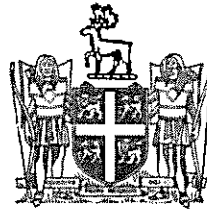


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VERBATIM REPORT

Friday, February 23, 1973

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

I would like to welcome to the galleries today nine Grade IX students from Morris Academy of Mount Pearl and their teacher, Mr. Harvey Hodder, and nine Grade IX students from Peacock Academy of Happy Valley with their teacher, Mr. Rupert Baker. Both groups of students are exchange students, the Happy Valley students with the Morris Academy students and vice versa.

I especially welcome you, on behalf of all the honourable members here today, and indeed any other visitors in the galleries and trust that your visit here is most interesting.

The honourable member for St. Mary's.

HON. G.R. OTTENHEIMER: (MINISTER OF EDUCATION): Mr. Speaker, I received a brief from the Denominational Educational Committees to the Provincial Government on the afternoon of Friday, February 16, a week ago today. The Denominational Educational Committees are requesting a commitment on the part of government, to cover capital construction requirements from the period 1973 to 1980, of \$132 million. That is including the cost of furnishings and the escalation of construction costs over that period.

They are further requesting that the annual grant for school construction which was set at \$8 million in 1971 to be increased this fiscal year to \$12 million. That the Provincial Government endeavour to increase DREE participation in school construction and that the Provincial Government develop a system of long term financing for school construction purposes.

When I received the brief on behalf of the government last Friday afternoon, I told the gentlemen present that having just received their brief it would be impossible to comment intelligently upon it then and I further suggested that this would be the first

topic on the agenda for a meeting between the Denominational Education Committees and me, early in March. This as I recall was unanimously agreed upon. Since the brief has been made public, I have been requested by a number of the media to comment upon it. I think it would have been a discourtesy to the House when it is in session to do this, therefore, I have decided to make this statement.

(1) This government do not make decisions involving expenditure or requests for expenditure over a seven year period totalling \$132 million on capital account within a week.

(2) The brief will be the topic of discussion between me and the Denominational Education Committees at a meeting early in March.

(3) The government is giving study and consideration to the brief.

(4) The position of the government regarding DREE participation in school construction is well known and was stated most recently by me, last Saturday at the opening ceremonies of McDonald Drive School. The government welcomes the participation of the Federal Government in this important area and hopes that this federal-provincial partnership will continue in the future. The government has had negotiations in this area for an amendment to the second DREE agreement and is preparing its material for future negotiations with the federal government for inclusion in a third agreement.

(5) The government is aware of the problems facing the school boards in the area of financing school construction costs. During the next fiscal year the government will be in a position to make known its plans for the long-term financing of school construction.

I have copies here for the opposition and for the press.

PETITIONS:

MR. J. MORGAN: Mr. Speaker, I beg leave of this House to present a petition from the residents of the Communities Winter Brook, Jamestown Portland and Brooklyn, in my District of Bonavista South, a total of 560 residents, voters of the area, asking that the road leading from Winter

Brook through the Community of Jamestown, through Portland and Brooklyn on to Lethbridge be upgraded and paved.

I fully support this petition, Mr. Speaker, for two reasons: (1) that all the school children in these communities mentioned are presently being transported daily through to Lethbridge, to the Lethbridge Elementary and High Schools, and because the road in places is very dangerous; despite the fact that this summer past, the last construction season, this government did complete some upgrading on this road, there are still some dangerous sections to be upgraded and removed.

The second reason I support the petition is the fact that these people in these communities are determined to remain there despite the fact that the previous administration did point out on a number of occasions that these communities could be relocated. They are designated as sending communities but the people are determined to stay there, Mr. Speaker, and I think that this government will endeavour to develop these communities and upgrade and pave their roads as soon as funds become available.

So therefore I move this petition be tabled in this hon. House and passed along to the department to which it relates.

MR. NEARY: Mr. Speaker, I rise to support the petition presented on behalf of over 500 residents of Jamestown, Portland, Brookland and Winter Brook in the District of Bonavista South. I am rather pleased to hear that these people want to remain in their communities, Mr. Speaker, I think it was only yesterday that we heard the acting Premier say that, maybe it was not yesterday but in this sitting the hon. acting Premier made a statement that people who want to remain in their community should be provided with services. I agree with this and it is a reasonable request, Sir. I do not know if they were on the list, that the former Minister of Community and Social Development brought in the House last year, to get the axe or not. We could not get the list so maybe the hon. member for Bonavista South who presented the petition knows whether or not these communities were on the list.

But I support the petition, Sir, and if the hon. Minister of Education does not get all the windfall from Ottawa for the educational programme he just outlined there, I hope that the Minister of Finance will be able to allow a few dollars to grant this reasonable request to the residents of Bonavista South.

MR. ROWE(F.B.): Mr. Speaker, I beg leave to present a petition on behalf

of the citizens of St. Barbe North. The petition is signed by approximately 1,000 individuals from fifteen communities in St. Barbe North and the prayer of the petition reads as follows: (and it is a little lengthy, Sir.) "Whereas our young people will continue to need to build homes and whereas in many cases the existing regulations regarding road zoning prohibits the building of such homes within one quarter of a mile of the existing road and whereas the existing regulations more logically should be designed to protect proposed roads rather than those already existing and whereas the people are not made aware of any proposed roads in the area and whereas the said regulations do not respect the plight of the individuals but is completely lacking of human factor and whereas the regulations are strictly enforced in one community and not in adjacent communities

WHEREAS the time involved in processing such permits often extends into periods of years, and

WHEREAS some people are given permission to build without permits, while others are sued for building without permits, and

WHEREAS young families are often required to live with relatives for extended periods of time and under crowded conditions, and

WHEREAS land to develop is of no scarcity in the area of St. Barbe North, and

WHEREAS the cost of land surveys are extremely high, and

WHEREAS young people and indeed others can ill-afford such extra costs in addition to the high cost of constructing a home, we the undersigned do urgently implore the government to take immediate steps to amend the existing regulations: (a) whereby the people of this district will be permitted to construct homes when they so desire; (b) to protect zoning of proposed roads and that such zones be clearly marked; (c) so that if land must be surveyed the cost of surveying be the responsibility of the party requesting this survey in the first place; (d) so that permits to build be issued within one month of the date of request; and (e) so that those already seeking permits be issued permits immediately or abolish these existing regulations regarding road zoning, crown lands, leases, altogether and permanently. Otherwise, we the undersigned, will take it upon ourselves to give full support morally and otherwise to those who now and in the future deserve to build homes with or without permits.

Now, Sir, this petition obviously refers to the Urban and Rural Planning Act, the protective road regulations and the regulations of the Development Control Division of the Department of Municipal Affairs and Housing. I might point out, Sir, that there is only one single

fieldman of the Development Control Division on the West Coast, and he has to serve from Port aux Basques to St. Anthony to Baie Verte. This is an absolutely impossible job for one man to do. There is only one office there in Corner Brook. There is very little co-ordination between the Clean, Air, Water and Soil Authority to the various municipalities, the Crown Lands Division, the Department of Highways, Department of Health, the other departments and divisions and this is causing extreme delay.

Sir, I sympathize deeply with the people of St. Barbe North in this regard, although I do see the need for regulations. But the people do suffer unduly as far as trying to build homes is concerned and I give the petition my full support and I ask that it be placed upon the table of the House and referred to the department to which it relates.

MR. ROBERTS: Mr. Speaker, if I may say a word or two on

support of the petitions presented by the honourable gentleman from St. Barbe North. Excuse me, I have been talking too much. I am back in the shape though to go on again. The Minister of Finance will be glad to hear it. It all depends on which way you look at it, Mr. Speaker.

The prayer of the petition was well stated by the member from St. Barbe North. It was well stated in the petition itself, a copy of which was sent to me. I think it is a reasonable request in the circumstances, Sir. All of us are intensely sympathetic and intensely aware of the need to have some form of regulation of development of both urban and rural areas in the province. One of the problems that have been inherited in Newfoundland, going back four hundred and fifty years or however long people have been living here, is ribbon development. It is the sort of thing that causes the officials in the Department of Municipal Affairs to grow old before their time. Surely, anything we can do to prevent this sort of development in the future should be done. We have good legislation and I think we have set up, over the years, in this province, fairly good machinery to administer this legislation.

The difficulty, Mr. Speaker, and I think this is the point the petitioners touch upon, is that too often all that we do in the legislation and in the administration is say "no". The legislation is too often drawn in a vacuum. It is too often administered in a vacuum. It is too often operated by people who are not on the spot and who do not realize the problems. There is a world of difference in sitting at a desk at Confederation Building, Mr. Speaker, and agreeing that we should not have ribbon development, and studies and plans and priorities can be piled on one another to prove that, and being down in Eddy's Cove or Bear Cove or somewhere in the St. Barbe North and trying to build a house and seeing a bit of land - and as far as you can see it is a perfectly good piece of land - and then being told frustratingly that you can wait eighteen months to get a permit to build. There is no guarantee that you will get it

then. So, somewhere between the good intentions and the good plans and the good thoughts, somewhere between there and the man on the road if you wish, or the man living in St. Barbe North - and it is equally true in White Bay North or I know of many cases in Ferrvland, all over this province - somewhere in between the whole system breaks down.

The petition speaks very much to that point, Sir, and I do hope it will be taken in to account by the minister. I do hope we will see some action. Too often petitions are received, Mr. Speaker, and they disappear into a morass downstairs somewhere in this building and that is the last that is ever heard of them. I think this one is too important to have that happen to it and I do hope some action results.

