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# **VERBATIM REPORT**

**THURSDAY, APRIL 29, 1971**

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

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

HON. F. W. ROWE: (MINISTER OF EDUCATION): Mr. Speaker, I have a statement which I think would be of interest to some, if not all members, of this House. Several weeks ago I was able to announce that the following communities have qualified for assistance under the Recreational Capital Grants Programme. The City of Wabush for a stadium. The Town of Lewisporte for a stadium. The Town of Springdale a stadium. The Town of St. Lawrence for a Recreational Centre, and the Town of Lawn for a soccer pitch.

I am now in a position to announce that the following additional communities have qualified for assistance under this programme, the Town of Gander for renovations to the existing stadium, the Town of Windsor for a new stadium, the Town of Harbour Grace for an outdoor recreational complex, the Town of Badger for a recreational centre, the Town of Bay Roberts for a recreational complex, the Town of Botwood for improvements to stadium, the Town of Grand Falls renovation to the stadium and also assistance for recreational complex, the Town of Bay Verte for a stadium, the Town of Grand Bank for a soccer pitch and the Town of Fleurs de Lys for a playground.

Applications have been received from some twenty other of the larger communities in the Province and these are now being examined by the department. I might also say that applications have been received from several groups of communities, where one community is not large enough, but, perhaps, five or six communities within commuting distance of each other have gotten together on a common project.

Under this policy announced earlier this year, communities which qualify are able to receive, and those that I have listed will receive, and this is the answer to my hon. friend's interjection a moment ago, are able to receive seventy-five percent of the cost of projects including equipment for a maximum Government grant of \$180,000 to be paid in five equal annual installments.

I have some copies of that, Mr. Speaker, in case anyone would like a copy.

MR. ANTHONY J. MURPHY: (LEADER OF THE OPPOSITION): Mr. Speaker, I wonder if the hon. member would permit just a short question on these, with regard to stadium been built throughout the Province, is there any provision made for the continuance of maintenance on these stadiums? I understand that is a very expensive part, the operation grant of stadiums or is it just an outright capital grant to build them?

MR. ROWE, F.W.: Mr. Speaker, the responsibility for maintaining or for operating these stadiums and other recreational complexes rests with the local community. I might, say, in this programme we are providing \$150,000 maximum for capital equipment for capital cost of building itself, in the case of a stadium, we are also providing up to a maximum of \$30,000 for equipment. This ordinarily would have rested on the local community, and this in turn will relieve them of the burden and thereby enable them to devote more of their funds to such things as paying interest and maintaining the existing facilities.

MR. MURPHY: Inaudible.

MR. ROWE, F.W.: This includes - oh, yes. Yes, indeed.

MR. MURPHY: Excellent.

HON. J. R. CHALKER: (MINISTER OF PUBLIC WORKS): Mr. Speaker, I do not know if it is the right time or not, but I would like to table the by-laws of the C.A. Pippy Park Commission. Will we leave them until tomorrow?

HON. L. R. CURTIS: (MINISTER OF JUSTICE): Mr. Speaker, it is only this morning I discovered, going through the documents, that the Trust Deed Javelin Paper Corporation, dated the 18th. day of January of this year, had not been tabled and it should have had been tabled. I want to express regrets to the House that this was not tabled before, it is entirely my fault and as far as I was concerned, I was quite unconscious that I had it. The document has been duly registered. There was no endeavour to make it secret, it was a registered document. But, it should have been tabled. It was referred to by one of the hon. members as not having been tabled. I could not understand it, at the time. I will ask leave to table it.

MR. SPEAKER: Before the presentation of petitions, I want on behalf of all members of the House to extend a most hearty welcome to some fifty students who are here, They are from Grade VIII to X from the Lone Valley School at Swift Current and they are accompanied by their teachers, Mr. Eddy and Mr. Lockyer.

PRESENTING PETITIONS

MR. H. COLLINS: Mr. Speaker, I have a petition which I have received from the community of Appleton, which is across the Gander River from Glenwood. I believe all of the people living in Appleton have signed the petition. Approximately 200 of them.

The prayer of the petition, Mr. Speaker, is that there is a great need for a water and sewer system. I have already held discussions with officials from the Department of Municipal Affairs. There have been delegations from the community council, in St. John's, to meet with them. Certainly, Sir, there is a real need there, because Appleton is a growing community and people have to depend on wells and septic tanks and there is a very, very real danger of serious pollution, not only to the wells, but also to the beautiful Gander River.

I understand that the Department of Health are also concerned with regard to the poor quality of the water in the wells, because of seepage or drainage from septic tanks. Certainly, Sir, I have to give the request my full support and I would hope that the Department of Municipal Affairs will also see fit to be able to meet the demands and the needs of the people of that area.

It gives me great pleasure in tabling the petition, and have it referred to the department to which it relates.

On Motion petition received.

MR. H. R. V. EARLE: I beg leave to present a petition from the Citizen's Committee of Roncontre East, signed by some twenty-eight fishermen of that settlement.

The prayer of this petition is to the effect that in conjunction with B.C. Packer's, the Provincial Government establish a fresh fish holding unit at this place.

MR. EARLE: Rencontre East is an isolated settlement in the bottom of Fortune Bay, which is not connected by road, it is one of the last remaining places in my district that is not connected, as the other place which has not been so far connected namely; English Harbour East, will be joined up this year. But, Rencontre East is some miles removed from every other settlement and it is not likely that for many years they will be able to be connected by road.

But, what has happened there, in recent times, is that the fishermen, with the encouragement of B.C. Packer's of Harbour Breton, have become very much interested in the inshore fishery. There is a great variety of fish in that area starting with the winter herring fishery and turbot, salmon, cod and all other species. The fishermen have shown considerable interest, and have shown considerable interest and have formed a citizen's committee to better themselves and to encourage their own effort in the community.

I think, that this petition warrants very, very, serious consideration by the Minister of Fisheries. I have already advised him about it, and the desire of these people. The fact that they are showing a very greatly renewed interest in the fisheries in that area, would recommend that they be encouraged. They cannot go any further in either the holding or the selling of their fish unless they have some place in which to hold it. B.C. Packer's are very willing to buy all the fish in the area, and have shown their good faith by financing the fishermen to the extend of nets and lines and twine and so on. But, unless the fish can be held in some sort of a holding unit, I am afraid that the fishermen will be quickly discouraged, as they will not have any possibly of selling the fish, unless they salt it. So I have great pleasure, Mr. Speaker, in supporting this petition and ask that it be laid on the table of the House and referred to the minister to which it relates.

On Motion petition received.

MR. T. A. HICKMAN: Before we move to Orders of the Day. I would like to direct a question to the hon. the Minister of Social Services and Rehabilitation. I do not know if he is within hearing of - here he comes. Would the hon. minister indicate to the House whether he or his officials have received

MR. HICKMAN: representation or a request from the wives of the miners who are on strike at St. Lawrence for short term assistance? And in that respect may I remind the Minister of a meeting of the wives at Lawn two days ago with one of his officials, when they indicated to his officials the need that they now find for some assistance, because they have received no monetary assistance at all.

AN HON. MEMBER: Inaudible.

MR. HICKMAN: The miners' wives. The wives of the miners, who are presently on strike at St. Lawrence, these wives are living in Lawn and St. Lawrence and other areas.

HON. S.A. NEARY: (MINISTER OF LABOUR): Mr. Speaker, I have no knowledge of any such request, but I will check it out during the afternoon and let the hon. member know, if the field staff in the area have had requests.

#### ORDERS OF THE DAY

MR. CURTIS: Number twenty-nine.

MR. T.A. HICKMAN: Mr. Speaker, may I with the, what Motion is it now?

MR. CROSBIE: The hon. member has called twenty-nine, Motion six.

MR. HICKMAN: Mr. Speaker, May I with the indulgence of the House ask, as this is Private Member's Day and the practice has been for Private Members to indicate the Order of Private Members' Business that they would like to have dealt with and I ask the hon. the House Leader, if he would move to Motion six, call Motion six, instead of the Orders he just called now.

MR. CURTIS: Agreed, Motion six.

MR. SPEAKER: Agreed.

Motion Number six standing in the name of the hon. the member for Burin:

MR. HICKMAN: Mr. Speaker, probably the easiest and simplest way and certainly the quickest way to deal with this Motion is to refer hon. members into the recitals contained therein and the recitals do set forth very clearly the issue in this Resolution that comes before this House for debate.

2019

MR. HICKMAN: Whereas the Government has announced its intention to appoint a Royal Commission to investigate the circumstances surrounding the sale by Lundrigan's Limited to Hotel Buildings Limited of a small parcel of land on Portugal Cove Road, St. John's for the sum of \$50,000 which land had been purchased by Lundrigan's Limited two years previously for an amount of \$15,000 and to report in connection with that purchase of land by an agency of the Government;

And Whereas an investigation is required into all of the circumstances surrounding the leasing by the Newfoundland Liquor Commission of three buildings having an area of 1,665 square feet each for terms of twenty years

MR. HICKMAN: at rentals in excess of \$12,000 per year for each such building and in excess of \$7.22 per sq. foot per year for each such building, located in Grand Bank, Placentia and St. Lawrence. And whereas a copy of a lease tabled in the House of Assembly, dated February 1, 1969, between the Banker's Trust Company as lessor and the Newfoundland Liquor Commission, covering rental of the buildings located at Grand Bank, discloses that, in addition to the high yearly rental, the Newfoundland Liquor Commission is responsible for paying all repairs, all heating, electrical, telephone and cleaning charges and all Municipal taxes or any other taxes in connection with the premises and, whereas the buildings in question could have not have cost in excess of \$40 thousand, whereas the owners of the buildings will receive in excess of \$240 thousand for each such building, over a twenty year period, thus receiving apparent profit of at least \$200 thousand, whereas the Government has failed to disclose the names of the two owners of the said buildings, who will receive such extravagant profits paid for by the taxpayers of Newfoundland, and whereas it is necessary and desirable, etc.

Now Mr. Speaker, this information concerning the bills of the Newfoundland Liquor Commission has been coming to the public in dribs and drabs. Last year there were several questions put on the Order Paper and eventually, in reply to one of the questions, it was discovered that the rental being paid by the Newfoundland Liquor Commission for this very small building at Grand Bank was \$7.22 per sq. foot. At that time the indication to the House was that the lessor was the Royal Trust Company, at the same time this House was not furnished with a copy of any of the leases of the stores that are now rented by the Newfoundland Liquor Commission.

This present Session of the House we were fortunate in obtaining, in answer to a question by the hon. member for St. John's West, a copy of the Banker's Trust Company lease covering the Grand Bank building.



MR. HICKMAN: Mr. Speaker, the information that was tabled last year in itself indicated and must have indicated to all hon. members that something was radically wrong with the leasing of these buildings in Grand Bank, St. Lawrence, Placentia and maybe in other places. But this year, at this Session of the House, when the lease between Banker's Trust Company and the Commission was tabled, then obviously there was something more than radically wrong with the whole deal. Mr. Speaker, it is a shocking disclosure, in my opinion, of the mismanagement of Government funds by a Commission that must report directly to the Minister of Finance and, through the Minister of Finance, to the Government.

Mr. Speaker, I can speak of the buildings at Grand Bank and Fortune. In the resolution, it is suggested that these buildings could not have cost in excess of \$40 thousand. I am told, by reliable contractors in Grand Bank, that the actual cost of the buildings was somewhere between \$21 and \$23 thousand, the land, I think, well it cost not in excess of \$5 thousand and the same applies to the land in St. Lawrence.

Now Mr. Speaker, any person, who puts up a building for rent and who enters into a long term lease, maybe and is entitled to some sort of reasonable profit. But this is not a reasonable profit, this is absolute highway robbery when it comes to taking taxpayers money and putting it into that type of operation. It was suggested to me last week, and I was authorized to say this by a member of one of the Municipal Councils on the Burin Peninsula, that any Councils on the Burin Peninsula would be more than happy to build any building that this Government requires, under similar terms and conditions, because through the profits from such buildings, they would then be able to find the monies to pay their share required for the erection and construction of stadia and operation of them on the Peninsula.

It is something which has not only aroused the curiosity but it has aroused I suggest, the anger of the people in the area. They had no idea that this type of erection was going to cost them and Newfoundlanders generally the amount of money that they are now being called on to pay.

MR. HICKMAN: Mr. Speaker, if the Newfoundland Liquor Commission is in a position to pay that type of rent and, assuming the Newfoundland Liquor Commission is solvent and I would suggest to this House that if the Newfoundland Liquor Commission is not solvent and if it is not making a whopping big profit then there is no hope for any institution of that kind or any branch of Government in this Province. Then obviously the simple and easy thing and sensible and prudent thing for the Newfoundland Liquor Commission to have done and to do in the future, is to go out, call tenders, put up a building for \$20 thousand and if they cannot find the \$20 or \$30 thousand to pay for the building; I am sure that any chartered bank in Newfoundland would be more than happy to give them a three year loan and let them pay for it, following which the building would be owned outright by the Newfoundland Liquor Commission and thereon we would not have \$20 thousand going into the pocket of some person or persons unknown in this Province.

Mr. Speaker, most leases, most commercial leases, impose on the landlord and, I would suggest, that the higher the rent the greater the obligation on the landlord to provide certain services and to provide certain maintenance and certain repairs to the building. Mr. Speaker, may I direct hon. members attention to clause (2) (b) in particular of the Grand Bank lease. Under clause (2) (b) of the lease, and indeed throughout the lease, the tenant is obligated to pay not only the usual services that a tenant must provide but also to keep the leased premises in good repair, which is a landlord's responsibility under every lease, and to pay all conceivable costs in connection with the use of this building, including the payment of taxes. Again this came as a great surprise to the Grand Bank Town Council and I am sure that the St. Lawrence Town Council and the Placentia Town Council were equally surprised, and I know that they are now taking a look at their rose. They were under the mistaken impression, until now, that this was a Crown Corporation building and consequently not taxable.

