a limited fixed income, and we have a very limited income with the escalation, I submit, not only well-known and fixed, but an escalation that is bound to drop with the falling economy that we had, then surely, Mr. Chairman, nobody is being unpatriotic, if he suggests to this House that the financial situation of the Government of Newfoundland right now is on the verge of absolute disaster. That is not being unpatriotic. Nothing unpatriotic at all, because Mr. Chairman..

MR. CROSBIE: It is the truth.

MR. HICKMAN: Because, Mr. Chairman, the hon. members are going to have to answer their constituents because, obviously, we are going to see next year and the year after, the year after that a cut back in essential services. Who <sup>face the</sup> is going to face the electorate then? Who is going to face the electorate and say, no more roads. Who is going to face the electorate and say we have to close hospitals? Who is going to face the electorate and tell them the brutal

truth and say, Mr. Chairman, it was our fault?

MR. CROSBIE: Who is going to face the electorate and say, order please?

MR. HICKMAN: We are getting our roads, do not worry about that.

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

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

On motion report received and adopted.

On motion committee ordered to sit again on tomorrow.

MR. SPEAKER: Before we adjourn, as I indicated a little earlier in the evening, the names of the committee appointed under the motion to look into certain matters will be as follows:

The hon. Minister of Mines, Agriculture and Resources, the hon. member for Hermitage, the hon. member for Burgeo-LaPoile, the hon. member for Gander, and the hon. member for St. Barbe South.

It now being 11:00 p.m. I do leave the Chair until 3:00 p.m.

This House stands adjourned until tomorrow at 3:00 p.m.

MR. MURPHY: Mr. Speaker, if I may. I would like to congratulate my colleague here who celebrates his birthday today. I had forgotten earlier.