MR. SPEAKER: Are there any other petitions?

REPORTS OF STANDING AND SELECT COMMITTEES:

HON. EDWARD MAYNARD, MINISTER OF AGRICULTURE AND FORESTS: Mr. Speaker,

I wish to table the report of the Farm Development Loan Board for the financial year ending March 31, 1972.

HON. DR. AUGUSTUS T. ROWE, MINISTER OF HEALTH: Mr. Speaker, I table

for the benefit of the House, the Newfoundland Medical Care Insurance amendment number (3), regulations of September 1972 and in addition I table the Department of Health Licencing Of Embalmers Regulations For 1972.

NOTICE OF QUESTIONS AND ANSWERS TO QUESTIONS:

HON. H.R.V. EARLE, MINISTER OF PUBLIC WORKS AND SERVICES: Mr. Speaker,

I have the answer to question number (21) asked by the honourable member for Fogo on yesterday's Order Paper.

It is in a number of parts, the first part of which is: On what date do the government call tenders for the provision of servicing and maintenance to government aircraft? The answer is, tenders were called on November 14, 1972.

Second question; on what date did tenders close for the provisions of said services? Tenders closed on December 27, 1972 but were extended to January 26, 1973 at the request of local operators.

Question number three was, what firms or persons tendered for the provision of these services, showing in each case the name of the person, persons or firm; the location of their servicing facilities, the amount of the tender submitted, what terms and conditions form a basis for the submission of the tender, if other than the terms and conditions described in the calling of the tender? The answers are (a) the following firms tendered - Air Newfoundland Limited, St. John's; NADAIR Limited, St. John's; Atlantic Aviation of Newfoundland Limited, St. John's; Avalon Aviation Limited, of Montreal; and Eastern Aviation

Contractors Gander. These tenders were submitted with a number of optional proposals which are currently under analysis. Question (4) was the contract for the provision of these services awarded to the person or persons or firm which submitted the lowest tender? And if not, why not? And to whom was it awarded? What was the value of the contract price? No contract will be issued until an analysis of the proposal is complete and that is in the process. At the present time an analysis is being conducted.

Mr. Speaker with the permission of the House, I would like to correct the answer which I gave in committee last night to the honourable member for Bell Island in connection with the department's snow clearing operations. The honourable member, in giving us the benefit of his thoughts on how to improve the services of that department, asked the question as to whether or not an accurate check was kept on the operators of snow clearing vehicles as to when they went on the job and when they came off the job? Not knowing at that time fully the answer, I said there were spot checks carried on. But I have ascertained since then that actually an accurate record is kept in every instance, in every part of the country, that the operators are checked out and checked in and a record of the time spend on each job under all conditions is kept at all times.

There are a number of questions on today's Order Paper asked by the honourable member for Fogo. These will be answered in due course but might I say, in reading these questions I would appreciate if the honourable member would restrict his questions to what I might term as essential information because they are in great detail and it would mean an unmerciful and unnecessary amount of work for a very small staff and there will be some delay in getting these answers.

MR. ROBERTS: On a point of order, Mr. Speaker, the honourable gentleman began by answering a question and launched into a discourse, Is the honourable gentleman saying that we shall not ask questions, in his view, or is he merely saying that it will take a while to answer them?

MR. EARLE: Ask sensible questions -

MR. ROBERTS: Mr. Speaker, the honourable gentleman would do us the courtesy of being decent, which we are prepared to do to him, is he saying that we shall not ask questions?

MR. EARLE: Ask all the questions you like but make sure they are sensible ones which can be answered.

MR. ROBERTS: Well fine, we shall. Thank you. Mr. Speaker, we shall ask the questions, we will let the honourable gentleman answer them.

MR. NEARY: Mr. Speaker, our globe trotting Premier was off to the delights of Montreal again yesterday afternoon. I would like to ask the honourable Acting Premier, if the government chartered a jet to send the Premier and his party to Montréal? If not, will the Acting Premier tell us whose jet the Premier went to Montreal in? How many are in the party? And the names of those who were accompanying the Premier?

MR. SPEAKER: The honourable the minister said he would take it as notice.

MR. F. B. ROWE: Mr. Speaker, I was going to address a question to the honourable the Premier but in his absence I would like to address it to the honourable Minister of Highways. Would the honourable minister, I think it is this serious now, declare a state of emergency on the Great Northern Peninsula Highway which is presently completely blocked with snow? Is there any possibility of getting highways equipment moved from the eastern section of the province, particularly

on the Avalon Peninsula, and could he instruct his officials in the Department of Highways to hire and use and utilize all of the existing private snow-clearing equipment, particularly in the District of St. Barbe North.

Sir, I mention this because there is a vehicle load of patients from the St. Anthony Hospital now stuck somewhere on the highway north of Eddies Cove. I understand there was a man on the road for some eighty hours last week. The students are losing a great number of days from school and the school buses are travelling under extremely hazardous conditions. Last weekend the power plant in Flowers Cove, which serves most of the communities in the district, almost had to close down because of the fuel truck not being able to reach.

MR. CROSBIE: What is the question.

MR. SPEAKER: I realize the importance of the question the honourable member is asking, but I feel that he has asked the question, that the honourable the Minister of Highways realizes this.

MR. F. ROWE: Mr. Speaker, in answer to the honourable Minister of Finance, I was merely trying to point out the seriousness of the situation on the Great Northern Peninsula. He can drive home this afternoon, most of these people cannot.

DR. FARRELL: Mr. Speaker, I know or did know a few days ago the condition of the highways on the Great Northern Peninsula and I gave a full and very comprehensive report to the honourable member for White Bay North.

MR. ROBERTS: No, no, that was after that.

DR. FARRELL: No, I am sorry, I gave him a personal, not in the House, I gave him a personal and very comprehensive report on conditions and what we were doing to alleviate the conditions at that time.

AN HON. MEMBER: St. Barbe North.

DR. FARRELL: I am sorry, St. Barbe North, that is where the confusion

DR. FARRELL: was, I am sorry, the honourable the Leader of the Opposition. At this moment in time, as I said, I will have to refer back to my department and obtain the present conditions of information concerning present conditions before I can give him an answer on this question. I will do so as soon as possible.

MR. F. ROWE: The minister, Mr. Speaker, did indeed give me a report up to that point but the state of emergency as exists now I am worried about.

MR. F. ROWE: Mr. Speaker, I would like to address a question to the honourable Minister of Education. Will the honourable Minister of Education make a commitment to this honourable House that he will have an official of his department conduct an immediate survey of all school boards in this province, in order to assess the condition and difficulties being experienced with the operation of school buses in the province at the present time?

MR. OTTENHEIMER: Mr. Speaker, I shall have to take that as notice of question.

MR. F. ROWE: I would like to address another question to the honourable Minister of Education, Can the honourable minister assure this House and the people of Newfoundland that the \$24 million windfall from the Federal Liberal Government will be used to defer all property, poll and school taxes in this province and possibly eliminate the need for school tax authorities altogether?

MR. OTTENHEIMER: Mr. Speaker, I believe that the question is out of order, it anticipates the budget and the allocation of funds by the government, anticipates the Budget Speech and the estimates.

MR. SPEAKER: I have to rule, as the honourable minister says, it is in anticipation. It is out of order.

MR. F. ROWE: I would like to ask a supplementary question, Mr. Speaker, is my understanding correct that this money from the federal government is supposed to be earmarked for education alone?

MR. CROSBIE: No, it is not.

MR. F. ROWE: It is not.

MR. CROSBIE: This money is not earmarked for anything. It is part of the tax equalization payments this province will receive next year. It is not earmarked in any way for any particular purpose and will be dealt with in all seriousness after full consideration by the government and when the Budget Speech is brought down, we will see

where the money is spent. It is not allocated as anything.

ORDERS OF THE DAY:

MR. NEARY: Mr. Speaker, I would like to direct a question to the honourable the Minister of Fisheries. Would the honourable minister inform the House if he has received any representation from the fishermen in the Bay de Verde Area about the cancellation of their breakwater which is a federal project? If he has received any representation, what has he done about it?

HON. R.L.CHEESEMAN (MINISTER OF FISHERIES): Could I ask if the honourable member is referring to Old Perlican?

MR. NEARY: (Inaudible)

MR. CHEESEMAN: I just wanted to clarify where it was. There had been earlier representation made in connection with the construction of a slipway in Old Perlican and at that time we wrote back and informed them that nothing could be done at the moment by way of a decision, pending information from the federal government regarding their proposed work for this season. This was the information that we gave them and said we would be happy to proceed with our plans when we knew of the other plans.

The only other information I have is that which the honourable member would have, which is what I heard yesterday publicly, that that had been the request for a breakwater at Old Perlican which had been now turned down by the federal government.

MR. NEARY: Mr. Speaker, now that the honourable minister knows that it was turned down by Ottawa, will the province now proceed with building a breakwater at Old Perlican?

MR. CHEESEMAN: In answer to the question, Mr. Speaker, the province is only involved in shore facilities as opposed to harbour improvements and wharves of that construction and nature. The plan for that area at the moment is to build a slipway and not to get into any other area. It is in slings because we do not know where the breakwater is going to be built or if it is going to be built.