MR. HICKMAN: So if any good comes out of this, one thing will happen and that will happen very quickly, these Town Councils will submit bills for their taxes to the Liquor Commission, which unquestionably will not be paid because the Crown Corporation theory, that has been abdicated with respect to Holiday Inns, will undoubtedly be trotted out again.

Now Mr. Speaker, this is the scandalous part of this lease. Number one - you are paying Grand Bank, and I suppose as a member for the District I should be proud that Grand Bank commands, for a \$23 thousand building, a rent higher than the Royal Trust building, a rent higher than office buildings in Wabush and Labrador City, rentals that would put high-rise buildings in Halifax and Toronto and Montreal to shame, that I should be very proud of the fact that, because of the commercial improvement and commercial activity and the hustle and bustle in the Towns of Grand Bank and in the Town of St. Lawrence and in the Town of Placentia, that they now have leaped ahead of Halifax and Montreal and Toronto.

I believe Wall Street in New York is still slightly ahead of Grand Bank when it comes to the going rental rate. This is not the sort of thing that would make anyone proud, Mr. Speaker. When you look at the building, it is simply a small square box with brick facing, that is what the building consists of: One partition for a little office for the manager, a counter, no longer than the row of desks on this side of the House, and steel shelves where the goods are put on display in a rather attractive and enticing manner. The rest of the building, behind, is taken up for warehousing the liquor and other spirits that they carry in the building. So the walls are not finished, the walls are open, like this type of building is usually constructed.

You could not put up a cheaper brick-face building than these Newfoundland Liquor Commission buildings in these three places. I know of others, I do know the rentals but they are all pretty much in the same category.

MR. HICKMAN: Mr. Speaker, to charge premium rent and to pay premium rent to an undisclosed principal or principal is a shocking mismanagement of the monies of this Province. There is something more to this than just driving a hard bargain for a tenant who is seeking space, in an area where space and accommodation could be so easily found, in an area where we have a dozen small contractors who could put up that type of building with no trouble at all, if they could be given the opportunity to do so.

Now, Mr. Speaker, may we have a look at some of the rentals that are -

MR. MURPHY: Before the hon. member goes on to this, could he inform the House as to who built these buildings? Have you any idea?

MR. HICKMAN: I am not certain who built the buildings. I was under the impression in the beginning that the buildings were constructed by Lundrigan's Limited but subsequently I learned that the buildings were, at least the one in Grand Bank was constructed by a small contractor from Bonavista North, I do not recall his name now, Mr. Saturley, I believe the one in St. Lawrence was constructed by maybe the same man, I do not know. In any event it gave all the appearances and I believe this was the case that there was a sub-contract let to small contractors throughout the Province to put up the building.

The assumption, I think that most hon. members on both sides of the House must have made in the beginning, was that a contract had been awarded to Lundrigan's Limited to construct a building for the Newfoundland Liquor Commission. I can say with absolute certainty that the first two of these, bear in mind, Mr. Speaker, were built in the district that I represent in this House. Not until the first answer to the question asked by the hon. member for St. John's West last year, did I learn that these buildings were not owned by the Newfoundland Liquor Commission but rather they were, at that time, leased by Royal Trust or person or persons unknown. But as this shocking story unveils and unfolds, it seems to me very clear, Mr. Speaker, that if

MR. HICKMAN: Government, in its wisdom, feel it is necessary to investigate some alleged profiteering on a piece of land in St. John's, which is bought for \$15 thousand and is sold for \$50 thousand. that is only chicken feed, Mr. Speaker, compared to the profits that are being made under the leases on the Newfoundland Liquor Commission building.

Now Mr. Speaker, just let me give you an indication of the rents that are now being paid by the Newfoundland Liquor Commission on some of these liquor stores throughout the Province, This was in reply to an answer to a question by the then member for Humber East, on March 2, 1970. At Grand Bank, the lease is twenty years, the expiry date is February 1, 1989, the number of square feet is 1,665, the annual rent is \$12,036, the rent per square foot is \$7.22. Marystown, twenty year lease, November 30, 1984 is the expiry date, square feet is 1,665, rental is \$10,880, that is \$6.53 a square foot. You see, Mr. Speaker, how quickly inflation set in between the two years when the Marystown building was erected and the one in Grand Bank, the rental increased by another \$2 thousand. The Placentia lease is for twenty years, the expiry date is August 31, 1986, the number of square feet is 1,665, the rental \$12,240, and that is \$7.34 a square foot. Actually Placentia leads the pack about twelve cents more than Grand Bank. St. Lawrence, a twenty year lease, expiry date is February 1, 1989, the number of square feet is 1,665, the rental \$12,036, that is \$7.22 per square foot.

Now Mr. Speaker, to give you an idea of the rents that are being charged on other buildings leased by the Newfoundland Liquor Commission, in St. John's, the Newfoundland Liquor Commission leases, on a five year lease, a liquor store in Churchill Square that is 1,254 feet, the rent is \$5,016 or \$4 a square foot. Now Mr. Speaker, I submit to this House that the going rental for the Churchill Square commercial area is a fairly substantial rent and considerably in excess of that which is payable in Placentia, Grand Bank or St. Lawrence or Clarenville or Marystown, yet

MR. HICKMAN: The Government through its other Crown Corporations, the St. John's Housing Corporation, drove a rather hard bargain, entered into a five year lease which was a far more reasonable length for this type of lease, and was prepared to pay what Government considered to be a fair St. John's rent, namely four dollars.

Now Mr. Speaker, in Labrador City, or City of Wabush, Wabush Enterprises, they have a twenty year lease, 3024 square feet at \$12,852. and that works out to \$4.21 per square foot. I am told, Mr. Speaker, and I am sure that any hon. member who has had any involvement with business operations or leasing in the City of Wabush or Labrador City will know, and must admit that the rental in the Labrador City - City of Wabush area is pretty high in premium rentals. Yet in Labrador City or City of Wabush the rental is \$4.21 in Placentia it is \$7.34. In Deer Lake, where there is a twenty year lease to the Newfoundland Liquor Commission, it is \$5.10 and the Deer Lake Lease apparently was entered into the same year as the Marystown lease. In Deer Lake you pay \$5.10 a square foot, in Marystown you pay \$6.53 a square foot for the same type of building. There is something rotten in the State of Denmark Mr. Speaker, very rotten, when you read these figures.

In St. John's again. a twenty year lease entered into the same year as the Placentia lease. Gordonna Ltd., this is for warehousing space. A twenty year lease, 7,000 square feet, \$28,000, annual rental, four dollars a square foot. These buildings are, in effect, warehouse buildings, Mr. Speaker. There is one little office, as I recall it and the counter and that is the only thing that would distinguish these buildings from the warehouse of Gordonna Ltd. in St. John's, which again my recollection is, is a new warehouse in an area demanding premium rents, when the rental is four dollars.

Gordonna Ltd. has another lease of the same date for Mount Pearl, five dollars a square foot. Mr. J. Douglas Fraser, another great landlord in this Province, or in the City of St. John's, he is renting and he is not noted for renting to the Government at a loss. He is renting a

building to the Newfoundland Liquor Commission on Water Street, St. John's, for twenty years at five dollars a square foot, Mr. Speaker.

In Carol Lake Shopping Centre we find that there is a five year lease, 2,000 square feet, \$8,000. a year for four dollars. So the two Labrador Cities are paying four dollars and four dollars and twenty-one cents, and in Grand Bank and St. Lawrence and Placentia they are paying considerably more. Of all the ones that were listed here, I can only see one where the rental is at all close to the going rental for this type of accommodation, two really, one is at Lewisporte, where Mr. H.C. Mullett has a yearly lease at two dollars a square foot, and Mr. Adelaide Vardy rents a building to the Newfoundland Liquor Commission at Stephenville, for twenty years at two dollars and seventy-seven cents per square foot.

Mr. Speaker, these are pretty fantastic rents. These are rents that are being charged to a Commission for buildings that meet the minimum standards when it comes to construction. For buildings that could not have cost, the Resolution says, "more than \$40 thousand" I say, they cost considerably less, but even at \$40 thousand, Mr. Speaker, at this rental, and bearing in mind that the rentals are absolutely clear profit, at the end of two years and a bit, who ever is the owner of these Liquor Commission buildings from then on, the next eighteen years, he makes a clear profit of about \$200 thousand.

Mr. Speaker, we have an Act I believe in this Province called the "Unconscionable Transactions Act," and it was an Act that was passed by this Legislature a few years ago to confer on a person who has entered into an agreement, where the charges are unconscionably high, to seek redress and to seek a change in the agreement that they have signed, or an alteration in it.

Now Mr. Speaker, I say, without fear of contradiction, that the most unconscionable transaction that this Province has ever seen, or this House has ever had before it, is the lease from the Banker's Trust Company to the Newfoundland Liquor Commission, dated February 1st, 1969. Mr. Speaker, the hon. the Minister of Justice can correct me on this, but I would suggest

that this lease never saw its way to the hands of the Department of Justice. It was never vetted or approved by any lawyer acting for the Government or within the Public Service.

MR. CROSBIE: I can tell you who the lease was done by.

MR. HICKMAN: Who?

MR. CROSBIE: Curtis, Dawe and Fagan.

MR. HICKMAN: Well, we have the answer to that, we know who <sup>has</sup> done the lease, but in any event Mr. Speaker, this sort of transaction cries out for an investigation, cries out for a Royal Commission. This House and the people of Newfoundland are entitled to know too, who is this person or persons, hiding behind the cloak of the Banker's Trust Company, which is a company apparently doing business in the Province of Quebec and in the City of Montreal. Which is a company that to my knowledge has no office or branch in the Province of Newfoundland. Obviously it is an attempt to put the trust company outside the jurisdiction of this Province, because, last year, Mr. Speaker will recall, the name of the lessor that was given was the The Royal Trust Company. That company has an office in Newfoundland, that company might be a little too close for comfort, that maybe in the future someone will be able to find out the true name of the person or persons who owns this building.

With some prudence and some skillful conniving the landlord - the lessor now becomes the Banker's Trust Company. Well Mr. Speaker, if a Royal Commission finds that it cannot get the information, that it finds that it cannot bring the Banker's Trust Company before it, or if the Royal Commission should find that it cannot get information from a registered agents from the Banker's Trust Company in this Province, or if it finds that it cannot get information from the solicitors who drafted this lease for the Banker's Trust Company, then obviously, this Commissioner can make one other recommendation to this House, and the recommendation would be totally justified in this instance, that the Government or this Legislature take the necessary steps to unilaterally cancel this lease, and to instruct the Newfoundland Liquor Commission, which is an arm of the



Government, a creature of the Government, a Crown Agency, I do not think it is even a Crown Corporation, a Crown Agency under the Alcoholic Liquors Act, to go out and lease their premises at the going rate. The going rate I would suggest in any of these towns mentioned, certainly the going rate in Grand Bank and St. Lawrence, and Placentia would not be any higher than Stephenville, and in Stephenville we know that the going rate, and that may not even be the going rate, that may be too high, but we know that the rate being paid by the Liquor Commission is two dollars and seventy-seven cents.

The simple fact is, Mr. Speaker, that some person or persons unknown are making a scandalous profit out of the renting of these buildings. Most unconscionable transactions have been entered into by a person or persons unknown through the Banker's Trust Company. The taxpayers of this Province are been taken to the cleaners by this person or persons unknown. This House of Assembly has a very solemn duty to prevent this type of transaction taking place in Newfoundland, even between private individuals. Because, if a private individual is aggrieved, he can resort to the Unconscionable Transactions Act and the protection afforded thereunder. It is even more so it is even more so when we are talking about the willful and wanton misspending of Government funds by Government of the taxpayer's money. It is the height of extravagance, it is the height of impropriety, it is the height of everything indecent that anyone can think of insofar as this transaction is concerned.

I Mr. Speaker, have great pleasure, (I am not very proud of this) I am not very proud that we have reached the stage in the history of Responsible Government in Newfoundland where we have to once again bring before this House - It has a rather (I am told and I do not recall any of this) but I am told that back in the days of Responsible Government there were some nasty and unpleasant Commissions of enquiry and investigations necessitated. Maybe the times dictated these things, maybe they did not, but I can recall, Mr. Speaker, very vividly, the day we became part of the

great Canadian Nation. I was coming down to work, (I did not have a car then) on the street car, and we were talking about - I was talking to a very outstanding United Church Clergyman who was sitting on the car with me, who is a relative of the Minister of Justice. We were both expressing our great pleasure in the turn of events, and that the great day had arrived. He made one comment to me, which I did not quite understand at the time. He said, "there is only one pity about it all, people are going back into politics today who were involved in politics in the days of Responsible Government and who remember what went on then." I could not quite get the significance of what he was talking about at the time. I asked him what he meant and he said, "you will see." Well, I have seen it. I have seen this House from time to time deteriorate and degenerated to vindictiveness to the involvement of personalities in an attempt to exclude issues, something that you do not find in other Houses of Parliament in the British Commonwealth. A complete departure from what I believe to be the role of the Opposition in Government, namely; to try and impress each other that they have better principles, or better programmes or better policies or better capabilities, because, that is how you get work done, and that is how your Province is properly governed.

That has all disappeared and we seem to be inexorably drifting back to these terrible, dreadful days that you and I, Mr. Speaker, know only of by what we have been told, because we do not remember or recall these days, but what we have read. Days when this type of enquiry was from time to time made necessary. That is why I say, Mr. Speaker, that it is not with any sense of pride at all that I move this resolution, not indeed. It is with a sense of feeling and remorse, and a feeling that somewhere along the line, somewhere along the line, Mr. Speaker, that the principles of self-governemnt and the principles of decency and honesty in politics, that we had hoped would come to this Island in 1949, have been watered down a great deal, and indeed, may have disappeared in some instances altogether. That is why I am not very proud to move this motion. I am not very proud that we have reached the stage in public life where this sort of dreadful,

scandalous thing should be allowed to occur.