HON. DR. T. C. FARRELL (MINISTER OF TRANSPORTATION AND COMMUNICATIONS): In answer to a question from the honourable member for Fogo yesterday concerning air subsidization to the Areas of Fogo, St. Brendan's, Change Islands; "Does it apply to carriage of passengers from Change Islands, I believe, to the Twillingate Hospital?" The answer is no, that at this present time this is a scheduled flight from Gander to the three points mentioned. It does not apply to that particular area.

MR. WINSON: To the honourable minister a supplementary. Will the honourable minister give some consideration to the thought of subsidizing those people - hospital patients or people going to and from Twillingate to see a doctor?

DR. FARRELL: There is an air ambulance service available to residents of these areas, I would like to inform the honourable member, but certainly, in the next year we will be looking at the entire matter of air subsidization for the entire province and we will be looking in all these areas which may be concerned.

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

COMMITTEE OF SUPPLY:

MR. CHAIRMAN: Order! Shall Head XV, Economic Development carry?

MR. NEARY: Mr. Chairman, one of the items listed under Economic Development is the Hawkes Bay sawmill. I would like to ask the honourable minister if he could inform the committee why it took over thirteen months I think it was, to finalize an agreement with the owners of that mill when the previous administration had already approved the amount of the loan, had pretty well worked out the terms of the agreement and as far as I can understand, there is not all that much difference in the present agreement -

why it took a year to finalize the agreement, Mr. Chairman, and in the meantime the men, the potential employees in that area lost over a years wages. While the minister is on his feet I would like for him to tell us, because I understand that a part of the deal for opening the Hawkes Bay mill is that the saw mill in Stephenville would also either be opened or moved to a new location, I wonder if the minister could elaborate on these two points.

MR. CROSSBIE: Mr. Chairman, the hon. gentleman is giving quite incorrect information to the House because there was no agreement nearly worked out with Bowaters and Lundrigan or Newfoundland Forest Products Limited when these hon. gentlemen left office. There was nothing done at all but an order in council passed, as I remember, just leading up to the election campaign of October which said that the government would be prepared to guarantee a loan of \$2 million for Newfoundland Forest Products Limited subject to proper terms and conditions. There were no terms or conditions ever worked out with Bowaters or Lundrigans and the reason why the negotiations took a long time was that this government were not going to assist this enterprise unless the terms and conditions were in the best interest of this province. But the only reason why we did it at all, as hon. gentlemen will see when this agreement is tabled, and there will be an act here with the agreement attached as an appendix put before the House asking for approval, was because we are very conscious of the fact that this would provide 200 or possibly more jobs in the Hawkes Bay Area, that it being, of course a resource of this province and thus we should make every effort to try and develop or keep this saw mill going if at all possible. That is why an agreement was entered into.

The negotiations took so long because we were determined to see that the money this government advanced was well protected. We were not prepared to advance \$2 million to Newfoundland Forest Products so

that they could turn around and pay with it the debts owed to or guaranteed by the two principal owners of Newfoundland Forest Products, which were Bowaters and Lundrigans. That is one of the reasons why the agreement took so long to work out. The agreement as worked out provides for an advance of \$1,750,000, which was advanced. I think it was in January. They have the right if they call upon us, if they say they wish the other \$250,000, they can ask us for it and we will advance it. The \$1,750,000 is guaranteed with respect to \$400,000, in other words Bowaters and Lundrigans have guaranteed repayment to us of \$400,000 of the \$1,750,000 advanced. The reason for that is that they were going to use \$400,000 of the \$1,750,000 we were advancing to repay bank loans they have guaranteed and we were not going to advance them monies of the government to repay obligations they had themselves, just advance them the money and then the province takes the risk and they do not, so they guaranteed repayment of \$400,000 of the \$1,750,000. If they do require the other \$250,000 they will have to guarantee repayment of that \$250,000. We are secured by a first mortgage on the plant and equipment at Hawkes Bay. They have to spend, I think it is some \$300,000 on the purchase of new equipment

Mr. Crosbie.

for the mill. That is stipulated. We had to deal with a previous agreement entered into by the honourable gentleman's government, with Newfoundland Forest Products, in 1970, which agreement was so bad, the conditions of which were so extremely bad that apparently certain members of the last government would not permit it to be put before the House of Assembly. It was signed despite the objections of certain members of the previous government and its terms were so exorbitant that it was never presented to this House for approval. We had to deal with that. There are no S.S.A. tax concessions in this agreement. In the past one, negotiated in 1970, it was S.S.A. tax free. They are not S.S.A. tax free in this agreement. We have agreed to make them a grant of \$25,000 towards the cost of purchase of equipment. There is no power subsidy agreed to. We have agreed to make them a yearly grant to replace the power subsidy, because we feel that it is much better to know exactly what assistance you are giving a company that commences operation rather than subsidizing their power supply and you do not know what that is going to cost you every year. It is very hard to know what it will cost you in ten years or in fifteen years. There is a specific grant for that, which I think is \$25,000 a year. I am not sure. The honourable gentlemen will see the agreement anyway. These are some of the main features of it. We have the right to use the Bowater timber limits in the area, if there were any foreclosure or any problem with repayment of any of the monies. There is no point today, in going into too much detail because it will all be presented to the House.

With respect to Stephenville, we required, under the agreement, (I am going by memory now) that Bowaters and Lundrigan's or Newfoundland Forest Products have either to recommence the operation of the mill at

Mr. Crosbie.

Stephenville within the next twelve months (or it might be fifteen months, I cannot remember exactly) or they have to recommence its operation again somewhere in the province or they have to sell or lease it to somebody else who will do so. If they have not done either of those, the government can require them to sell it or lease it to somebody else. These are the main principles of it. The agreement took a long time to work out because Bowaters and Lundrigan's took the position that they were not prepared to expend any more money. They have had severe losses on the mill at Hawkes Bay. They have a big investment there but they were not prepared to put any more money into the operation and, therefore, if the mill were to recommence, the government would have to provide the money. We were determined that if we were to provide the money, we were going to see that it was used in the mill, that it was as protective as it could be and that they could not use it to repay any of the indebtedness they then had. Another another feature here is that both Bowaters and Lundrigans have both agreed any monies owed them by Newfoundland Forest Products or any of their subsidiaries or any monies they guaranteed for that company, which are still outstanding, cannot be repaid until our mortgage is repaid. I think when honourable gentlemen see the agreement they will understand why it took a long time to negotiate. The reason why we eventually went forward with this was the urgency, of course, of the hon. Minister for Forestry and Agriculture, whose district it is in, and because we believe that if we cannot get the sawmill of that size, with that investment, operating properly in Newfoundland, there is something fundamentally wrong. It had to be given another chance.

MR. W. N. ROWE: Mr. Chairman, we look forward to having a look at that agreement when it is tabled, appended to the act. One thing the honourable

Mr. W. N. Rowe.

minister mentioned which I find a little intriguing is the reference to an agreement which was apparently signed in 1970 or 1971?

MR. CROSBIE: 1969.

MR. W. N. ROWE: I am thinking about the second one that the honourable minister mentioned was signed over protests

of certain ministers that - I remember being highly involved, along with my colleague, the Leader of the Opposition, being highly involved in some negotiations which were rather acrimonious at points and some difficult points were never overcome. I must say, I do not remember an Order-in Council on the matter and I do not remember the thing ever having been signed. It is only of academic interest now but it is an interesting point.

MR. CROSBIE: It was signed without an Order-in-Council.

MR. W. M. ROWE: Is that right? It had no effect whatsoever. Surely, Bowaters and Lundrigans realize that. They are not that stunned. Was any money ever paid out under that or was it ever acted on by Lundrigans and Bowaters?

MR. CROSBIE: Well, the position under that agreement - and I can give more details when it is debated in the House - was that it was considered to be in effect and they went ahead, of course, and built the mill and so on without paying SSA tax, on the grounds that this had been agreed to by the government. We have had to agree that their SSA tax was exempt at the end of 1971. I do not have the full story but it is quite obvious that it was signed by the last premier and that it was objected to by the Minister of Mines, Agriculture and Resources who refused to have it brought before the House. It just sort of remained in limbo. I mean, there is nothing illegal about it but we had to -

MR. NEARY: The honourable minister, in answering the questions that I put to him, stated that I gave the House incorrect information. I want to advise the members in this committee that I did not give the House incorrect information and I would like to remind the honourable minister that I on the twenty-third of March, I think it was, five days before the last provincial election -

MR. ROBERTS: One day before.

MR. NEARY: Yes, one day before. On the eve of the election, Mr.

Chairman, one day before the last provincial election, the honourable minister's leader in Hawkes Bay told the people at a public gathering in Hawkes Bay that if they elected his government then the sawmill would be open in two weeks. The honourable Minister of - what is the honourable minister now anyway? What is his -

HONOURABLE MEMBER: Mines, Agriculture and Resources.

MR. NEARY: Mines, Agriculture and Resources. The honourable minister was there and he heard the statement and then he said, "no, no, pardon me, not two weeks. "Give me time -one month." One month, that was all he needed, he said, to open that mill. Now, the honourable minister comes in with a cock-and-bull story about how long it took to work out the agreement. Well, Sir, we heard publicly-

MR. CROSBIE: It was going to be signed in 1966.

MR. NEARY: Will the honourable minister restrain himself. Will he restrain himself. The truth of the matter, Mr. Chairman, is that the honourable minister has such a hostile attitude towards individuals in this province and outside this province developing our natural resources and creating jobs, that he cannot restrain himself. That is the thing that is going to cause the rift between the honourable minister and his leader, the honourable the Premier, when it takes place.

MR. E. MAYNARD: Mr. Chairman, the honourable member from Bell Island mentioned that the Premier made a statement in Hawkes Bay on the eve of the elections saying that the mill would be open in two weeks. That is incorrect, totally incorrect. The Premier made a statement at Hawkes Bay saying that he had been advised this by the general manager of Bowaters Newfoundland Limited, Mr. B. R. Pride, that Bowaters intended to open the mill within two weeks to one month. Bowaters did intend to open the mill within two weeks to one month at that time, with the exception that we would not accept the terms that they set forth to the government.

The honourable minister said a few moments ago, Mr. Chairman, that we spent a year trying to work out this agreement because the

government would not accept the original terms and conditions of Bowaters and Newfoundland Forest Products put forth to us and neither would we and neither should we, etc. because they were ridiculous and therefore we negotiated for a full year and we finally got at least a sensible agreement.

MR. W. M. ROWE: Mr. Chairman, did I understand the honourable minister correctly? Did he in fact say that the Premier, on a public platform on the eve of the election, announced publicly that he had been advised by Bowaters and Lundrigan (I would imagine) that in two weeks or a month the mill was going to be open and at that time he knew that the deal as put forward by Bowaters and Lundrigans was not acceptable to the government at that time and he did not go further and clarify it to the people in his audience and say to them, "however it may be a long time before we, the government, agree to the proposal of Bowaters?" Is this what the honourable minister is saying, that the honourable minister did not go on and clarify it, but he left it hanging in the air and left the clear impression in people's minds that the mill would be open in two weeks or a month. Because if he did do that, it is tantamount to telling them that it would be open in two weeks,

within two weeks or a month and it was a fraud perpetrated and committed on the people who were listening to him. No other -

MR. CROSBIE: (Inaudible).

MR. ROWE(W.N.): Listen to it, Mr. Chairman. Pompous John. He is so fed up with the Premier off gallivanting around all over the world and he is there doing all the work that he cannot control his frustration. He cannot control it. He is there with a sour puss on him, a mile long, Mr. Chairman. But to get back to the hon. minister who is trying to defend the indefensible -

MR. CROSBIE: (Inaudible).

MR. ROWE(W.N.): Listen to it.

MR. ROBERTS: He cannot take it, that is his problem.

MR. ROWE(W.N.): The boss of the House, pompous John

MR. ROBERTS: It is just beginning, my friend. It has just begun.

MR. CROSBIE: (Inaudible).

MR. ROWE(W.N.): Oh, I have spotted a lot of guff, Mr. Chairman, but -

MR. ROBERTS: In Hawkes Bay where they tear them limb from limb if they know they were tricked.

MR. ROWE(W.N.): The point is, Mr. Chairman, before we were interrupted by, what is he called? What do they call him around the province? Mutton chops.

MR. ROBERTS: No that is a polite word.

AN HON. MEMBER: Tyrannosaurus Rex.

MR. ROWE(W.N.): Tyrannosaurus Rex, that is as close as he will ever come to being Rex, being king.

MR. ROBERTS: That is like a dinosaur soon to be extinct.

MR. ROWE(W.N.): That is right. Anyway, Mr. Chairman, -

MR. CROSBIE: (Inaudible).

MR. ROWE(W.N.): Mr. Chairman, is this relevant what the hon. minister is going on with now.

MR. ROBERTS: It is funny the calls for order only come when we are making cracks, not the other side.

MR. ROWE (W.N.): The point I am trying to make, Sir, is that by not going further, and we have the minister's word that he did not, by not going further the Premier perpetrated what can only be considered a fraud on the people who were listening to him and it was a very unkind one as well because so many people were depending on employment in that mill in the area. Now maybe the minister can come up with something to clarify the situation but the distinct impression that must have been left was that that mill was going to open in two weeks or a month and he did not go further and advise them that however as far as the government was concerned it would be a lot longer because they did not agree with the terms as proposed by Newfoundland Forest Products.

HON. E. MAYNARD (MINISTER OF AGRICULTURE AND FORESTS): Mr. Chairman, before the hon. member accuses someone of perpetrating fraud and accusing people of all kinds of wrongdoings, he should know what he is talking about which does not happen very often, I admit. The Premier made the statement that Mr. Pryde had advised him the mill could be open in a couple of weeks or a month. Unfortunately, neither Newfoundland Forest Products nor the principals involved made any concrete proposal or any specific proposal or request to the government until some time in April and the Premier had no way of knowing at that time that the company were not going to make their proposals known to the government. When the proposals were made known in April, when they made their request to the government for funds, the terms and conditions were not acceptable and we had to negotiate and that is exactly what we did. The Premier made the statement and he did not make it on a public stage or public gathering, he was meeting with a small group of people but he did make it and he passed along the best information he had available to him at that particular time.

MR. ROBERTS: Mr. Chairman, the minister is falling into exactly the same

position as did his colleague, the Minister of Justice, yesterday in the committee. Every answer he gives only makes the matter worse. Now let us try to put this into perspective. All that I know about the situation with respect to Hawkes Bay are three things. I know that the agreement between Bowaters and Lundrigan's on one side, or Newfoundland Forest Products, they are a corporate creature, on one side and on the other side the Government of the Province, was entered into maybe a month ago, within the past month. It was signed, I believe, in St. John's or in Corner Brook. It was announced at the time, about a month ago or within a month anyway. That is fact one.

Fact two is that I have been told by people in Hawkes Bay, who were at the meeting to which the hon. member for St. Barbe South just referred, that the Premier made a flat statement. The Premier on March 23, the day before the election, fluttered into Hawkes Bay on a helicopter, a government helicopter which I assume was being rented - we will have a look at that in the public accounts committee, but fluttered in on a government helicopter, alighted therefrom, met people who had been gathered around. The hon. gentleman, of course, was there, a candidate seeking re-election at that point in the district. He had been elected by the Supreme Court or declared elected by the Supreme Court, I suppose would be a little more accurate. The Premier made the statement as these people have relayed it to me. Now unfortunately we will never know what was said

because we have to rely upon memory and memory is notoriously unreliable at the best of times, and memory in this sort of situation is even more unreliable than notoriously unreliable, if that is possible.

The Premier made the statement, as these people understood it, Sir. That if you vote for me, if I am elected Premier tomorrow, I am pharazing, I am not quoting but this is the gist of it, the gist and the substance of it. If you vote for me, if I am Premier tomorrow when the ballots are in and everything is counted, this mill will be open within two weeks, it is not open then, then he paused, as my friend for Bell Island has said, "no, not two weeks. Give me a little more time." I am sorry I happend to refer to himself, he, the Premier. He may or may not have referred to Bowaters. The honourable gentleman says he did. I accept that. The people with whom I spoke did not mention that but that is not to say it was not mentioned. "Give me a little more time, give me a month, it will be open within a month." It seemed very reasonable. The people there were desperatley anxious to have that mill opened. There was a good reason in public policy to get it opened. The Minister of Finance has outlined that. That is fact two.

Fact three are the various points and remarks the minister has made right now in the committee, as we discuss this particular item, Sir. As I heard the minister and I was sitting here listening and I try to hear and I try to understand, the minister began by saying that the Premier said; Bowaters's President, Mr. Ben Pryde, Bowaters said the mill will be open in two weeks to a month, and this is what the Premier said. Is that the gist of what the honourable minister said? The Premier relaid that information.

Then my friend and colleague from White Bay South said; "well that was very interesting." It is most interesting, Mr. Chairman, but if the Premier had said that. Now the Premier must have known something more. He must have known there was an order-in-council passed by the previous

administration. The Premier by that stage, Sir, had been in office as Premier for over two months. Surely in sixty days he discovered this matter, it was very topical, it was very much in the news, it was very much being talked about. The Premier must have known that the Bowater Lundrigan operation would not reopen. Indeed he did not have to be in office, Mr. Chairman, it had been announced publicly, as my friend, at least in the parliamentary sense, the gentleman for St. John's West has said it, it was announced during the October 1971 election campaign or previous thereto. But it was quite public by then. That mill was not going to be reopened by Bowaters and Lundrigan without government assistance. That is a fact, a well known inescapable fact and the Premier must have known it. The man has at least normal intelligence, perhaps far more.

So the listeners, the people in Hawkes Bay to whom this was theirs not life and death, but their work, their economic salvation, as they saw it, came to the conclusion naturally, and I will say the Premier knew what he was doing, knew what he was doing. But if the Premier had said; "did Bowaters say it will be reopening?" And everybody knew Bowaters had said it was not going to reopen without government assistance. Let the government deal with me, as my friend from White Bay South has said.

So people naturally said the deal is made. Now when my friend from White Bay South makes that point, Mr. Chairman, the honourable gentleman from St. Barbe South, the minister, gets up and says, "Oh" he said, "not the deal. We did not even get the terms until April, late April, April. In other words when the Premier made that statement he knew the mill could not open. He knew it. He had to know it, judging only from the facts I have outlined or from the minister's own words. I think the minister owes this committee some more explanation. Because as it now stands by his words he has shown that the Premier of this province misled the people in Hawkes Bay on the 23rd. of March. I am only going on the facts, what I know about the matter I have outlined. I know what I was

told in Hawkes Bay.