Mr. Speaker, at the same time, as a member of this House, when once this became public knowledge, when once the Banker's Trust Company lease was tabled, and when once the rent, paid by the Liquor Commission for these buildings throughout Newfoundland, became known to this House and known to the public, and when once it was discovered that some person is hiding behind the aprons of the Banker's Trust Company, then obviously, Mr. Speaker, there must be a Commission and I can assure this House that even if this motion is defeated, there will be a Commission someday appointed, and the name of the person who owns the building in Grand Bank and the name of the person who owns the building in St. Lawrence, and the name of the person who owns the buildings in Placentia and Marystown, and everywhere else, where these unconscionable rentals are being charged, will be made known, and some day, and the sooner the better, some Responsible Government will take this unconscionable transaction and set it aside. Thank you Mr. Speaker.

MR. NEARY: Mr. Speaker,

MR. CHAIRMAN: Order please! I must read the Resolution. The motion is that the Government appoint a Royal Commission of three members with all the necessary powers to investigate the purchases by the Government and agencies of the Government of property during the last five years and the rental of property by the Government and agencies of the Government during the last five years and in particular to investigate and report upon leases entered into by the Newfoundland Liquor Commission for the rental of buildings at Grand Bank, Placentia and St. Lawrence for use as Liquor Commission Stores, the said investigation to be carried out immediately and the report thereon to be released to the public immediately upon receipt thereof by the Government, the said Royal Commission to report on the identity of the owner of the said buildings at Grand Bank, Placentia and St. Lawrence. To report on the reasons for entering into of the transactions involved and the reasonableness or otherwise of the rentals and other terms and conditions agreed to and the said purchase price paid, the said Royal

Commission to hold public hearings and to report by the 1st. day of September, 1971.

MR. NEARY: Mr. Speaker, before the hon. member takes his seat, you kind of jumped the gun on me there, I was wondering if I could pass him along a piece of information, in answer to a question that he asked me earlier this afternoon. I promised the House that I would get the answer and give it to the hon. member.

MR. CHAIRMAN: Does it have anything to do with this Resolution?

MR. NEARY: No it does not, but I...

MR. CHAIRMAN: I think perhaps we had better carry on with this Resolution.

MR. EARLE: Mr. Speaker, I will be very brief *in*

MR. EARLE:

my comments on this particular motion but the evidence so scandalously revealed in this transaction which reflects so horribly upon the Government opens up the whole question of rental arrangements made by the Government during the past number of years. Mr. Speaker, I would think that on proper investigation it would be quite evident to all that these particular incidents do not stand alone. For instance what I mean, in the city of St. John's we have felt that when the Confederation Building was established as the centre of Government that this would be the logical place to have all departments centralized for the convenience of the public. This was touted at the time as being the ideal situation so that people would not have to be going all over hell's half-acre to look for various departments and various officials of Government.

Now let us see what has happened in recent year. While there have been plans on the drawing board for the extension of this building for some years and while, I think, the needs of the various departments in the building have been thoroughly examined, so that they could be fitted into the space surrounding this building, nothing has been done. We find that the Government is now branching out into all types of buildings all over town and all over Newfoundland and setting up branches and services here, there and everywhere, because they claim that space is not available in this building.

Well, Mr. Speaker, my contention is and this motion we are talking about today does indicate very, very clearly indeed that at the rate Government money is being wasted, by paying exorbitant rents to friends of the Government, hidden under cloaks as a rule or going under some name where it cannot be determined who they are, that money could be saved and should be saved. That would provide for the accommodation of all departments of Government in an extension of this Confederation Building, where once again they would be centralized and serving the public as they should serve them. For instance, not many years ago, a couple of years ago actually, the Prince

MR. EARLE:

Phillip Building was built on Elizabeth Avenue down here, Now apparently what has happened; the people who originally started to build that building got into trouble, they could not finance it one way or another and it was in the doldrums for a matter of a few months and there was no building going on but suddenly some sort of an arrangement was made whereby that building proceeded; has gone up and now it is occupied very, very largely indeed by Departments of Government, at very high rates.

In answers to questions in this House last year we heard of the Public Utilities Commission, the Power Commission and other commissions going into that building, paying the very top rates prevalent in the city of St. John's -

MR. CROSBIE: The total is \$294,000.

MR. EARLE: A total of \$294,000. in rents and at the same time they were paying for all necessary architectural alterations, all the partitions and improvements in the building and all that needed to be done to make that place habitable. So virtually what happened some people or persons put up that building, a shell of a building then they very successfully, probably with prior knowledge, rented it to Government at exorbitant rates, and they will get their money back because that is not a terribly expensive building. They will get their money back in a very, very few years indeed. Then they will have, under the leases which prevail, an extremely substantial profit for the years to come.

Now this is just another instance of the type of thing which is happening with these liquor stores. This can be repeated time, after time, after time around this Province. What I started out to say was that where the excuse is being used that money is not available to extend this building and accommodate the services of the Government, I would venture to say that five times that amount and possibly more is now being spent in the forms of rent to friends of the Government, so that they can be looked after while the

MR. EARLE:

public pays the shot, by not having a proper centralization of services in the building that was originally intended for it, namely this building.

This is a simply scandalous state of affairs, when we have a Budget like we had brought down yesterday, when it is running up into the three hundred odd million dollars and so on and it is claimed that the Province is doing well, that everything is rosy, that money is here for the spending. Why was it not included in that Budget yesterday, an extension for the Confederation Building to centralize these services? I will tell you why. It was not included because too many friends of the Government are now renting properties to this Government, at exorbitant rates, and they have to be looked after. These people have long-term leases all over the place and these rents are just going out of the public chest to keep these friends of the Government satisfied.

I read the other day an article to which I referred to previously, in the morning news, about the speech made by the hon. Minister of Social Services at Buchans. It was stomach turning, it was revolting, it would make anybody with a weak stomach sick, because all the purity and honesty and so on that existed in the Government was outlined there, paragraph by paragraph, line by line. They were so lily-white that it was a wonder they did not take off for the Nether regions with their wings flapping, but that is the sort of childish rubbish and rot that is put out for the public as being the type of Government we are supposed to support. Here we have today a glaring instance of pure pork barrelling to friends of the Government. Who they are we do not know, because we cannot find out, but this very instance could be duplicated, triplicated, quadruplicated and so on, all over the country and in a number of various cases and various instances. What it really boils down to, Mr. Chairman, is that the Liberal party and the Liberal Government is indeed a Liberal party and a Liberal Government, but it is only Liberal and only Liberal to its friends, and that at a very, very high degree of money, a very

MR. EARLE:

great expense to the public.

Now the public, who are paying the taxes of this Province, who are supporting this Government, are paying out the money that is paying these exorbitant rents. It is time that the Newfoundland people woke up to the fact that, in spite of all the protestations about purity and ethics and all the honourable things that are happening, are supposed to be happening, by this Government, all for the sake of the common person and the common masses. "Let us do away with all these mercantile classes and these rogues these people who have always robbed the people," this is pure bunk and camouflage. The people who are being fed today are the greatest money people in the world, who are supporting the Liberal party and the Liberal Government. These are the boys who have been made rich and are continuing to be made rich and these are the autocracy of wealth and so on today, who are getting these exorbitant rents and are getting these exorbitant benefits.

This motion today points up, more clearly than anything I know, the type of thing that has been going on over the years in this Government and for which this Government must be brought to task. If ever there is a revelation of what has gone on the public of Newfoundland will say: "What fools we mortals be! For years and years we have supported this, innocently and unknowingly, and it takes another Government to bring out the facts." I have, Mr. Speaker, no pleasure at all but the greatest disgust in supporting this motion which is very, very necessary here today.

MR. CROSBIE: Mr. Speaker, I rise to support this resolution. What we have before us, Mr. Speaker, is one of the greatest scandals ever on earth in the operation of the Government. That is what we have before us, and I challenge any hon. gentleman opposite, I do not believe there is an hon. gentleman opposite me now who knows the slightest thing about this, the only one in the Government who knows anything about this is the hon. the Premier, It is too bad he is not here today because these leases could never have been



MR. CROSBIE:

granted by the Newfoundland Liquor Commission without the initiative and certainly without the consent of the hon. the Premier.

Now, Mr. Speaker, a week or two ago the hon. member for St. John's East, in his address on the Speech in Reply, mentioned this question of land located by Holiday Inn, which had been sold by Lundrigan's Limited to the Crown Corporation that owns Holiday Inn. Lundrigan's had bought it for \$15,000. from the Kenny family, and two years later sold it to the Crown Corporation for \$50,000. although the deed only said the consideration was \$1.00. The hon. member for St. John's East pointed out that this seemed to be unreasonable, something appeared to be wrong, that the price paid by the Crown Corporation, the Government, seemed to be too high and it does appear to be that way. What happened? The hon. the Premier immediately had a Royal Commission appointed to investigate the sale of this land by Lundrigan's Limited to Holiday Inn and Mr. Gordon Stirling, Q.C. was appointed as commissioner. The hon. the Premier phoned Mr. Arthur Lundrigan and discussed the matter with him and he repeated his conversation to the House and then he had Mr. Gordon Stirling appointed a commissioner.

Well, that is good, that is okay for Mr. Stirling to look into this matter of the sale of that land. But that, Mr. Speaker, does not have a patch, whether that price is too high or not too high or the market price and so on, does not have a patch on what we are dealing with now, these three leases at Placentia, Grand Bank and St. Lawrence. There is no question but that these three leases are a deliberate misappropriation of public funds for the benefit of some private individual or firm. What are the facts? The facts are that these three buildings are 1,665 square feet each, and any contractor in this Province will tell you they could be built for \$25.00 a square foot, maximum, That would be \$41,000. They did not cost near that, but allow that as the maximum. The owner of each building is receiving a rental of \$12,000. or it could be slightly in excess of that. The owner of the building at Placentia

MR. CROSBIE:

is going to get \$244,800. over the period of that twenty year lease. I have a copy of the lease here. Here is the lease, dated the 30th of September 1966, 'The lessor is the Banker's Trust Company, the lessor who is supposed to own the building is the Banker's Trust Company. The Banker's Trust Company, Mr. Speaker, is a subsidiary of the Royal Trust Company, a subsidiary company with its office in Quebec. The lease is dated, as I said, September 30, 1966, the rental we know \$12,000. odd per year. Under the lease, the Government, the Newfoundland Liquor Commission, is to repair the building, maintain and cause it to be repaired, both exterior as well as interior. Normally the lessor of a whole building is supposed to maintain the exterior of the building or repair it himself, but not in this case.

In this case the owner has a twenty year lease. He does not have to spend a dollar on repairs. Then, when we go down further, we see that the Newfoundland Liquor Commission is to pay all expenses arising out of the operation of the building, including heating, electrical, telephoning and cleaning. We turn the page and we discover that the Newfoundland Liquor Commission is to pay all taxes, assessments, fines and impositions imposed in respect of the demised premises, including all taxes, assessments, fines and impositions which, but for this lease, would be payable by the lessor.

I have never before, Mr. Speaker, seen a lease where the tenant agreed to pay the landlord's taxes. It is unheard of except in a sweetheart deal, a deal that stinks with corruption like this one does, that the Government is to pay all the taxes that the landlord normally pays. Then it goes on to indemnify the landlord against any suits and so on taken against him to pay the rent of the twenty year lease etc. Now that is Placentia. So over twenty years the owner of that building at Placentia, in twenty years, will receive \$244,800. Four years have now gone, his building did not cost him a cent over \$40,000. and I am putting that high. He is going to make a profit, Mr. Speaker, of \$200,000., money from the people of Newfoundland,

MR. CROSBIE:

funds that this Government is arranging to put in his hand, \$200,000. for that measly little building down in Placentia. He does not have to spend a cent on taxes, a cent on repairs, a cent on lighting, heating, cleaning, nothing, just walk away.

MR. MURPHY: We have not agreed to pay his income tax on his property.

MR. CROSBIE: The Government did not agree to pay his income tax that is the only thing the Government did not do. Now when I say Government I do not blame the hon. gentleman opposite, I do not believe there is one opposite me today that knows a thing about these leases. I think that the only one in the Government who knows anything about them is the hon. the Premier and he is the one who should tell us and give us the story on them. The Newfoundland Liquor Commission is a Crown Corporation, it reports through the Minister of Finance, it is completely under the control and thumb of the Government. If the Newfoundland Liquor Commission entered into these leases without the consent of the Premier, the Commission should be discharged and dismissed immediately. If they entered into them with the consent or at the initiative or direction of the Premier, the Premier has to take the responsibility for it.

These are sweetheart deals, to transfer public funds from the public treasury into some private individuals pockets. Now this is bad enough, Mr. Speaker, but the Government is brazen enough to fail to tell the public who owns the buildings.

I asked a question this year and the answer is tabled by the Minister of Finance. Question No. 367, I asked him to table the leases which he did. (2) Answer, listen to this, for contemptible contempt; "questioner might address his question to the Royal Trust Company." Is this Government, Mr. Speaker, forking out these kind of rents totalling seven hundred odd thousand dollars for these three buildings the next twenty years, and is it going to say it does not know the name of the owners, that it only dealt with the Royal Trust Company? I called the Royal Trust Company, Mr. Speaker, after getting that contemptible answer, and I asked the Royal Trust Company; who owns the building at Placentia, the building at Grand Bank and the building at St. Lawrence that you are collecting the rent for you and your subsidiary the Banker's Trust Company? I was told, naturally, that is confidential information we cannot reveal the names of the people for whom we act as Trustees.