MR. MARSHALL: On a point of order, Mr. Chairman. We suffered yesterday, in silence, imputations and hints about the honourable the Premier misleading. It has now come up again. It is well known in British parliamentary rules, if you will look at page 130 in Beauchesne, that it is wrong to accuse anybody of misrepresentation, to accuse somebody of misleading is to accuse him of misrepresenting the facts. I submit, Mr. Chairman, that this is entirely out of order.

The honourable the Leader of the Opposition, with impunity, yesterday did it. He should not be allowed to do it today, Mr. Chairman. It has been ruled out of order in this House during this second sitting of this session. It ought not to be tolerated. We cannot have charges, unsubstantiated charges put across this House about any honourable member misleading this House or misleading anybody. Unless the honourable Leader of the Opposition is prepared to substantiate the same?

AN HON. MEMBER: Mr. Chairman,

MR. MARSHALL: I am not through with my point of order yet. This is one reason, one very good reason for the situation in this present House, Mr. Chairman, together with the obsession of the honourable Leader of the Opposition instead of criticizing appointments, criticizing personalities. This has to stop.

MR. ROBERTS: Mr. Chairman, I will not take lessons from the honourable House Leader on what I criticize. I have not criticized personalities, I do not intend to. Nor have I revealed private business and told lies about it.

Now, Mr. Chairman, to come back to the so-called point of order, I am prepared to substantiate what I said. What I said in substantiation I said in leading up to the point. I shall stand on what I said in this debate. Furthermore, the honourable gentleman, I submit, I was going to say "misleading" I do not think he has that wit. The honourable gentleman

is not correct. The references in Beauchesne are of course to things said in the House. I referred to what the Premier said outside of the House. I regret very much the Premier is not here. But if we waited until the Premier was here, we would be waiting until Labour Day. The man has no more intention of appearing in this House to provide leadership than he does of walking on the moon.

AN HON. MEMBER: That is the trouble with this House.

MR. ROBERTS: That is the trouble with this - now let the gentleman from St. Barbe South, Mr. Chairman, reply if he wishes. What I have said, I said. I outlined the case. I am not saying I am right. What I am saying, I have given my evidence. If I am wrong, if the honourable gentleman produces the evidence to show I am wrong, I will gladly say I am wrong. But I have said what I have to say.

MR. MAYNARD: On a point order, Mr. Chairman. Mr. Chairman, I have stated a couple of times -

AN HON. MEMBER: There is a point of order before the Chair.

MR. MAYNARD: Pardon.

MR. CHAIRMAN: Beauchesne, Page 130, Item 155, deals with abusive and insulting language. It is the opinion of the Chair that inferences, innuendoes, if repeated often enough, do amount to abusive and insulting language and the honourable Leader of the Opposition is asked to refrain from such repetition.

AN HON. MEMBER: Thank you, Mr. Chairman.

MR. MAYNARD: I do not have to squirm my way out of anything, Mr. Chairman, I explained what happened in Hawkes Bay on the eve of the election, as the honourable Leader of the Opposition has termed it. I said what the Premier had passed along, information that he had received from the President of a company in Newfoundland. There was no reason why he would doubt the word of that particular person. If that company had presented the government with a proposal within a couple of days, there was no reason why within a month

the proposal could not have been accepted by government if it were a reasonable proposal.

The Premier did not try to mislead the people in Hawkes Bay or anywhere else. I have explained the situation and that is all I intend to say about it.

MR. ROBERTS: All I have to say, Mr. Chairman, the evidence will speak for itself. I do not intend to pursue this point. The honourable gentleman has not answered it. But all he has done is confirmed what I have said. The Premier made the statement, he was not perfectly frank about it.

MR. NEARY: Mr. Chairman, I think now we are flogging a dead horse on this Hawkes Bay situation. The honourable minister will pay the price, a couple or three years from now. I am surprised, Mr. Chairman, at the honourable Minister without Portfolio, the House Leader, getting up on a point of order that he made. The whole -

MR. CROSBIE: What is the relevancy of this to -

MR. CHAIRMAN: Would the honourable member please keep his remarks to Economic Development.

MR. NEARY: Mr. Chairman, what I want to talk about is the steel mill.

AN HON. MEMBER: Inaudible.

MR. NEARY: Now we are getting on to something, Mr. Chairman, I only wish that the honourable Premier were in his seat this afternoon when we are discussing this matter.

matter, because the whole trouble with this House, Mr. Chairman, is not on this side, it is because they have no leader.

MR. CHAIRMAN: The honourable member is again directing to irrelevancies. We are dealing with Head XV Economic Development.

MR. ROBERTS: To a point of order, Mr. Chairman, Your Honour allowed the House Leader to make an attack on me.

MR. J.C.CROSBIE: Twaddle! Twaddle! Do not be so...

MR. ROBERTS: Twaddle be---

MR. CHAIRMAN: I would like to direct myself to the remarks made by the Leader of the Opposition. The House Leader rose on a point of order, the point of order was dealt with and now I am calling on the member for Bell Island to confine his remarks to Head XV, Economic Development. There was a ruling on that matter last night which was appealed to the House and sustained.

MR. NEARY: Mr. Chairman, in this matter of the steel mill, the honourable Premier had shown lack of leadership as he has in all other important matters that have come before this House. That is a fair statement, Mr. Chairman, the whole trouble with that crowd on the other side is they have no leadership, no leadership in the House, that is why they are disorganized and the whole thing is a shambles over there.

Mr. Chairman, I wonder if the minister could bring us up to date on the steel plant situation? I understand that there have been offers from a number of companies including a company that the honourable minister is hostile towards, Brussel Steel of Montreal, because they are into a bit of a dispute, the minister is not speaking with that company. Is there any possibility at all, Sir, of saving the steel mill and if not, would the honourable minister tell us what is going to happen to the thousands of tons, the thousands of dollars worth of scrap that are down at the steel plant? What is going to happen to all the manufactured products at the steel plant, reinforcement bars and the steel balls? What is going to happen to the plant itself, Sir, who is going to scrap it? Is it going to

be put up as distressed merchandise? Is it going to be held intact with a security staff there to look after the plant in the event that another operator might come along, take it over and start it up again? Or is it going to be demolished, scrapped. If it is going to be scrapped, Sir, who is going to scrap it?

I wonder if the minister could answer some of these questions by first of all bringing us up to date on the negotiations that are taking place with the three or four firms to reopen the steel plant. This is the first thing that we have to talk about. Let us not take a negative attitude, Sir. We start up the industries, the Liberals start them up and the Tories close them up.

The first thing we have to do, Sir, at all cost, is keep that plant going. I would like for the honourable minister to deal with that question first and we can deal with the other matters later.

MR. CROSBIE: Mr. Chairman, the honourable gentleman is so outrageous and what he says is so out of line and is so pusillanimous, it is so disgusting that I will not answer some of the silly points he made about who starts up industries and who closes them, because this industry was one the honourable gentleman should not have been talking about opening up in the first place. It has been a dismal failure from the start.

MR. NEARY: That is a matter of opinion.

MR. CROSBIE: Perhaps we will give the honourable gentleman a job to run it.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: You would not lose less than about \$5 million for the first year. I do not know where the scrap would go.

MR. NEARY: It would not go to the family complex, I can tell the honourable minister that.

MR. CROSBIE: Well, I do not know where it would go.

MR. NEARY: That is where it will end up.

MR. CROSBIE: Is that where it will end up?

MR. NEARY: Crosbie Enterprises will end up with it for the family -

MR. CROSBIE: Well, we will try and sell it to them. If they will pay us anything for it we will sell it to them.

MR. NEARY: Give it to them, the same as we gave them E.P.A.

MR. CHAIRMAN: Order please!

MR. CROSBIE: The honourable gentleman is always going on about E.P.A. that he helped along when he was in the government, and we are delighted to see he did it.

Now, Mr. Chairman, back to this. The Minister of Industrial Development is looking after this. The government's decision was announced a week ago and it was all debated then. The government's position is quite simple, the government is not going to subsidize or pay the losses or meet the losses of the steel plant's operations in the future. We have made the decision that there are just no possibilities there is no way that is feasible, there is no way that is viable. We have had advice from people who have been in the business for a hundred years who say and whose reports make complete economic sense, that it has no opportunity of ever even breaking even. Therefore, the government is not going to put any more money into the steel mill or the operation of the steel mill.

We have already spent some three to four million dollars, I would say it is going to end up, since last January 18th. to give it a chance and to keep it going. Now, there have been people in touch with the Minister of Industrial Development who say they are interested in making proposals in connection with the steel mill. Our position is quite clear, if any of them or any one of them make a proposal that they wish to take over and operate the steel mill, the physical facilities that are out at Donovan's, that they have some use for, that they can operate it and as long as their proposal does not involve us in any direct subsidization of it or involve us in any way in which we can lose again next year one million dollars, or two or three million dollars, that they make us a proposal and take it over, we are certainly willing to consider

it, if they present something that sounds sensible and that is not going to arouse false hopes and if they are people that are in the business and have assets and are prepared to risk some money themselves.

If anyone come along like that, we are certainly going to listen to them. They all know that there is a certain limited time for them to make us a proposal. If nothing else happens and nothing sensible comes forward in a month's time or within the next two months, we will have to start selling the scrap and we will have to start salvaging the machinery and selling the machinery and go into liquidation and get back as much money as we can. When that operation commences it will be done by a liquidator. He will get the best price possible for scrap or for anything else. That is the position and they know that. There are one or two who appear to be people of substance, one I know about in particular, the minister may know about others, who are people of substance in this business, who might just possibly come in with something sensible. They know they have only three or four weeks to do something about it, they have been given full information, they have been given STELCO'S report, all the information we have on the steel mill has been made available to them, but as the minister said the other day, we are certainly not suggesting that this is likely. We are not going to raise any false hopes.

The present operation, operated by Newfoundland Steel (1968 or 1970), Limited, is finished. We are finished with it, we will not put any more money in it, we will not be involved in it. I think that answers the honourable gentleman's question, but it is certainly going to be intact for another couple of weeks before any steps are taken to liquidate it.

On motion, Head XV, Economic Development, carried.

HEAD XIII, Municipal Affairs and Housing \$1,488,320.00

MR. CROSBIE: Mr. Chairman, before the minister speaks on that I just want to give some information that I agreed to give last night or to

obtain. I have not all the information yet, they are still working on it, but on royal commissions; there were questions asked about what was paid for royal commissions during the year. The Royal Commission on Taxation and Revenue; they were paid during the year \$5,914.44; the Royal Commission on the Newfoundland Family Law Study was paid since last April 1, \$24,294.23; the Royal Commission on Labour Legislation was paid \$18,936.30; the Royal Commission on the St. John's Arterial Road \$166.74 (very reasonable); the Royal Commission on the Blackhead Road Urban Renewal Scheme \$110,153.90

MR. W.N. ROWE: Does the honourable minister know if these are fees?

MR. CROSBIE: No, no. This is disbursements, you know, it is not just fees. These are fees and all disbursements. I think the fees are reasonable and the rest is disbursements for other studies that were done, secretarial help and office space.

The Royal Commission on Nursing \$764.36; the Royal Commission on Newfoundland Liquor Leases \$40,429.20; the Royal Commission in Labrador \$18,168.56; on Municipal Government \$4,209.98; on the Magistracy \$1,000.00 on Workmen's Compensation \$127.12, that is the study that is being done by Magistrate O'Neill, With reference to Bell Island, \$8,683.18.

AN HON. MEMBER: Legal fees?

MR. CROSBIE: This represents some of the legal fees, yes.

AN. HON. MEMBER: How much of it is legal fees?

MR. CROSBIE: About \$8,000.00 of it.

MR. CROSBIE: to the legal counsel, Mr. O'Neil, and the secretary Mr. Puddester.

MR. NEARY: How much to Mr. O'Neil?

MR. CROSBIE: The honourable gentleman is not thinking of using this when he appears before the enquiry is he?

MR. NEARY: I will use it when the time comes, do not worry.

MR. CROSBIE: Mr. O'Neil - \$4,000, this is approximate; Mr. Puddester - \$4,000 approximate.

MR. NEARY: They really found a milked cow there, did they not?

MR. CROSBIE: I do not know. I think the Blackhead Road was a lot larger. I think they are going to slice the mother-load before they are through.

MR. NEARY: They will drag this one out another -

MR. CROSBIE: The Royal Commission on the Ruth Thompson case, the honourable gentleman is familiar with that - \$948.49, that is quite a reasonable one, \$948.49.

MR. NEARY: The minister down in Provincial Affairs is familiar with that one. He is the one who asked for it.

MR. CROSBIE: Mr. Chairman, I was asked about -

AN HON. GENTLEMAN: That does not pay for the -

MR. CHAIRMAN: Order please.

MR. CROSBIE: Mr. Chairman, I was asked about -

AN HON. GENTLEMAN: Inaudible.

MR. CROSBIE: There is a wind gap over there. His mouth is always open. Now the honourable gentleman asked me about this last night and I am trying to give him the information, just to show him how we grovel at every snap of his fingers.

Now the Chairman of the Royal Commission on Labrador has been paid \$25,500 per annum. This is what the university pays him and we are reimbursing the university. The only other salaries that I

MR. CROSBIE: know about is a Lawrence Jackson - \$10,250 per annum, Elaine Harris - \$7,692 per annum, and Pamela Parasak (I think it is) \$6,156. These are all I believe, employees of Memorial who we are reimbursing. I have not been able to find out yet who is paying for the filming that is going on but in due course I will report to the House on the film.

MR. NEARY: Mr. Chairman, could I ask the honourable minister a question? On the O'Dea Royal Commission, does that include the Robinette fee?

MR. CROSBIE: I do not think so, no.

MR. NEARY: Well, could the honourable minister get us the information because that has to do with the Royal Commission Report?

MR. CROSBIE: The honourable gent should really put a question down.

MR. NEARY: Could the honourable minister tell us how much the taxpayers of this province paid out to Mr. Robinette?

MR. CROSBIE: I will get that information. I will say this much though, that the taxpayers of this province paid out hundreds of thousands of dollars in rents they should not have paid before Mr. Robinette came on the scene and Mr. Robinette's bill will be very, very minor compared to the hundreds of thousands of dollars that went out in illegal payments.

MR. NEARY: If the honourable minister does not have anything to hide, let us see the bill.

MR. CROSBIE: There is nothing to hide, his bill is quite reasonable.

MR. COLLINS: Under the heading of 1311.03.02 - Grants to local councils - \$500,000, under heading 1321.05.01 - Blackhead Road Urban Renewal Scheme - \$988,320 for a total of \$1,488,320. The \$500,000 amount - grants to local councils is brought about by additional funds required as follows: (1) during the current financial year twenty new municipalities were established, and the average claimant on revenue grants to these municipalities will

MR. COLLINS: be \$5,000 each for a total of \$100,000. (2) The maximum revenue grant and all honourable members will remember, the maximum revenue grant payable to municipalities in one year was increased from \$75,000 to \$100,000, the ceiling was raised to \$100,000.

MR. WM. ROWE: When was that increased?

MR. COLLINS: Within the past year.

MR. WM. ROWE: Before the estimates were brought into the House, was it not?

MR. COLLINS: It was announced before, but it was not taken care of in the estimates for last year. It was announced in the Throne Speech, but the arrangements were not made for budgeting in the previous estimates, it is an amount which we did not have in there. That amount is still approximately \$300,000. (3) The third reason for the increase there unforeseen, is that approximately fifteen water and sewer systems came on stream, become operational during the year and of course additional funds were required under the water subsidy vote and you could not foretell those.

The \$988,320 - The Blackhead Road Urban Renewal Scheme which is as the result of a majority arbitration board report, I think honourable members will know what I am talking about here because the arbitration board was set up by the previous administration, on what was paid to one of the contractor who was involved in the Blackhead Road Urban Renewal Scheme.

MR. WM. ROWE: Mr. Chairman, to deal with the last matter first - the Blackhead Road Urban Renewal Scheme, the honourable minister is quite correct when he says that the previous administration set up a board of arbitration in order to see whether there was any validity to claims by the contractor. (Lundrigan's I think it was) Lundrigan's were the contractor up there. They were low bidders under a federal-provincial cost sharing deal and I think they were too low on it and I think they more or less lost their shirt up there, but when we left office the thing was not at all resolved. If I

MR. WM. ROWE: remember correctly, the board of arbitration had brought in an award which you could not even be called a majority award, I think there was a majority decision on some liability but there was then a split decision among all three. I think one person in fact went so far as to say there was no liability but in the majority decision of the board of arbitration, there was some discrepancy, some difference, some disparity between the amount that one arbitrator said should be owing to the contractor as a result of these extras and these problems that were encountered and another one said a lesser amount should be paid to them.

I would like to ask the minister how that problem was finally resolved because it was a thorny problem before we left.

I would also like to find out from the minister if anything was done about appealing the decision of the arbitration board because I think the lawyer acting for the government at the time, had made, if not a written suggestion to that extent, at least I think he had conveyed orally to the government the idea that the award of the arbitration board should be appealed because I think he thought it was wrong.

Now the gentleman happens to be a member of the government at this moment, it is too bad he is not in his seat as he might be able to cast some light on it. I think he is in Montreal today or heading for Montreal. I would like to find out exactly what transpired with regard to that arbitration, following January 18, when the old administration left office.

MR. COLLINS: Mr. Chairman, there was an arbitration board set up, as the honourable member says, by the previous administration. The arbitration board subsequently made a report. There were three members on the board and the majority of the people on the board, two of them, did make a recommendation in the amount which he mentioned here today, as an award which should be paid to Lundrigan's, someone

MR. COLLINS: mentioned Lundrigan's, they were the contractors

There was a minority report, I forget the exact amount, but somewhere in the order I believe of \$600,000 recommended. The honourable member asked what transpired. We sought a lot of different legal opinions and this is not a reflection on the honourable gentleman but I am sure that the persons in the galleries and other members who are unlearned in the legal profession must realize, especially these past couple of days, that we do not always get a unanimous point of view when we are talking with lawyers. We did endeavour, not endeavour to negotiate with Lundrigan's Limited but to try and reach a settlement on this which would be acceptable to both parties. That was not possible, Looking into the circumstances surrounding the case on the Blackhead Road, which I do not want to go into here. I am sure that members opposite and those on this side of the House will realize the tremendous problems run into in that particular urban renewal project and government, in their wisdom, looked at the possibility of jointly

going to court. In fact we did give notice that we might appeal the ruling. The government, in their wisdom, decided. This was a government decision and not necessarily mine. Government did decide, in their wisdom, that we would acknowledge the majority report. The majority report of the arbitration board was that \$988,320.00 should be paid to Lundrigan's.