Now if there was ever a Royal Commission investigation called for in this Province it is called for in connection with this piece of "stinking corruption," this transfer every year from the Public Treasury into some mysterious person's pockets, of \$36,000 in rents. I looked down in the Registry, Mr. Speaker, (by the way, I described the lease in Placentia, the lease in Grand Bank the hon. member for Burin described) the lease in St. Lawrence is dated Feb. 1, 1969, and the Banker's Trust Company, the Newfoundland Liquor Commission, exactly the same again, the rent is \$12,036, the Government, the Liquor Commission pay the taxes, pay the repairs, exactly the same. Now, these leases were done or at least Curtis, Dawe & Fagan had a connection with them. The barrister, who witnessed the signature on several of those leases and on other deeds in connection with this matter, is Mr. R. E. Fagan.

If a commission is appointed, Mr. Speaker, the commission able to call witnesses on oath will be able to get to the bottom of this matter. It does not matter that the Banker's Trust Company is in Quebec, they

can be subpoenaed, the Royal Trust Company can be subpoenaed, there will be no problem finding it out, digging into this. We know that the construction of these three buildings was carried out and supervised by Lundrigan's Ltd. The public record, downstairs in the Registry of Deeds, shows that in Placentia the land was owned originally by Lundrigans Ltd. On August 31, 1966, Lundrigans Ltd. transferred the land at Placentia to the Bankers Trust Company, for \$5000, 0.6 acre, the deed is registered in volume 835 of folio 292 - so Lundrigans owned the land originally at Placentia, transferred it to the Bankers Trust Company. The Bankers Trust Company then gave the mortgage to the Royal Trust Company and borrowed \$59,000 - there is a mortgage registered from Bankers Trust to the Royal Trust.

Now the fact that the mortgage is a \$59,000 mortgage does not mean that this building cost \$59,000, not for a minute. That building was built for a lot less than that, twenty-five or thirty thousand dollars. Whoever borrowed the money from the Royal Trust may have wanted to use that money for other purposes. The Crown granted it originally to the Town of Placentia, The Town of Placentia sold the land to Lundrigans. Lundrigans sold it to the Bankers Trust, The Bankers Trust Company then gave a mortgage to the Royal Trust for \$59,000, September 30, 1966.

In St. Lawrence, the land in St. Lawrence cost \$2000, .217 of an acre. It is located on the main street in St. Lawrence. It was bought by the Royal Trust Company in their name, from, I believe it was Fabian Alyward of St. Lawrence, \$2000. Then the Royal Trust conveyed the land to the Bankers Trust Company That is registered in volume 1161, folio 77. Then there is a mortgage for \$62,000 from the Bankers Trust to the Royal Trust and the legal work there apparently was done by Mr. Fagan; and that is the way the matter stands down there at the moment.

In Grand Bank, the land is located on Hickman Street. The land was sold by G. & A. Buffett, Ltd., to the Royal Trust Company, for \$2000, Jan. 27,

1969, the Royal Trust Company then conveyed the land to Bankers Trust Company. That is registered in volume 1043 at Folio 53. Bankers Trust then got a mortgage from the Royal Trust Company, \$62,000. Again that does not mean to say that building cost \$62,000. The person who borrowed the money used the building as security. The building did not cost a cent over twenty-five or thirty thousand dollars, maximum.

Now, Mr. Speaker, these are no ordinary leases. This is a special situation, this is a sweetheart situation set up by some one in a position of power. No one in their right mind would authorize this kind of a lease. The Newfoundland Liquor Commission got all kinds of money, it makes a good profit, it has reserves. If it needed a store at St. Lawrence or Grand Bank or Placentia it could have bought the land and put up its own building for twenty-five or thirty thousand dollars. Three buildings for \$125,000. Instead of that it is going to pay out

it is paying out \$36,000 in rent and over twenty years it is going to pay out \$720,000 of public funds, for those buildings, why? The only reason is to enrich the man or men or people who own those three buildings. That is the only purpose of this whole deal and arrangement. The Newfoundland Liquor Commission is ordinarily just not that stupid. They have other rents. Let us look at some property they rented this year. Question that was asked, 289 on the Order Paper since April 1, 1970, the reply is tabled. This is since April 1, 1970, let us compare these figures to the bonanza, the St. Lawrence bonanza, the Placentia bonanza, the Grand Bank bonanza; the Commission rented 2880 square feet from Snelgroves Supermarket Limited, in Happy Valley. What is the rental rate? \$2.50 per square foot, \$5 a square foot less than it is paying at Grand Bank, Placentia and St. Lawrence. The Liquor Commission rented property from Mifflin Properties Ltd. 1250 square feet and the rent is \$2.90 a square foot. These are all, this is in Catalina. These are all five year leases, not twenty years, not a twenty year lease, five

year leases. In Bonavista the Commission went and rented 800 square feet from Albert C. Little, \$3.00 a square foot, not \$7.22 not \$7.34 not \$7.00 at all, \$3.00. In Topsail Road St. John's, the Commission rented 7200 square feet from Hickman Motors, \$3.25 a square foot. That may be a warehouse or something, but it is \$3.25 a square foot. That is what the Newfoundland Liquor Commission pays when it is left alone, when it is not interfered with, when it is not told you must enter into a bonanza for a certain friend of the Government. Now I make the charge today, Mr. Speaker, that these three buildings are owned by some close supporter of the Liberal Government and Mr. Smallwood. or if not, they are owned by someone in the Government. One or the other. I make that charge today, confident that that is one hundred per cent correct. It is either a member of the Government or it is a close, very close supporter of the Liberal Government of Mr. Smallwood,

I say further that I do not think any Cabinet Minister knows anything about it except one, the Hon. the Premier. It is a public scandal. There is no answer can be made to these charges, Mr. Speaker, why has not the Hon. the Premier appointed a Royal Commission to investigate this? I spoke on it in this House last year for several hours and again in this session it has been brought up on three or four occasion before this resolution. Why has not the Hon. the Premier jumped to his feet and said we are going to appoint a Royal Commission to investigate that? Why? The answer, why, is the Premier cannot afford to have this investigated, in no way, a proper public investigation of this. It will not bear the light of day. It is too inexcusable, it is going to strike too close home. Let us make Mr. Stirling's commission a worthwhile commission. Let us get amended terms of reference, not just a look at the purchase of land at Holiday Inn from Lundrigan, \$50,000 for that Crown Corporation, That may be serious enough, but that is not, that is only a minor part of what needs to be investigated. Let Mr. Stirling's

Commission investigate these three leases and all the circumstances in connection with them, and get the names of the owners of them no matter who the owner is. Surely the public of Newfoundland is entitled to know where \$700,000 of public funds is going to go in the next twenty years, on these leases. It is their money, their money, Mr. Speaker, not any private individual's money to be lashed out. It stinks of corruption. It stinks of patronage. It stinks, period. The question; "I might address these questions to the Royal Trust Company," what a laugh.

Mr. Speaker, who is the lucky owner of that building in St. Lawrence, St. Lawrence the town in Newfoundland where they have had so much misery, the men who went down the mines there and got sick in those mines, and their dependants - and down in the community of St. Lawrence where they have had all that trouble, where people are living on relief and the widows are having a hard time and the rest of it. Right in their midst is a bonanza, a gusher, an oil gusher spewing out money to some friend of the Government. What they could do in St. Lawrence with that \$12,000 a year. You are going to spend \$12,000 a year. If that was some public building owned by the community of St. Lawrence and they were making \$200,000 I would say go to it.

MR. HICKMAN: Put money in the widows pockets.

MR. CROSBIE: Yes, I would say put it in the widows fund there whatever. But when it is \$12,000 going into the hungry maw of some supporter of the Government that is a very much different thing. It is disgusting.

Grand Bank, \$240,000 in St. Lawrence that is the total rent, \$240,000 in Grand Bank. Placentia \$244,000. Placentia where they have hundreds unemployed at the moment, where they have a bad situation, right in the midst of Placentia there is this little bonanza, that little liquor bonanza, with the Government paying every month, the Liquor Commission passing over to the owner every month \$1200 in rent or a thousand odd dollars in rent. The owner is sitting there as happy as can be, does



not have to pay the Town of Placentia a cent in taxes, the Liquor Commission is paying them. He does not have to spend any money in repairs, and he does not have to pay the cleaning woman and he does not have to pay the electric light or the electricity. He has to pay nothing, just sits there and he has a great effort every month he runs down to the bank and deposits the cheque, or the cheque is sent him, deposited in Florida, somewhere, -

MR. NEARY: How long ago was this arrangement made?

MR. CROSBIE: I will tell you how long ago this arrangement was made. Placentia is Sept. 30, 1966. The hon. gentleman was in the Government and knew not a thing about it, I can promise the hon. minister that never came before the Cabinet.

MR. NEARY: The hon. member was a member of the Government at that time.

MR. CROSBIE: Feb. 1, 1969, I was not a member of the Government but the hon. gentleman opposite was. That is when the Grand Bank lease was entered into. Feb. 1, 1969 the hon. gentleman was a member of the Government, that is when the St. Lawrence lease was entered into. But I will say this, the hon. member knows nothing about these. If you were a member you still know nothing about them, they never came before the Cabinet. I entered the Cabinet the end of July 1966, I left in May 1968, and I have not been in the Cabinet since.

MR. NEARY: As long as you can clarify it.

MR. CROSBIE: No need for clarification. I would like the Minister, he is a Minister of the Crown, to investigate this, is he satisfied to have that continue without having it looked into? The rents, is he satisfied that the rent being paid for those three buildings is legitimate and proper?

MR. NEARY: On real estate, are real estate fees legitimate?

MR. CROSBIE: Simple Simon was a pie man, Simple Simon is a Minister of Welfare.

MR.SPEAKER: Order please!

MR.CROSBIE: This is too serious, Mr. Speaker, to engage in light patter with the minister of mushrooms. I am not going to answer you if you say "Mutton Chops," Mr. Butler of the Evening Telegram gets very annoyed.

MR.SPEAKER: Order please! Will the hon. member please -

MR.CROSBIE: This is too serious to engage in lighthearted levity. Mr. Speaker, on the one hand we have a Government appointing a Royal Commission to investigate this matter of land that will

apply to Holiday Inn. It should be investigating the Government's rental policy, the Newfoundland Liquor Commission's rental policy for the last five years. Specifically, it should be investigating these leases. Was there ever a case brought to the attention of the House before that cried out more for investigation. I quoted Mr..... one could only be mildly amused by the minister. I propose that they will wait for a search, because my grandfather was the one who was supposed to have bought the spars. I do not know whether he bought spars or whether he did not buy spars. I had no responsibility. I was not even a chip of the old spar in those days.

AN HON. MEMBER: I tell you what; he sold the spars.

MR. CROSBIE: He sold the spars, was it? Yes. Now, Mr. Speaker, I mentioned the rents that the Liquor Commission are paying..

MR. HICKMAN: What was done with the spars was what the hon. Minister of Justice told the people in Twillingate to do with the poles.

MR. CROSBIE: I would not ask what the hon. minister told them to do with the poles, because I can imagine what it was. Now, Mr. Speaker, I mentioned the rents that the Newfoundland Liquor Commission are paying in Happy Valley, Catalina and Bonavista - reasonable, \$2.50, \$3.000. The hon. member for Burin has mentioned other rents they are paying, \$4.00. In some cases it is \$5.00. In other cases, it is \$5.83 or \$5.10. These are probably justified. But the only thing that sticks out in all the long lists of the property that the Liquor Commission are buying, are the four buildings, including Marystown.

Now Marystown is not quite as bad. It is \$6.53 per square foot. What kind of rent is paid in the City of St. John's, Mr. Speaker, for the best first-class commercial property? I say not a cent in excess of \$6.50. If there is a firm paying \$6.50, that is the maximum for the Royal Trust Building - the best kind of commercial space. What are the Government itself paying in St. John's here? They are lashing \$294,000 a year into the Prince Philip Place? Who is the owner? Lundrigan and Lundrigans Limited. Lundrigan and Lundrigans Limited could not have bought the Prince Philip Place and survived, if the Government had not agreed to enter into

Mr. Crosbie

all those fancy leases. There is \$294,000 a year going into Philip Place from the Government, the Board of Liquor Control, the Power Commission, Workmen's Compensation Board, Public Utilities. But even at those big rents the Board of Liquor Control and Philip Place are paying \$5.30 a square foot. There are 6,000 square feet. The total rent is \$32,000 a year. Now that is high rent for a twenty year lease.

Mr. Speaker, you are a lawyer and you know how commercial rents are arrived at. If you find a tenant with a good credit rating, as the Newfoundland Liquor Commission are, and they will agree to sign a twenty year lease, you can go anywhere in this town and borrow money from any bank or trust company or anyone, they will give you the money secured by an assignment of the lease. They would be glad to.

So, if you are going to attract someone like that on a twenty year lease, you give them a lower rent, because it is on their credit that you are able to borrow the money. You give them a good deal, when it comes to the rental. You do not pay them out \$27.22 - an atrociously high rental, when they are using your credit to go down and borrow money to build the building. So even if Prince Philip Place - it is too much for a twenty year lease, \$5.30. But it is only \$5.30 a square foot. The Power Commission are down there. The Workmen's Compensation Board are down there. They are all paying - the Public Utilities Board are paying \$5.50 a square foot in Prince Philip Place.

Now, I think, we have to admit, Mr. Speaker, that Prince Philip Place is a new, modern office building, right in the heart of St. John's; yet they are only getting there (It is high enough) \$5.50 per square foot but down in the Metropolitan area of Placentia, down in that great metropolis of St. Lawrence, down in that New York of the Southwest Coast, Grand Bank, where everyone will agree that, no matter how lovely those communities are, they have populations between 4,000, 5,000 people and that they are not in the same class, when it comes to paying rent and purchase price of land and the rest of it, as a metropolitan area. Down there, the Liquor Commission are paying

MR. Crosbie.

\$7.22 a square foot for space.