MR. W. N. ROWE: I think the minister has given a reasonable explanation. I believe that that is what we would have done if we had stayed in office. The gentleman who represented the government at the time gave us(if I remember it correctly, and I am trying to separate any privileged information I might have received - information given to me as a member of the government) the advice that there was a good chance or a chance, if we went to court, of having the amount lowered and naturally the government cast about looking at the whole situation, looks at the time involved, looks at the publicity involved, the hardship on the contractor, if there was a reasonable case put, the diversity of opinion that you inevitably get from lawyers, when you are talking about quantum, when you are talking about amount of damages. I think it was a reasonable decision in all the circumstances. This amount of \$988,320, was that the amount of the majority decision or were there any negotiations down there?

MR. COLLINS: Mr. Chairman, that is the exact amount.

MR. W.N. ROWE: That is the exact amount. Okay, well I will leave that point. I think that that was reasonably looked after. The other point - there may have been some public announcements on this point already but would the minister mind giving the committee, if he has the information, giving us some information as to what are the overruns now upon the Blackhead Road, as compared with the original contract, the original deal signed between the Government of Canada and the Government of Newfoundland? I guess the City of St. John's were in on it too. What are the overruns to date?

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What are the projected overruns? What is likely to be the total cost of that job by the time it is finished?

MR. COLLINS: Mr. Chairman, that is difficult to say. The scheme as we know is a partnership between the province and the federal government. The people of Blackhead Road are not making any financial contributions. The city, of course, is not involved because it is outside the city limits. What the overruns will be, we really do not know. Where they are now, I could not say but I will undertake to get that information. There is a fair amount of work to be done up there. There are a lot of problems still remaining to be dealt with, people's problems, mainly in terms of final settlements on land, final settlements on housing and some ditching and what have you. We are by no means satisfied with the conditions. We are determined to bring about a solution so far as we can go. Hopefully this year we will get the scheme done.

MR. W. N. ROWE: Mr. Chairman, there is one final question on this point, if I may. Could the minister give us some indication as to how the federal government treats all of this? Have they put the clamps on, not another cent more, or are they amenable to negotiating the extra costs, negotiating a share for them to pay of the extra costs? This would, of course, include the arbitration award. Are they going to pay half of that arbitration award? I believe this is one of the problems which we had, with regard to going to court. I think that this was the advice given us, that perhaps in order to make sure that the Government of Canada were on the hook as far as paying (well as sure as you could be) the amount of the arbitration award was concerned, we should have a decision from the Supreme Court on the matter. I am wondering if that question were resolved. Do we expect to see the federal

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government kicking in nearly \$500,000 on the arbitration award and, of course, the other overruns on that job?

MR. COLLINS: Mr. Chairman, we are certainly hopeful that we can negotiate the cost-sharing with the amount of the award. It was rather awkward to get federal approval of anything, unless it was an accomplished fact. There was not much sense in trying to deal with them, until we could tell them what the amount was and how it was going to be settled. The only thing I can tell the committee at the present time is that we are negotiating with the federal government for cost-sharing of this amount and any returns. We are optimistic that we will be successful in obtaining their share of it. Urban renewal programmes, as we know them, of course, are taboo more or less with the federal government now. They are now looking at LIP Programmes, maybe with improvement as opposed to a bulldozer approach. We are pretty confident that the federal government will bear their share of the cost.

MR. WOODWARD: Mr. Chairman, before we leave this subhead, maybe the honourable minister would like to elaborate on the forming of new community councils, government's participation and willingness to have new councils formed in this province. I noticed that over the years there have been a rapid growth or increase in new community councils. I wonder if the honourable minister would care to explain to the committee the criteria set by his department to enable a community to get a community council?

MR. COLLINS: Mr. Chairman, the first requirement is that the people must indicate (by plebiscite or the majority of people at a meeting, depending upon what type of government they intend to set up) to us, that a majority of the people desire some form of local government. It is really no great problem, if eighty per cent or

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eighty-five per cent of the people indicate by petition or at a public meeting that they are desirous of having local government established. When you reach the stage where fifty-one per cent or fifty-two point five per cent or fifty-three per cent of the people indicate on this list, then we must go back and make sure that the petition was circulated in the proper form, that there is no duplication of names, etc. This is very difficult at times. What I am saying is that sometimes it takes us months, months and months because the last thing in the world we want to do is establish a local council somewhere and find that, after a few months, the thing was established illegally, and then it would have to be cancelled out. It might set the local government concept back years, years and years. We have agreed to a number having incorporation during our tenure of office. As I said, we have always tried to make sure that the people were ready and the people did want local government before they agreed to it. We are a little bit concerned about the different types of local government. We have the City of St. John's, under the City of St. John's Act. We have the City of Corner Brook incorporating under the Corner Brook City Act. Then we have the Local Government Act, the Community Councils Act, the Local Improvement Districts Act, the Rural District Councils Act, which have grown over the years I suppose to meet the changing needs of the people. I am not sure if it is kept up to date with the needs of the people. Right now the Royal Commission on Local Government are taking a very close look at the various local government acts. We are hopeful that after holding public hearings across the province, listening to the community councils' representatives and the people and others that we will be able to come up with a better form, a better piece of legislation.

MR. WOODWARD: I would like to thank the honourable minister, Mr. Chairman, for his remarks, which I think is the explanation I was looking for. Anyway I would like to go on a little further. I think that a lot of the

the communities in this province feel that there has to be a certain population in a community before they are eligible to apply to the municipal government or to the Department of Municipal Affairs for some sort of local municipal rule. The problem that I am looking at here, Mr. Chairman, the whole thing gets involved with a number of other government agencies and especially the Clean, Air Water and Soil Authority who is going around throughout the province and saying to individual residents in each community; "clean up your community." There is actually no legal body involved to do it. I was wondering if maybe the honourable minister would care to elaborate a little bit further?

MR. COLLINS: Mr. Chairman, there is nothing in either one of the acts which deals with the number of persons who are required to inhabit a particular place before they can apply for local government status. I would suggest that in the smaller places in Newfoundland, ten, fifteen or twenty families, I really cannot see where it would be to their advantage because you are looking at government programmes in terms of revenue grants, road grants and water subsidies. To be really effective and be meaningful to the people, there would have to be numbers. The larger the place, of course, the easier it is on the local people to do what they want to do. I can appreciate what the honourable member is referring to. This is something again in which I am not trying to avoid the issue. It is something which the royal commission will be looking into. What they will suggest we do not know but I know that they are looking at the arrangements which apply in British Columbia, the arrangements in New Brunswick and in Quebec where there are varying forms of regional government, if you want to. I do not know what they will recommend. They will look at all of those and hopefully they will come up with some suggestions which will encompass the best of

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all of the arrangements across the country. I am very hopeful that they will be able to come up with a realistic approach to that particular problem.

MR. NEARY: Mr. Chairman, I think this is Your Honour's first time in the Chair this session. I would like to welcome you back, Sir. I would like to ask the honourable minister if he would inform the committee if the sewerage problems on the Blackhead Road, resulting from a freeze-up this winter have been cleared up? I understand that a few weeks ago the sewer lines were frozen, the sewerage was flowing out over the ground or out in a ditch over there. Could the honourable minister give us a

progress report on what is happening concerning that situation over on the Blackhead Road.

MR. H. A. COLLINS: Mr. Chairman, we spent a lot of time on the problems of the Blackhead Road. When I say a lot of time, I do not mean here but down in the department.

I think it is a shame that the Department of Municipal Affairs was ever involved as the implementers of the Urban Renewal Scheme on the Blackhead Road or for any other scheme for that matter. However, it is a fact of life they were. I think it was a mistake and should not be premitted to happen again. Not the project but government should not have been involved directly in implementing the scheme.

The city could not have done this because they were not within the city boundries but the Mundy Pond Urban Renewal Scheme is done by the city with the province and the federal government backing up financially.

I think there should have been a group of people formed, by election or otherwise, elected preferably, from the Blackhead Road to have been the implementers of the scheme with the province and the federal government backing them up.

However, to answer the question the honourable member has just put forward, I cannot speak for faults or I cannot speak for engineers. There have been a lot of engineers look at the problem on the Blackhead Road. I am sure that all the honourable members must realize that that particular community, with the terrain as it is, must have offered real problems to engineers and planners.

The sewer line which the honourable member refers to became frozen again this year. Fortunately, we were able to, because of an assist, I suppose, from above, we were able to eliminate a very serious problem, as we had last year. The problem arises from the fact that the sewer line there is not buried and there have been one or two low spots developed in it whereby during the night, when there is not much flow of

water there, the lines became frozen and then the pipes burst.

We had an engineering firm from the Mainland take a look at it and they suggested that we put in syphons which work on the basis of a flush box. You know what I mean, where water is syphoned through and dried out. We found out since that, after waiting for about eight months, that those things could not be manufactured for some time in the future. Some engineers have questioned whether they would work or not. So, I would say that we are looking now toward insulating the pipes. Since it is installed over ground, we must try and find some way to be able to operate in that area. What the final solution will be, I do not know but it looks like we will be going to insulation and possibly an improved type of syphon.

MR. F. ROWE: I appreciate the fact, Mr. Chairman, that the honourable minister's officials are looking for a permanent solution to the problem but I am not quite clear on what the minister said about the situation at this particular moment. Is the sewerage still flowing?

MR. COLLINS: No, no. Everything is all right now.

MR. F. ROWE: Fine. Okay. I do not know if this is the right place to bring this matter up but problems have been caused by the restructuring of government. The fact that, I believe - well, let us get back to this water supply problem in unincorporated areas. There are a great many not covered under this heading. This is why I expressed some doubt whether this is the right place to bring it up or not.