Now this makes no sense. It makes no commercial sense. It makes no business sense. Obviously, this is a sweet-heart deal cooked up to give somebody an ill-gotten gain. The price of that Prince Philip Building altogether totals up to \$294,000. But per square foot, it is no more than \$5.50. I think it is the highest per square foot. That is too high in my opinion for twenty year leases. Now they are not fools on that Newfoundland Liquor Commission. The chairman and the members just did not cook this up on their own. They did not even dream it up on their own. They were told, Mr. Speaker, that they had to enter into these leases. There is only one person in this Province can tell them what they must do and what they do not have to do and what they will do. That person is the hon. the Premier. The explanation for these three atrocities, these three barbarities, these three pieces of extortion, has to come from the hon. the Premier. It is too bad that he is not here today, but he will be here and this will be recorded, and he will see it, and I will say it all over again, if he wants me to tomorrow. The onus is on the hon. the Premier to explain this. Who are the owners? The Premier knows. How did these deals originate? The Premier knows. Who instructed the Liquor Commission to sign these leases? The Premier knows. The hon. the member for Burin, who is an ex-minister of Justice, knows that or at least suspects that these leases were never approved by the Department of Justice. They are not typed by the Department of Justice. I do not know whether the Newfoundland Liquor Commission had a lawyer look at them or not. A lawyer looking at these leases could only marvel that a client of his would ever sign one of them.

MR. EARLE: I am sure the hon. Minister of Finance, under which they come, never saw the leases.

MR. CROSBIE: When the two of these leases were signed February 1, 1969, it was when the hon. member for Fortune was Minister of Finance. Did the

Mr. Crosbie.

hon. gentleman ever see the leases before.

MR. EARLE: Never saw them.

MR. CROSBIE: The minister responsible for the Newfoundland Liquor Commission, the minister to whom they report, the Minister of Finance on February 1, 1969, was the hon. member for Fortune who states now that he never saw the leases and was never asked to approve them and know nothing about them. How does that grab you? The Minister of Finance responsible for the Newfoundland Liquor Commission - the Act says that the Newfoundland Liquor Commission reports to the Government, through the Minister of Finance. That commission never reported to the member for Fortune, the hon. member for Fortune, that they were entering into those two leases - twenty year leases involving \$240,000 of the people's money, the St. Lawrence lease and the Grand Bank lease. Yet, they never reported that to the minister responsible. There is something wrong. They could only take that action if they were reporting or acting under the directions of the hon. the Premier. There is no other way that the commission would dare do that. That is, to enter into twenty year term leases without the approval of their minister, they would have to have the approval of the hon. the Premier. Every time you look at this deal, it gets worst.

The hon. the Premier appoints Mr. Gordon Sterling, the commissioner to look into this serious matter, but comparatively minor compared to this, and refuses to appoint a commission to investigate this. Right? There is a gentleman doing a poll down here, Martin Goldfarb - Martin Goldfarb. He was quoted in the press the other day as saying, "you can merchandize politicians the same as you can merchandise tomatoes." He says, "he is now advising Premier Smallwood on his techniques for this election." What have we come to? Even Martin Goldfarb could not disguise this rotten situation.

Mr. Crosbie.

He could not make anybody believe that this was not what it is. They are going to merchandize the hon. the Premier now. He is going to be a tomato for the next election. It is pretty difficult to merchandize some of these old tomatoes. The hon. the Premier today was on the air denying that there was any poll now being done.

MR. SPEAKER: (Noel) Order please! This was gone into on a previous occasion.

MR. CROSBIE: Mr. Speaker, I say this that if a poll were done in St. Lawrence, if a poll were done in Grand Bank, if a poll were done in Placentia, on what the people there think of this robbery of the public funds, I tell you this that it will come up 99.98 per cent that they do not approve of it, and are not going to support a Government that permits it.

AN HON. MEMBER: Does the hon. member know what he can do with that poll?

MR. CROSBIE: I know what the hon. polls are going to do with the hon. member. He will not be back here after the election.

Now we have in the Cabinet, Mr. Speaker, a number of crusading affairs' gentlemen of whom the Minister of Social Services and Rehabilitation is one. Let the hon. minister start a crusade now? I say the Cabinet has a number of crusading members of whom the hon. Minister of Social Services and Rehabilitation, an author of the Liberal column in the Daily News is one or part author. Whenever we see a column quoting the hon. minister, we know that he is the author. Let him start a crusade now. Let that hon. gentleman go to the hon. the Premier and say, "Premier, I cannot stay in a Government that will permit such a situation, as is revealed by these leases, to continue." Forget the children for a moment. Forget them for a moment. Get on to more serious matters. You will have a lot more money to spend on children, if you can stop this kind of thing. The crusading minister of Social Services

Mr. Crosbie

and Rehabilitation should rehabilitate those leases. In fact, they should be cancelled and if the owner will not agree to cancel them, the Government should bring a piece of legislation before this House cancelling them. If I am ever in a position, Mr. Speaker, where I can have any influence on the Government, I promise you that those leases will be voided immediately.

MR. MURPHY: Join the P. C.'s

MR. CROSBIE: Thank you. Now, Mr. Speaker, I think I have said all I can usefully say on these leases. The facts speak for themselves. I notice in the Public Accounts, 1969,70, that the Newfoundland Liquor Commission, altogether, are spending \$377,000 a year on rent, which includes the rent on their main building out here on the Kenmount Road. Really that is interest and principal under a lease-back, and \$174,000 of that is that one there. But it is spending, say, \$200,000 a year on rent. It is a very substantial amount. I said that the building out on the Trans-Canada Highways is a lease-back under which they are paying principal and interest. Right?

MR. SPEAKER Order please!

MR. CROSBIE: I will tell the hon. gentlemen all about lease-backs. I will tell him all about diapers, if he wants to know about them. Anything he wants to know, just ask me. I wished I owned them all.

Mr. Speaker about \$200,000 a year in rent is being spent by the Liquor Commission. How much of it is being spent unwisely and improperly as the rental on these three buildings? I can only conclude by saying this that: (I will repeat what I have said) I do not think there is an hon. gentleman across the House today that knows a thing about this. I think there is one man only in the Government that is responsible for those leases and that knows about them, the hon. the



Mr. Crosb #.

Premier. I challenge him, if he has nothing to worry about, if he has nothing to hide in the matter of these three atrocities, to appoint a commission of enquiry to have public hearings to find out who the owners are, who negotiated the deal, who was responsible for having them signed. We know that it was not the Minister of Finance. The hon. member for Fortune said that he was not shown the leases nor consulted - Fortune Bay. We know that it was not he. Who was responsible? Who owns the buildings? What will the Government do about stopping this bonanza, cancelling these leases or working out some reasonable rental or purchase for them. Surely, the Government are not going to permit another sixteen years to go making these payments under these documents, paying taxes, repairs and the rest of it? Surely the hon. gentlemen opposite will not allow that to continue. Surely, they will not. There are no commitments yet. I hope the hon. gentlemen will have a Cabinet meeting, Mr. Speaker, and agree either to cancel those leases and to have a public enquiry or both. Certainly a public enquiry is needed. There has never been a matter brought before the House that more demanded a public enquiry. I challenge the Premier to have a public enquiry, if he does not have anything to hide in this matter.

The facts are before the House, Mr. Speaker, and I hope that hon. gentlemen will vote for this Resolution. It does not damage the Government at all. It just says that we request the Government to appoint a Royal Commission of three members - not one. We do not want a one-man commission. But three members, with all necessary powers to investigate Government purchases during the last five years of property and rental property by the Government and particularly to investigate and report on these leases at Grand Bank, Placentia and St. Lawrence, the reasons for entering into those transactions, the reasons or otherwise of the rentals and other terms and conditions, to find out who the owners are and to hold public hearings and to report by September 1, 1971.

Mr. Crosbie

Why September 1, 1971? It should say report before the election.

The election is not likely to be until after September 1, 1971.

This is an enquiry that could be conducted, Mr. Speaker, and concluded easily in four to six weeks. The day of the election? I will make a blind guess

MR. CROSBIE: I would say September 8, 1971, the date of my birthday

AN HON. MEMBER: Inaudible.

MR. CROSBIE: When? At 11 o'clock in the night, I will be either celebrating or retiring.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Well that is possible.

So, seriously, Mr. Speaker, I think that this situation is a rotten one, it calls for an investigation and report, and I hope that hon. gentlemen opposite will support this.

MR. W. MARSHALL: Mr. Speaker, I would agree with the hon. members who have already spoken that this is an appalling situation, an unconscionable transaction, and one which this House can do nothing else but order an immediate investigation into. The rents themselves are atrocious. They are absolutely fantastic. We have a total rental of \$240,000 being paid over the term of the lease and we see the cost of the building. I wonder how many people there are in the Province of Newfoundland today who are able to rent their premises and in effect be paid back almost the full price in the first year, from rent, and live off the rest. I wonder how many people have put up buildings at \$25,000 and \$30,000 and rented them to people and had the tenant pay in the first year or the second year the full price of the building itself, and be able to sit back for the next eighteen years, twenty-eight years, thirty-eight years and enjoy the profits of it? This is the situation we have ourselves in, Mr. Speaker. It is even more ridiculous than that. Any person, who has anything to do with leasing of property, would be utterly shocked to look at the terms of this lease that has been tabled, between the Bankers Trust Company and the Liquor Commission, with respect to the Grand Bank premises. I understand the others are the same.

Clause 2 (b) the leasee, that is, the Newfoundland Liquor Commission in addition to paying for the building, is substantially paying for it in the first year and certainly paying for its entirety in the second year; covenants and agrees to keep not only the interior repaired and mended and

MR. MARSHALL: maintained, but the exterior as well. And I ask the question again, how many people in this Province may, indeed how many people in Canada or anywhere else in the Western World can lease a property to a tenant and, when the outside of the House or the outside of the building falls into disrepair and needs painting, can have the tenant paint the building. This is what this particular clause said, or the roof gets leaky, get the tenant to repair the roof, everything is free and clear in this lease, the whole entire rental goes to the landlord, the mysterious landlord. Not only that, if the Newfoundland Liquor Commission should decide that they do not want to make these repairs, they do not want to repair the roof, they do not want to paint it on the outside, or what have you, on the outside or on the inside, The Liquor Commission has the right, within forty-five days, to do it itself and charge it, charge the price and add it to the rent payable by the Newfoundland Liquor Commission. This mysterious landlord, acting through this foreign company, this Bankers Trust Company, is allowed to do this. Obviously, it is not the Bankers Trust Company, as the hon. the member for St. John's West and the hon. the member for Burin have pointed out. It is quite obvious, it is apparent, it is as plain as a nose on your face that there is somebody behind these leases, obviously. Somebody who is sitting back, if he or she or they are not retired, they could well afford to retire on this bonanza, \$600,000 or \$700,000 of profit, wrung from the people of this Province, wrung from the people of this Province that are paying the taxes that they are paying, who have the lowest per capita income. This Government, which has the highest per capita debt, increasing its debt by this method. Some fellow, some chaps, some lady, or who have you, are behind these leases, getting these huge and exorbitant profits. Not only that, we see under Clause (f) of the lease, we see under the obligations of the leasee that the Newfoundland Liquor Commission has to pay all of the taxes, every iota of tax which is assessed against any of these buildings. And I ask again, how many people throughout this Province are able to rent their places and have all of the taxes paid by the tenant? Very, very few. very, very few unless there is some deal involved with the thing. It is

MR. MARSHALL: wrong. It is dreadfully wrong. There has to be something wrong with these leases. The terms themselves indicate that there is some sweetheart deal, as it has been described. The terms themselves indicate that there has been an exorbitant deal and unconscionable transaction made by this Government. The Government must answer. It has to answer to the people, as to why it entered into this particular contract and why it entered into the other leases as well.

We have got to know who are behind these leases. Why should we not know who are behind these leases? We are paying half a million dollars, more than half a million to the beneficiary, or the beneficiaries. I wonder how many people, if any, in the Government benches opposite know the full story behind these leases. Perhaps, like us, they would like to know. They certainly should know. The people of Newfoundland should know and we should know also, why these leases were entered into. You compare the property rental around this island, that is being paid for comparable space, and you can easily see that this is a smart transaction that has been entered into, that this is a sharpie deal, and we had to know why they were entered into, why the exorbitant payment under the lease have been made. So far nobody on the Government side has given any attention to this motion. I look forward and we all look forward to seeing the members on the Government benches explain this situation. We have a mysterious Trust Company, the Bankers Trust Company, which according to the lease has its head office in Montreal, in the Province of Quebec, and you will notice in the lease that there is no specific street address, it just says all notices will be sent to Montreal, in the Province of Quebec, the Bankers Trust Company on the mainland. Where does the money go? Who is it going to? Why was this lease entered into? Why pay out a total of \$600,000 to \$700,000 of the people's money? How many people in this Province have been able to enter into deals of this nature? Obviously there has to be something wrong with it, and we must have a Commission to look into it. I know that the hon. the member for Burin, the hon. the member for St. John's West will agree with me, and never before,

MR. MARSHALL: In our experience, have we seen such one-sided leases, as the leases which had been entered into here. And we have to know why. Either the Government are completely incompetent - which is something which would not startle too many people in this Province; that is that revelation. Or else there is something behind it, and it has to be explained. I entirely support this Motion by the hon. the member for Burin and I look forward to hearing what the members on the other side of the House have to say with respect to it.

MR. MURPHY: A question, Mr. Speaker, and the question is this; as far as I am concerned, for several years on the Order Paper, we have had these questions as to what rentals are being paid. The answer has been certain buildings, have been paid to the Royal Trust Company. But, after listening to the hon. gentleman and learned gentleman today, the astounding part to me is the fact, the terms of these leases. They have been called sweetheart agreements. The charge has been made right here on the floor of this House, that either a member of the Government at present sitting or a very close friend or supporter of the Liberal Party is the unknown landlord. If we had Perry Mason here, we might get another thriller, you know, "The Case of The Unknown Landlord." All these figures and facts that I have heard today put before the House, there has been no dissent whatever from the other side denying any of the facts that have been stated. And dealing with liquor it might be a little bit quipish to say they are staggering. But, they are staggering indeed, when the hon. the member for Burin or St. John's mentions that no one, but no one on that side of the House, except the Premier, is aware of these leases. I think myself that should be condemnation of a Cabinet and of a Government who are relied upon to run the affairs of this Province in the best interest of all residents of the Province and not work diligently to pour many thousands of dollars into the pockets of one gentleman or a group of gentlemen or a company.

We have heard the statements brought forth here, I have seen the buildings I have been into pretty well everyone of them.

AN HON. MEMBER: Inaudible.

MR. MURPHY: Just visiting, not purchasing, I have friends, who like to drink, I am not against that. But, when we hear that over twenty year period that net, net, net profit is in the area of a quarter of a million dollars to these lessors, when we hear the terms of the leases where the leasee is responsible for every cent of expense pertaining to these stores, and when we see the attitude of the members on the other side, who treated, as they have treated every other debate in this House, Mr. Speaker, with a great amount of levity, you know, nothing to it. Nothing to it. This is nothing. The hon. minister mentions he is too busy with children and we appreciate that fact. He is doing a good job for the children of the Province. But, I am sure again as someone has said, that he would appreciate another couple of \$100,000 to assist him in the work of the children or the people on welfare, perhaps to raise the fuel allowance, provide shoes perhaps for children who have not got these shoes. Why have they not got the shoes? Why are they not getting a greater allowance? Why have they not? Because deals such as this, Mr. Speaker, are being perpetrated. These are not the only deals. And we are just looking forward to the day, and I do not think it is too far off, where we can in the sessions have far more information than we have on this particular matter. It is just a simple motion that an enquiry be made, if you are not guilty, there is nothing to fear, there is nothing to fear.

Mr. Speaker, these are some of the things, some of the questions that are being asked, when we meet people throughout this whole Province. These are some of the reasons why we in this Opposition have been accused of obstructing the business of this House. Anytime we ask questions dealing with money that is being wasted, squandered, passed out to friends and supports, we are obstructing, we are obstructing the business of this House. If we want at anytime, Mr. Speaker, to stand in our places here and query any minister of Government, the Government itself; why spend "x" dollars here,

MR. MURPHY: when you could save half this money? We are just laughed at, scoffed at, treated with scorn and contempt. It is a great joke, That is what comes of controlling the power for so long. We have had other instances, Mr. Speaker, but these matters are being treated with absolute, total, contempt. No one worries on the other side. They just come in and take their places. They are just here in person. Just in person! I have travelled about five districts of this Province, Mr. Speaker, in the last two weeks, and people have asked if their member is still in the House. Do they ever see them? "We never hear them." Is this, may I ask, all the members on the other side; Is this what they come for? Just to cheer and clap when the Premier stands in his place to read a Budget Speech. Is this the purpose of us all being here? There must be someone on the other side who is as much concerned as we are on this side as to the way our money is being spent because, after all, they are paying their taxes also as are all the people of this Province. We are always painted, the members of the Opposition are always painted as trying to obstruct, insinuate, make charges. If charges are made, and this is a very serious charge, Mr. Speaker, I maintain, a very serious charge. I know if I were in the position on the other side of the House, I would certainly stand up and try to defend myself. Try to and perhaps defend myself to the best of my ability. But this will go out, there will be no more speakers, I presume. I am sure no one on the other side will speak. What we hear here, Mr. Speaker, this afternoon, twenty minutes ago, that the Minister of Finance, who is entirely responsible for the operation of the Newfoundland Liquor Commission, was not even aware of these leases. You know we can only conclude it must be a one man-Government. The charge has been made, I wrote it down, the only person who was aware of these leases is the Premier and then when he got these trusted members of the inner Cabinet, these great men come out making great statements, they stand up and announce new stadia here, this here, wonderful thing,



MR. MURPHY: people want to hear. But I certainly hope, I certainly hope, Mr. Speaker, that they also want to hear these same men, who stand up to advertise what they are going to throw away or what they are going to give away, or whatever you like, will stand up and take the stand that we too in addition, in the Opposition are as much concerned about what the Government are doing with your money.

Is there a difference in being elected on this side of the House or on that side of the House? Apparently there is, apparently there is, Mr. Speaker. But I certainly hope, Sir, right seriously, that we have spoken this afternoon on this very, very vital matter and this reaches, through the Press, through the media to all the people of the Province, we certainly hope so Sir. I would like to see a picture, I would like to see a picture in the Bulletin, of the hon. Minister, the great defender of civil right; question not only the legal fees but the rental fees that are paid by a Government of which he is a very very important factor. We presume he is an important member. He is a Minister, he takes on certain obligations. We all have our obligations, Mr. Speaker, and that is to discuss the business of the people. If no one speaks on the other side of the House, Mr. Speaker, we can only judge that they are pleading equal guilt with those persons who, according to statements made, direct charges, no insinuations, that the Government in power now, the Liberal Government under Premier Smallwood, has taken the people's money, without proper discussion, without discussion with his own Cabinet Ministers, without discussion with any member of the Government, has gone on his own and arranged these leases with either a member of the Government sitting on the other side or a very close supporter of the Liberal Party. The charge has been made. Unfortunately the Premier is not in his place today. Is there no one on that side today has the confidence in the Premier to get up and say this is absolutely wrong? This has not happened. There has been considerable discussion on these leases. This was brought before Cabinet as every other matter should be brought before Cabinet,

MR. MURPHY: Is there anyone, today, the hon. member for St. John's West mentions a Law Firm, that are apparently a partner to these leases or a part of the leases, and that concerns members of the Government side, members of this Firm. Is this a great conspiracy? Is it a great conspiracy? All this is done, not an outside lawyer is in on this but someone concerned with members of this Government.

Now, Mr. Speaker, that is a very serious charge to make, a very serious charge. If I stood in my place at this moment and called any Minister of the other side a robber, that he had taken something over \$200 thousand out of the public purse and spent it for his own benefit, I would not be allowed to make that charge, Mr. Speaker. But on the other hand what is the difference in taking the money and putting it in your pocket or taking the money through some mysterious deal and passing it on to a friend or supporter of the Liberal Party, as the charge has been made, and no one here has responded to that charge.

So Mr. Speaker, as far as I am concerned this is a very, very serious charge. A very, very serious charge and I certainly trust, as I said earlier, that this discussion this afternoon, above any other, will get to the people of the Province and that they will, in turn, ask questions not of the Premier, not of anyone but their own member. And say, "what did you have to say about this? Did you stand up and ask questions? Did you stand up and get the rights of this?" Oh no, we just sat there. We just sat there in silence. In other words, by your silence you are giving your consent to deals like this, pull them any day of the week, we do not worry, it is only our constituents who are paying this. Our constituents, everyone of us, forty-one districts, forty-two members, no wonder they must do without a bit of water and sewerage, a paved road here, a paved road there, fuel, welfare, so on and so forth, because this is the way, Mr. Speaker, this is one of the many instances, in my opinion, where the money of the taxpayer is being passed out in gift and perhaps, Mr. Speaker, this maybe just passing

MR. MURPHY: with that hand and passing it to the other hand. Because we know, Mr. Speaker, there will be many elections held in this Province, there will be one very shortly, September 8, the hon. Chief's birthday, big party at his house that night.

But Mr. Speaker, I will say that this Liberal Government will not be short of funds to run this campaign. Where these funds come from is something else, and I maintain, Mr. Speaker, that many of these friends, who are beneficiaries of this Government, are very nice to the Government when the time comes for another election campaign.

Yes, Mr. Speaker, we have had a comparison of rates, no need for me to go into them, I think the Press have them all, where in three areas of this Province, we are paying \$12 thousand a year rent for buildings which have been looked at by contractors and said they cost in the area between \$20 and \$30 thousand. Mr. Speaker, I presume this motion will be put very shortly. We are here in this House at the present time, sixteen of us, possibly there should be forty of us here, but we are not all in the House. Will it go, Mr. Speaker, as it always went, where the members on this side stand up and support this resolution and will the members on the other side, by their voting against this resolution, give their consent, their confirmation to the type of item, the type of business, the type of deal, that we are speaking about this afternoon? This is essentially the question, Sir. If there is no need to worry about an investigation, if everybody is lily white, if they are all wearing their halos, their wings are flapping, I think that the hon. member for Fortune Bay said; "no worry, we defy anybody to come in and find anything wrong with our account, with our leases."

I am sure, Sir, that when the vote is called, that everybody in this House, not only the members on this side, but everybody who is above suspicion, who is above reproach, will stand up and support this motion and welcome, Sir, in view of the very serious charges that have been made in this House this afternoon, will welcome a Commission of Enquiry

MR. MURPHY: as to why these leases have been signed, and find out by whom, and in doing that Mr. Speaker, I feel that these members, as I and the rest of us here in this House have done, have taken an Oath, when we are sworn into this House, Sir, to uphold to the best of our ability, Sir, our duties in this House of Assembly Our first duty Sir, is to our own constituents, to the people who elected us and, coupled with that, our duty to all the people of the Province, to see Sir, that the high honour paid us when we are elected to this House, to see that the business of this House and the monies belonged to this House, the monies belonged to the people, are expended as wisely as they possibly can and to insure, Sir, that no one individual in this House has the right, has any right, to make deals with companies or individuals, where many dollars of the people of this Province are wasted or passed out as hand-outs because they are supporters of the party in power. I heartily endorse this Sir, and I urge that everybody in this House support this motion and let us prove it true or false.

MR. SPEAKER: If the hon. member speaks now he closes the debate.

Is there any other hon. member who would like to speak.

MR. CURTIS: I would like to adjourn Mr. Speaker.

MR. SPEAKER: Are you moving the adjournment?

MR. CURTIS: Yes.

On motion debate is adjournment.

MR. NEARY: To get on to the next order of business, I wonder if I could have leave of the House to answer a question that was asked by the hon. member for Burin earlier in the sitting this afternoon?

MR. SPEAKER: Agreed.

MR. NEARY: MR. Speaker, immediately upon being asked a question earlier in the sitting this afternoon, by the hon. member for Burin, I went to the telephone to find out if wives of miners who are presently in dispute with the Newfoundland Fluorspar Company at St. Lawrence had applied to the Department of Social Services and Rehabilitation for assistance. As my call

MR. MURPHY: was being put through, Mr. Speaker, another call was coming through to me concerning the same matter.

I was informed that about twenty-five citizens of the area, not all from St. Lawrence but in the surrounding area, were then at our office in St. Lawrence requesting help. I made an immediate decision on the telephone, Mr. Speaker, to give these applicants short-term assistance, based on need, as we do in all other

MR. NEARY: cases of clients who come to us for help when they are in need.

Mr. Speaker, I sincerely hope that the disputing parties will get together again very quickly and settle their differences so that the men can return to work and make short term assistance unnecessary. I have very good reason, Sir, to think that an effort will be made in this direction very shortly.

MR. CURTIS: Order twenty-nine.

Motion: Second reading of a Bill, "An Act Further To Amend The Civil Services Commission Act." (Bill No. 49)

MR. MARSHALL: Mr. Speaker, this is a Bill that is being brought in and I do not think it will cause too much comment and contention. I feel perhaps it will be adopted unanimously. I certainly hope it would. This is an Act to bring about much needed amendments to the Civil Service Commission, Mr. Speaker. As the situation presently stands, the Lieutenant Governor-in-Council, that is the Cabinet, appoints a Civil Service Commission, consisting of not more than three members and shall appoint one member to be a Chairman.

Now one of the problems that has arisen is that the appointments to the Civil Service Commission in recent years certainly had been political appointments. There has been appointed to the Civil Service Commission the defeated candidate in the Gander by-election, Mr. Robertson, there has been appointed Mr. Fewer to the Civil Service Commission, who was a known and active Liberal supporter in the Town of Grand Falls or in the District of Grand Falls during the last election. And the late Chairman of the Civil Service Commission also happened to be an ex-member of the House of Assembly.

I do not feel, I do not think that this is healthy for the Civil Service as such. We saw in times in our history, past, condemnations of the Civil Service, the way the Civil Service was established in the 1930's

the Amulree Report. We have seen similar observations made in the Economic Commission Report, with respect to the necessity of a strong Civil Service, and I do not think that anybody here will disagree with this necessity.

MR. MARSHALL: But the make-up of the present Commission, in regard to the good intent of the members concerned, is not conducive to a strong Civil Service. It leaves it open to the charge of party patronage and, indeed, when one notes, and I will come to this in a moment, the appointments that have been made by this Civil Service Commission, we can see that over the period of certainly the past three or four years there has been a pattern where the Civil Service Commission appoints merely in the stenographic class to a great degree and there have been many, many appointments made to the Civil Service, as such outside the terms of the commission, which is authorized I know by the Act. And there is another change which is recommended by this Bill. I will go into it in a moment.

But, let us get back, first of all, to the Commission. This Bill provides that the Civil Service Commission be appointed by the Lieutenant Governor-in-Council, but the distinction is this, the Commission will be appointed from senior civil servants, who have had executive experience and has served not less than ten years in the Civil Service. Now this is a provision which is similar to the provisions in certain other parts of Canada. We are very fond in this House from time to time of quoting Acts and situations that have occurred in other provinces, and therefore, we cannot depart from the norm. You cannot have it both ways, the same norms of judgment apply. In the Province of British Columbia, for instance, reference to that Civil Service Commission Act will find that the commissioners to the Civil Service are, again, appointed by the Lieutenant Governor-in-Council from the senior Civil Servants who have served not less than ten years in the Civil Service itself.

I feel that is a very necessary and very beneficial amendment to be made to this Civil Service Commission Act. It will tend to strengthen the Civil Service. It will give the Civil Service a much more vigorous voice in its own affairs. It will to a large extent eliminate any appearance whatsoever, over the long run, of party patronage in the Civil Service. The Civil Servants or many civil servants employed by the Government today do feel this to be a very, very real necessity. It is very disconcerting too for a young man. The Civil Service itself, first of all, should be a career

MR. MARSHALL: An admirable career a young person would take up and be able to look forward to advancement. But, unfortunately, such is not always the case, and one finds some people in their middle years complaining about the fact that another person is being put in ahead of them. And this person is put in because, they feel, of political consideration.

So certainly the Civil Service not only should have complete control, also with respect to the promotion in the civil service itself, it should set up proper and adequate examination for this purpose. This is the type of, along the lines and along the type of civil service we have in the Federal Government, where promotions within the Civil Service are based on merit, as this Act will provide. This Act also provides that promotion and appointment to the Civil Service would be based solely on merit and for no other reason. And it is in line with the Federal Act. Also, there is a provision in the Civil Service Commission Act, where the Commission itself can be completely circumvented and negated, which is what has happened from time to time.

Because, under the present set up, it is the Lieutenant Governor-in-Council or the Cabinet which declare which post will come within the jurisdiction of the Civil Service Commission. So the Cabinet can and I understand has on many occasion said that such-and-such a class of position or such-and-such a particular position will not come within the ambit of the Civil Service Commission. And this is not good either, obviously, for the Civil Service.

So this Act, in addition to making the commissioners to be appointed from the Civil Service itself, and in addition to providing the promotions shall be on the bases of merit, also states that the Commission has the exclusive right and authority to make appointments to and from within the Civil Service of person for whose appointment there is no authority under any other Act. This is obviously a necessary incident and a necessary function of the Civil Service itself.



MR. MARSHALL: So, then, in conclusion and in summary then, Mr. Speaker, this Act to amend the Civil Service Commission Act will do in essence three important things: First of all, the Commissioners themselves instead of being persons connected with a political party, will be people who have had ten years of executive experience in the Civil Service itself. Now there is no doubt that this will strengthen the Commission. Secondly, it provides plainly a promotion within the Civil Service and appointments in the Civil Service shall be on the sole bases of merit, and gives authority to the Commission to strengthen its regulations with respect to this criterion. And, thirdly, it further strengthens the Commission by saying that the Commission has the exclusive right to appoint within the Civil Service itself.

Now, I realize there might be certain classes of positions, such as Deputy Ministers, but they are very, very few and far between, where the Civil Service Commission perhaps should not have this say with respect to the Deputy Minister, but I would say that that position is virtually the only one that should not come under the Civil Service Commission. So this Act then, as I say, would strengthen the Civil Service Commission and I put it forth for that purpose, knowing full well that the bulk of the career civil servants in this Province entirely support these recommendations as well.

MR. H. R. V. EARLE: Mr. Speaker, this Act, introduced by my hon. friend the member for St. John's East, is, I think, one of the most worthy ones that has come before this House for some time. This particular segment of the Civil Service Commission comes under the Minister of Finance. And all that he has said does bring back to mind to me, the absolute need of the sort of change which this Act envisages.

Unfortunately, the Civil Service of this Province has been wide-open for partisan political appointment to staff it. Now, without reflection on the good men who have been in these particular jobs over the years, and I believe sincerely that most of these men have done their jobs to the best of their ability and with great sincerity. But, in many cases, they were

MR. EARLE: neither qualified by experience nor training to do such an important job as the Civil Service Commission demands. The classification and the variety of people serving in the Civil Service or the Public Service is extremely great, so that, it is quite beyond the competency of any two, three or four individuals to judge the needs and requirements of the people to be selected for all of these posts. And whereas they, in many cases, of course, consult people who are familiar and do know the type of person that should be selected, particularly in professional classifications and so on, the enlargement and extension of the Civil Service Commission would be of great benefit to the Government, particularly if the opportunity were taken, so doing, to put on that Commission more qualified and better trained people who are familiar with the subject of personnel. Now to go back a bit, when this personnel group that was examining the various classifications of the Government were appointed, it was at the time that I was minister, it was done for the purpose of getting once and for all a clear description of the job classifications of all the people throughout the Public Service; so that, literally, people suiting these particular notches could be fitted into them and could be promoted from one to the other.

And this, I think, was a very worthwhile undertaking, it is now beginning to show its value in some of the negotiations with the Public Service that are taking place. And I felt at the time, and I still feel very strongly and this Bill supports it, that the personnel division of the Department of Finance should be gotten together with the Civil Service Commission in some way, so that there could be joint activity, joint consultation, and joint decision, because one thing so relates to the other in the Civil Service; the person's job description, his job classification, is so relevant and so much tied to the type of person that is appointed to fill that particular job. So one cannot function without the other.

And as my hon. friend said, the purpose of this Bill, in introducing into this Commission people who have had many years of experience, in selecting those to occupy those jobs, is all important. This is far too important a

MR. EARLE: job to leave to political chance. It does not matter who is in the Government or what Government is in force at the time, when you are selecting the people who are to do the public work of this Province, there should never be and there must not be political preference shown. Now all too often, in the past, this has been in the case that there have been people who are politically associated with the party in power that have got jobs. It is the old saying, "it is not what you know, it is who you know", that very often gets people in a job, and this has been tremendously the case, so often the case in the past. And the door through which that has been done was something else, which my hon. friend mentions; that is the exemption of posts from the appointment by the Civil Service Commission. This is one of the most dangerous precedents that any Government can take on. Truly there must be a certain leeway for certain key appointments, but what

Mr. Earle.

has happened in the past is that when these posts are opened up outside the orbit of appointment by the Civil Service Commission, very often, in the need and haste to get somebody to fill a particular post, a person is selected at very much higher salary than that which is applicable to his counterpart in some other department of Government. This immediately starts a vicious circle of complaints right throughout the whole public service; particularly, if you should happen to bring in somebody from the outside who is supposed to have some particular qualification and comes in at a salary which maybe half as much again or even double that of someone who has been in the Civil Service for ten or twenty years and is equally competent to do the job, but is getting just about half the salary. This was one of the main reasons behind this personal investigation. Because you could definitely fit people into slots for which they were qualified and not having one chap coming in and being paid \$28,000 a year and somebody else doing perhaps a much more important job in the total picture getting perhaps \$10,000, \$12,000 or \$13,000 a year. This in all scales of pay, right throughout the whole Government service, this sort of thing pertained. You would have ridiculous situations developing where one particular department, perhaps a new department which has been set up, needed specially qualified people to do their work. So, they immediately raided other departments and people who had been trained for this particular function. They appointed these people, very often at salaries, very, very much higher than the post from which they came. Now nobody objects or nobody should object to a qualified person getting a better opportunity. Opportunity is always a must in the Civil Service, if you are to have a loyal and dedicated Civil Service, they must be given the opportunity to advance.

There is no earthly reason under these circumstances that a person leaves a post, which is paying \$7,000 a year, and goes into another one which is paying \$15,000 a year. The trouble with the thing is not that the man

Mr. Earle

gets \$15,000 a year but the fellow who fills that post in the old place is still getting \$7,000. He is probably just as well trained and just as qualified as the fellow who left that. So, there is no sense to all of this.

Now how on earth can you expect men whose only background is perhaps political service to the Province, to judge these things with proper competence.

MR. MURPHY: It is very difficult to hear the hon. member, Sir..

MR. EARLE: Ah, I do not mind that in the least. Somebody is listening. At least people with proper confidence and people with experience, who can judge the value of a man and judge the position that he should go in, is not necessarily or certainly is not a person who has just gotten into that particular job because of some political following. I say, to repeat myself on what I first stated. Maybe that man is as sincere and dedicated as he possibly can be, but without the necessary background and training, he certainly cannot really fill that position. This whole subject of personnel and job classification and all this today is a pretty highly developed science. The Government are, in itself, one of the largest corporations. It is the largest corporation in Newfoundland. It is absolutely essential that the Government of this Province have the best possible people doing its work. They are, after all, doing the work - the most important segment, which is looking after the affairs of our people. If you put in mediocre people or indifferent people or somebody who cannot do the job, the public are again being taken to the cleaners by paying for some fellow who cannot do his work properly.

Now some years ago a good friend of mine, Mr. Stewart Godfrey, who was given a report to bring in. I think it was Wood Gundy or something he served under at that time, to bring in a report on the whole set-up

Mr. Earle

of the Civil Service. They went through department by department with a fine-tooth comb. They made numerous recommendations. They had volumes of this stuff as to how each department should be treated. But that stuff is virtually chucked in the wastepaper basket. It was too politically dangerous. Most of the Government people at the time just would not consider it. It could not be implemented. But from my experience, when I was a member of the Government, I know that some of the deputy ministers who read that report, although it had not been approved and had not been implemented, they, themselves, tried their best to follow the recommendations that were in it and upgrade their departments.

Now had this responsibility been properly passed on to a properly constituted Civil Service Commission, these questions need not have arrived. It would not rest on the responsibility of some deputy minister or some senior servant to do his job the best he could on the appointments to his staff. Automatically, that responsibility would have been taken over by the people who were best qualified and best situated to do it, which should have been the Civil Service Commission, in conjunction and with the advice of the deputy minister concerned, which they would always seek. But the haphazard way in which it has been done over the years and the obvious misfits which have been placed in posts because of that are almost too numerous to enumerate. It is unfortunate that this has been the case. But the Act, which my hon. friend has introduced here today, would, to some degree, help to remedy that situation. That is the reason why I support it. I do not think it goes far enough. I do think that the whole thing should be enlarged to encompass the Personnel Division of the Department of Finance with the Civil Service Commission and set the whole thing up on a proper basis with the proper people heading it up and running it. Then, I think, this Act would be of real benefit to the Province and the Civil Service Commission. I have much pleasure in supporting it.

MR. MURPHY: Mr. Speaker, I have very much pleasure in supporting this Bill also. I think for reasons that on many occasions in this House, I rose to speak on appointments to the Civil Service Commission. Of course, the first qualification, the first requirement to be a member of this commission is: "How active were you in the last election?" Now we look at the commission as it is set up now. I do not know if there has been any replacement for the late Mr. John R. Courage, who was Chairman for some years. I do not think there is; I think there are still only the two there. I know both these gentlemen very well. But it is the principle and not the individual that I am speaking of. One is a defeated candidate in Gander who did not win the election, but he got a nice job. As a matter of fact, I think he is getting a couple of thousand more than a man who beat him in the election. The other is a gentleman very well-known to a certain member in this House, who I have known for some twenty-five or thirty years, who was very active in getting the hon. Minister of Education elected in Grand Falls. I do not know if he had the official title of campaign-manager or not. I think he was. His name is Ron - a fine fellow. I know him very well. I have nothing to say about either of them - perfect gentlemen. But it is the principle, Mr. Speaker.

When either one of us in this House, any person in the Province, goes to apply for a job, and we are assured that this is purely non-political to work in the Civil Service, it is non-political. The persons who examine you have been placed in these jobs purely and simply because they were a part of the political machine or the political party that is in power. Now, you know, when you examine that, you do not have to be too brilliant to figure out just where do we go from here.

MR. ROWE (F.W.): Would the hon. gentleman permit a question?

MR. MURPHY: It is the same one that I have been asked about five times, I guess.

MR. ROWE (F.W.): No! This is a different aspect of it, perhaps. Mr. Speaker, I wonder if the hon. gentleman can inform me - I do not know. I ask this out of ignorance, not from any malice, of course.

MR. MURPHY: Shame.

MR. ROWE (F.W.): I wonder if the hon. gentleman could inform me if at the time that MR. Diefenbaker appointed a defeated Tory candidate from Newfoundland to the Veterans' Board in Ottawa, whether or not the P. C. Association in Newfoundland lodged an official protest against such a political appointment as that? Was a protest lodged at that time by the P. C. Party of Newfoundland, protesting the appointment of this gentleman, this defeated Tory candidate to the Veterans' Board in Ottawa? I do not know the answer to it. Perhaps, our hon. friend could.



MR. MURPHY:

Is that not something? Who did all this? Mr. Diefenbaker and appointed someone to the Veteran's Board, did he not?

MR. MURPHY: I never even heard of it, to be quite frank, first I ever heard of it.

MR. ROWE: Have you ever heard of Dave Decker?

MR. MURPHY: Dave Decker, I believe I heard the name.

MR. MARSHALL: Would the hon. member permit a question? I wonder could the hon. member inform me, does he notice as I notice how relaxed the other side of the House is today and would he like to give us an opinion as to why this is? Have he noticed how relaxed they are?

MR. NEARY: All perfectly.

MR. MURPHY: They are not very talkative though.

MR. MURPHY: It would be a good thing to flush some out of this House, I tell you that. Mr. Speaker, I was about, as a matter of fact I had dealt with the first qualification, being a member of the Civil Service Commission and then someone ask me about a gentleman named Diefenbaker and a gentleman named Decker whom I would know by name. If the hon. Minister feels that Mr. Diefenbaker, I think was one time Prime Minister of Canada, appointed someone to an office and the Minister did not say if he agreed with it or not, but I definitely would not agree with anybody being appointed to a key position like Civil Service Commission where they are supposed to rule impartially on appointment.

AN HON. MEMBER: Or a Veteran's Commission.

MR. MURPHY: A Veteran's Commission, Sir, I do not know what their duties are, quite frankly. But I am supporting, Sir, this Bill introduced by the hon. member for St. John's East. Appointments like the Civil Service Commission and other positions within the Government we call them, political plums, I think used to be the old name for them and I would not doubt but there is a line up now of about fifty of the Progressive Conservatives supporters waiting to fill

MR. MURPHY:

the positions that will be vacated possibly, I do not know, when this Government - it was purely a political appointment and this is one of the things, Sir, that I want to speak about.

In my opinion, and I have stated this fact for a great many years, that the gentleman who would be on this Commission, and you can call him what you like, Civil Service Commission or Personnel Administration Board or whatever you want to call him, in my opinion, Sir, should be experienced as a civil servant because after all, say after an election we pick the top poll captain of the Progressive Conservative party and say, "Look, this is your job," and we advertise for a job within the Department of Provincial Affairs, for example the Minister, and he wants a man to do a certain job. Well, here is an absolute stranger, perhaps never been in Confederation Building or perhaps never, never been within the Department of Provincial Affairs. Many of our young people are to apply to these people to look for this job in Provincial Affairs, it could be Social Services and Welfare, it could be Supply, I mean we can take anything, and they are supposed in their judgement to pick out the person who is best suited for this particular job. You know, I imagine that is his job. Like you go to administration and you apply to any store in town here and usually there is a veteran employee there who is placed, a foreman or a department head that you apply to.

Now the suggestion made by the hon. member is that these commissions should be drawn from within the Civil Service. In addition to having then a group of people who are experienced with the business, and Government is business, let us not forget it, Government must be run as a business and as efficiently as possible, but these gentlemen are thoroughly conversant as to what the duties would be. They would interview these people and, in my opinion again, our senior civil servants should be given the opportunity to reach the top, to be allowed into the kitchen but not into the living room. In other words, now this is an old saying we used to have when I was

MR. MURPHY:

a member of a Labour Union, I know one gentleman was a foreman in a store and they permitted him a membership but only honorary membership, he could not attend any meetings and this was what he said, "You allow me into the kitchen but you will not allow me into the living room."

Now this is what is happening with a great many of our civil servants. They reach a stage and then they are stagnant and just kept there for years. Now if we are to have morale, Mr. Speaker, within the Civil Service and there is no business in the world that needs morale as much as a public service, and I think everybody in this House must agree with me. They must agree because these are the people that represent the Ministers and the members and they are the ones that are meeting most of the people continuously, Sir, and I feel that these people should be as conversant with everything that happens outside, Of course, I am not talking about private business; what is happening within this service, as anybody else. Let us take Government, conceivably the next election, there could be forty-two new members elected to this House of Assembly. They could be elected, it is possible, and highly improbable. A group comes in here, one as a Minister of this someone else a Minister of that, someone else, someone else and so on and so forth; they know nothing whatever about what is happening within this Confederation Building or any other area of Government.

That is why I feel, Sir, that our real Government are our career civil servants, and I know them in this building, I could know them, men have dedicated their lives to this Civil Service, forty years, forty-five, fifty years, that should deserve, that do deserve, when these jobs come along that are perhaps \$2,000. or \$3,000. or \$4,000. more - I think the hon. member for Fortune Bay has stated that they should be able to look up to reach the highest echelon of service in the public service of Newfoundland. These are gentleman who should be conversant with what is happening, and I just say Confederation Building which is not all of it, but I think where the greatest number of your

MR. MURPHY:

civil servants are employed, right here in this building and also in the other branches throughout the Province. Grand Falls, Corner Brook, the larger areas, there should be a continuing group of people, a continuing group associated with this Civil Service Commission, senior civil servants, you have them, you have administrators. I look at the Department of Welfare for example where you need so many very competent people and the Minister will agree with me, men that are thoroughly conversant, that are sympathetic, perhaps a job different than any other routine job that must know people, feel people, understand people. That is right, that is what we need. Well, this is the type of persons, Sir, that we want to encourage to stay in the Civil Service.

If we are going to have good Government, let us face it, we have to have a good Civil Service, it is the very basis of good Government. But, Mr. Speaker, if any Government, when elected to power, can take it upon themselves to say, "You are finished, you are finished, you are finished, so and so, your job is filled." I think that is a great tragedy, Mr. Speaker, a great tragedy. You are not doing your own Civil Service any good, you are not doing the people of this Province any good. I could go to this Civil Service today, I could sit down now and write the names of a hundred or a hundred and fifty people who have jobs in this Civil Service and good jobs, good jobs because of what they are and not because of what they can do.

Now you may talk about Ottawa, you may talk about any other Province but two wrongs never made a right yet. We are considering today a Bill that in my opinion could be the start of our Province getting the best men we can get within the Civil Service and what is more, what is more vital is that we appreciate some of the men we have in this service and let them see the light, where they can get out of the basement some day and get up on the first floor and then perhaps a few years after get up on the second floor.

I believe, I have always believed that there is something within every

MR. MURPHY:

man where there is ambition, the desire to get ahead. Why should we, and I say we because I accept responsibility, why should we stifle this, Mr. Speaker, in some of the members of our Civil Service, our public service? Because we have a friend who helped me get elected or helped you or someone else get elected and put them into a job perhaps \$2,000. or \$3,000. more,

precluding the chance of this gentleman perhaps for another five, six or seven or eight years to get ahead.

Mr. Speaker, and I feel every member of the House feels the same as I do, notwithstanding. I looked at the ministers, they have men in their departments who have worked long and faithfully for this Government, worked very long hours in most cases a lot of the important jobs where they do not get time and a-half for overtime.

We have Mr. Speaker, and I say this without fear of successful contradiction, we have some of the finest, most dedicated, most capable public servants that you would find anywhere in Canada. So, what do we do with them, what do we do with them? They reach a certain stage and then there is a position to be filled, my prerogative someone else's prerogative. We take the man off the street, not because of the contribution he can make to the people of Newfoundland, to the public service, but the contribution that he can make to my party or to me. Mr. Speaker, That is an actual fact and none of us here can deny.

MR. NEARY: 13,000 civil servants how many would the hon. member -

MR. MURPHY: I am very doubtful if I could name these, but I could certainly name a lot of Liberals, in recent years since I have been here.

AN. HON. MEMBER: (inaudible)

MR. MURPHY: I have no idea Sir, because we have never been in power so we cannot be blamed for that. It may be an act of omission but we are not - with an act of commission.

MR. NEARY: (inaudible)

MR. MURPHY: No, Sir, I did not say that now, do not try please to twist any words I am trying to say. The Premier always uses that, and he says we have Tories in the Civil Service, what about - and he names one man all the time, the one man, he had more publicity during the past eight years than any member of this House.

MR. EARLE: Would the hon. member permit a question?

MR. MURPHY: Certainly, Sir.

MR. EARLE: The question is, whether Tories or Liberals occupy these posts are we not restricting our efforts to eliminating the gentlemen opposite and nobody else? We are not going any further than that we are just going to eliminate these.

MR. MURPHY: Well, that will not be done by a Civil Service Commission. That will be done by the people at large. But, do not let us change the subject, let us get right into what I am trying to project before this House. They talk about everything, Mr. Speaker, in this House, but Newfoundland. How many of them have opened their mouth about the thousands of dollars that were thrown away half an hour ago. But they know everything about New Brunswick, Nova Scotia, John Diefenbaker Dave Decker but ask them about these Newfoundland Liquor Commissions and they all - ssh! - that debate is over. But I think it is a nice reference to what is happening now.

So, Mr. Speaker, I feel quite sincerely that with the adoption of this Bill, now, to set this up to have a proper Civil Service Commission and perhaps your Assistant Deputy Minister could form a part of some on-going committee all the time, of appointments, promotions so on in the Civil Service, I am sure, Sir, that with negotiations that have been going on this past year or year and a-half, with the arguments that have been heard between Civil Servants, whether they are Civil Servants paid by the Government so and so forth Sir, I feel that any commission or committee, whatever you want to call it, that have fur on their spurs to service, to dedication, and the proper type of man there that knows the ropes, that has learned from experience, that a great amount of this dissention, a great amount of the contradictions and the arguments that we hear would be done away with Sir. So, for that reason, I have very much pleasure indeed in supporting this and I trust that all

members of the House, when I sit down, instead of speaking to me, get up and speak their piece themselves. I will not question them or anything else, but for Heavens Sake do not be like every other meeting just about we have here in Newfoundland, a typical Newfoundlander. You are up on the stage trying to say a few words, there are forty groups down in the hall holding conversation, when the meeting is over you say, any questions? There is not a murmur, the meeting is over and when everybody gets out of doors they are all contradicting. So for Heavens Sake, get up and speak your own piece do not have me speak for you. That is right, Sir, that is right. So, Mr. Speaker, I have very much pleasure in supporting this The gentleman opposite are very anxious to get home and they want the question, Sir, so if they want to move adjournment they can go now, as far as I am concerned. They should not have been here at all this afternoon; they have not said anything. So, I have the greatest pleasure in supporting this Bill and I know that we will get the support of all in the House on this very Democratic Bill.

MR. STRICKLAND: Mr. Speaker, the members of the Opposition do not do their homework as they should. Because I believe, and I have learned this from the Civil Service Commission, that the way they operate is this way: Certain jobs are advertised, they receive a number of applications and then it is their responsibility to interview as many of them as they think have the qualifications to do the job and, after they have done this work, they select three with the best qualifications, they submit that three to the department concerned, and, in the final analysis, the department makes the choice, not the Civil Service Commission.

MR. MURPHY: Not the department -

MR. STRICKLAND: Oh no, Sir, the top officials of the department, the final decision is made by the top officials of the department, the top



officials I would think are the Minister, his Deputy-Minister and his Assistant Deputy.

MR MURPHY: (inaudible)

MR.STRICKLAND: All that is being done this afternoon is charging the Civil Service Commission that they do a bad job because they are ex-Liberals or defeated candidates or something like that, when, in the final analysis, it has been charged now here this evening that a man is a lesser man, That is the implication if not in words, that is the implication that comes through loud and clear; that if a man is a defeated Liberal Candidate or is a worker in the Liberal Party - when can we get away from this? If a man is a Tory worker does it make him any less a man? Not at all, it does not make him less a man. Can we not get away from this and judge a man on the basis of what he is able to produce?

MR.MURPHY: What we are after.

MR.STRICKLAND: Sure, what we are after. Now the Civil Service Commission, they do not make the final analysis, they make the three choices and send to the department - well blame the minister and his deputy and his assistant deputy, do not blame the defeated Liberal candidates that are in the Civil Service Commission, They do not make the final choice. They are weeding down seventy, which the minister has not got time to do, and they select the three top candidates that have applied for the job and they say, Mr. Minister here are the three that we think has the best qualifications for the job as advertised, now you and your officials make the choice. That is how it is being done right in this department, and then we listen to the guff that we have listened to this evening; that a man is not a man because he is a defeated Liberal Candidate, Come on, let us get away from that nonsense!

MR.MURPHY: (inaudible)

MR.STRICKLAND: Yes, I certainly will, come on give us this, it is almost six o'clock too.

MR.MURPHY: I am in no hurry, we can meet morning, afternoon and night to do the business of the House, you know who said that. I would like to ask the hon. member one thing.

MR.STRICKLAND: Sure.

MR.MURPHY: I would like to ask the hon. member one thing. Does he feel that by getting someone such as he has stated,whether it is a Liberal Candidate or a Tory Candidate,that these people are more qualified to do the job of weeding out applications as someone in the Civil Service?

MR.STRICKLAND: Definitely I do feel it,because they are men. If a man is a Tory defeated candidate it does not make him any less a man, put him on the Commission .

MR.MURPHY: It does not make him any better man either.

MR.STRICKLAND: It does not make him any worse either. If he is a man, he is a man and I do not care what insignia he wears,it does not take away a man's reputation or character because of his insignia.

MR.MURPHY: You have been silent this half hour -

MR.STRICKLAND: I am silent on a lot of things, because if I have to vote for that stuff I have to hassle about some other things that are just as shady. Mr. Speaker, it is nearly six o'clock I am going to move an amendment, seconded by the Attorney General,that this Bill be read a second time six months hence, and I move the adjournment of the debate.

MR.MARSHALL: Mr. Speaker, if I may,I just want to close the debate, after listening to that, I had not intended to say anything but after listening to the member for Trinity<sup>1</sup>South I thought I would say a few words. The purpose of this Bill is not to condemn a person merely because he is a Liberal,although that may be justification to condemn him. This is not the purpose of the Bill. Whether one is a Tory -

MR.NEARY: What rules is the House following now there is an amendment before the House,are we speaking on the amendment,and it has been moved

that we adjourn the debate.

MR.SPEAKER: I understood, maybe incorrectly, that the hon. member intended to , he did not make, that he intended to make the motion that he was not making it now. The hon. member could not make two motions, one give the Bill six months hoist and then move the adjournment of the debate that is before the Chair.

MR.NEARY: Is the House debating the amendment now, Mr. Speaker, or the Bill.

MR.SPEAKER: No, the House now is - the hon. member for St. John's East is now concluding the debate on Second Reading.

MR.MARSHALL: Thank You Mr. Speaker. I will be brief in my comment. It is not a case, although it is the unfortunate situation that we are in, that a Liberal is appointed to the Civil Service Commission. I would make the same comment if any person of any political party of the same stripe were attached to the Civil Service Commission. The purpose of this Bill is to provide that the Civil Service Commission consist of civil servants, as it does in other provinces. To give the civil Service Commission certain securities of tenure to provide that they would make the appointments in the Civil Service and that they have the exclusive right the same, the same as they do in other provinces. Never mind this business of recommendations to political heads of departments, give the Civil Service the exclusive right to make appointments. Give the Civil Service the exclusive rights with respect of promotion within the Civil Service, make sure that the Civil Service promotions within - are based on merit. Now this is an Act that I know what is going to happen, I know the Government side are not going to vote for it because they cannot vote for it. They will not vote for it because it will admit their mistakes and it is only a beginning of the reforms to the Civil Service which will be brought in after the next election. The Civil Service want it any progressive Government would want it,

and, as the hon. member for Fortune Bay says, the only thing that this does not go far enough. But there will be, I would hope, when the next Government meets, not only the reform set forth in this Bill but many other reforms of the nature that are set forth in the Civil Service or the Public Service Act of Canada, which should pertain to the provincial Civil Service as well. We know the Government will not vote for it, but it is certainly an indictment on them that they have allowed the Civil Service Commission to exist as it presently is and have appointed defeated Liberal Candidate and Liberal Party heelers to it. Now, the Civil Service Commission -

MR.SPEAKER: Order, it being now six o'clock, this House stands adjourned until tomorrow Friday at 3:00 P.M.