There are a great number of communities in Newfoundland who are well into the construction of some water service projects. This was done by the former Department of Community and Social Development. Now, I believe it comes under your department. I was wondering if you could give the committee some idea as to the progress of these projects as they were being carried out by the former department as to whether or not some of the projects that were stopped under that former department are going to be started up once again under your department?

MR. COLLINS: Mr. Chairman, as the honourable member mentioned, as a

result of restructuring the water services, the Water Services Division of Community and Social Development has been placed in our department.

The policy of that division or that department was that monies to the extent of three hundred dollars for family for a maximum of ten thousand dollars - I am pretty sure that I am right here - ten thousand dollars per community was made available to a water committee to derive, dig wells, drill wells or bring water from a pond or whatever to make it available to the people in the community. That, from what I know about it - and I got a quick look at it - that once that grant is made there are no further grants for maintenance purposes. There is no policy to cover maintenance. It was assumed that the water committees in those places, after having the system installed, whatever it was, they would assume responsibilities for maintenance and they would assume the responsibility for the cost of maintenance by handing around a hat or making some collection somehow in the community.

We are taking a look at that. Just what our policy will be I do not know. It is certainly an area which we would have looked at very closely because I am of the opinion, from what I have seen so far, that there might be more problems caused than relieved.

MR. F. ROWE: I wonder if the minister could inform the committee as to how far they have progressed in their thinking with respect to the establishment of regional governments in the province. I will use an example: That of my own district here where you have twenty-seven small communities, three of which only have some form of a local government. The very thing that I brought up here this afternoon is the difficulty that the people are having with getting building permits and building homes in the district of St. Barbe North. We probably would not have that difficulty if we had greater co-ordination of the various departments and divisions that I mentioned, if we had more fieldmen in the district and possibly if we had some form of regional government so that seventeen and eighteen of these communities could work together instead of in

isolation.

MR. COLLINS: Mr. Chairman, in regard to the honourable member's last remark about the Restricted Road Zone Regulation which we are policing in Development Control. I think I indicated to the honourable member a few days ago that we are briefing up our staff on the West Coast and indeed in Central Newfoundland and other areas. I might also mention that we are enlarging the Appeal Board procedure. There is one provincial appeal board now and we anticipate a minimum of three or maybe five appeal boards across the province so that those people, first of all, when they make their applications they can be dealt with more quickly and in the event that they are not approved, then the appeal procedure is readily available. I think that is very important and we are moving in that direction.

With regard to regional government, we are looking to the royal commission I might say. I would not like to say anything else at this time because that commission are conducting public hearings across the province now and they promised us their report for October or November which is not too long away. I know they will come up with some arrangement whereby the more competent, not the more - I should not put it that way - but whereby the larger municipality, if you want to, can possibly help the guy living in the smaller place whether it be incorporated or unincorporated. I am very hopeful that we will come up with some arrangement to view what the honourable member is thinking about, which meets the eye.

MR. FRED POWE: Another question, Mr. Chairman, there are a tremendous number of municipalities particularly in the northern regions of the province who are experiencing problems with complete freeze-up of the main water lines as well as the branch off water lines through their homes. This is water supply systems as well as sewer systems. I was wondering if the minister could indicate to the committee whether or

not there are some extra funds going to be made available this year or some way to help these people with thawing out, repairing broken pipes and this type of thing?

MR. COLLINS: The officials of the department are looking into the conditions in Northern Newfoundland now, Cooks Harbour for instance. That is in White Bay North, I guess. We have arranged for some equipment to be sent into Cooks Harbour to try and assist them there.

In regard to the smaller communities which are unincorporated, generally speaking we are talking about wells or plastic piping. There is not much we can do with that in the winter months. At any rate, the officials in the department are looking at it to see what is needed and what can be done, if anything.

MR. F. ROWE: Some of these systems have been put in quite recently. I mean, if you start having the water systems freezing up and pipes cracking up this early, within a year after the thing was installed, whose responsibility really is it? Presumably, they get most of their freeze ups the first or second year when the ground is still loose and has not settled back yet. The engineering consultants generally do a pretty good job, always bearing in mind costs, of course, when you look at lots of areas in Newfoundland where there is a bald rock and you have a couple of hundred thousand dollars

to put in a water system, if you want to run through all of that by going down four feet, when one knows you should go down twelve feet. We must take a chance sometimes.

MR. NEARY: Mr. Chairman, I do not know if the Minister of Education wants to put a question to the honourable minister or not. I would like to ask the honourable minister if he would explain to the committee the situation that developed in Glenwood, whereby -

MR. COLLINS: I know Glenwood quite well.

MR. NEARY: Yes, I am sure the honourable minister is quite familiar with Glenwood, Sir.

MR. COLLINS: And Bell Island.

MR. NEARY: And Bell Island, and a few other places, and Peterview.

MR. COLLINS: And Peterview.

MR. NEARY: That is right. So would the honourable minister -

MR. COLLINS: You name them and I have been there.

MR. NEARY: Will the honourable minister inform the committee what progress is being made on the waterline that has been installed at Glenwood that will service, I think it is eight homes, for \$180,000? Why the cost was so high, if public tenders were called and if the contract was awarded to the lowest bidder?

MR. COLLINS: Mr. Chairman, I do not know if we should be dealing with this here and dealing with it again when the estimates come up. Only for I am in a fairly good mood today, so I will -

MR. NEARY: Inaudible.

MR. COLLINS: Yes, but it is not under those estimates.

MR. NEARY: Well it is grants to local councils, Sir.

MR. COLLINS: Okay, that is stretching it a little bit. We will go into it. I presume the honourable member is referring to figures which appeared in the "Sunday Herald" of some issue, which are completely misleading.

MR. NEARY: What are they?

MR. COLLINS: The figure I believe of \$186,000 for eight families was used. The actual amount of money which has been made available to the Town of Glenwood and this can be confirmed in the department downstairs or by calling the mayor in Glenwood, was \$25,000 to provide water and sewerage to sixteen families, at Salmon Brook.

MR. WINSOR: The honourable minister referred to quite a number of new municipalities. I noticed just a few days ago there was elected a town council at Joe Batt's Arm. At what stage do they now begin to get that grant? As soon as they are sworn into office. Then would there be a grant made available to them to carry out certain works?

This matter of Clean, Air, Water and Soil Authority again, I am sure the minister knows what I am getting at. A council had arranged for financial arrangement to have a water and sewerage installed and then they discover that it is being rejected by the Clear, Air, Water and Soil Authority - the minister knows quite well which community I am referring to, that of Fogo. I earnestly believe that the minister has a great desire to get that system started and get it installed. Where does it rest now? Does the Clean, Air, Water and Soil Authority or can they go into a community and tell a council, "I am sorry we have to reject this system from being installed here because of pollution problems." Or can the minister overrule that authority?

MR. COLLINS: Mr. Chairman, with regards to the first part of the question, Joe Batt's Arm. There was a new council elected there a while ago. I had a conversation with Mr. Decker who has been elected mayor, while I was in Grand Falls, about one week ago. We send him the necessary legislation and regulations and paper work and so on and so forth. We will be sending a municipal inspector in there within days or probably weeks. There is an initial grant made available to the council whether it has been sent to Joe Batt's Arm or yet, I do not know, but that follows almost immediately.

With regard to Fogo and the Clean, Air, Water and Soil Authority's refusal to permit the installation of a water system without going ahead

with a sewer treatment plant, CAWSA I am afraid under the existing legislation are all-powerful in those regards. Certainly I cannot overrule them. The last I have seen on it is that the Fogo Town Council have made certain proposals to CAWSA with the hope that they will permit them to be able to discharge their affluent by some more economical means than the engineers had pointed out. We are hopeful that they will be able to reach some agreement with them which will permit them to go ahead with the water.

MR. ROWE, W.N. Mr. Chairman, I do not know if this question was asked before, I was out of the House for a few minutes, but of the amount of \$500,000 for local councils, has any of that to do with grants or projects which the federal government are assisting councils with? In other words what I am asking has the Provincial Government found itself in the very unpleasant position again, probably to pick up a certain amount of the cost of some of the grants, some of the projects rather, which the federal government have encouraged local council to get involved in. If so, about how much? If he does have that information?

MR. COLLINS: Mr. Chairman, I do not know if any of these costs are reflected here. But to answer the honourable member's question about LIP programmes, I am sure he will agree with me when I say that is a major concern to all of us, not only to this province but all the other provinces of Canada, particularly this one, particularly Newfoundland. We get a lot of criticism, my department and my officials and myself I am paid to take criticism, but sometimes the officials are not. We processed in the province about 1,250 applications under the Local Incentive Programme, last fall. Very often the officials of the department have worked weekends and nighttime to get the applications into Halifax, because somewhere along the line it is said, you know, "first come, first served" sort of thing. It did not mean anything, I do not think. But at least we did what we could to get them processed from here and into Halifax

Approximately 200 of the applications were subsequently approved. That is not a very good average. However, we have no control on it because it is federal government money and they are the people who finally approve or disapprove. They said that there would be no further applications approved because there was no money. That means of course that most of the municipalities are now coming to the province. Certainly there is no money in Ottawa, I do not see how you can expect it to be in St. John's.

But to deal more specifically with the question, we are not satisfied with the way the programme is run because very often you will find groups in a municipality or in a community with the best of intentions to make application for funds to carry out some project and they will find in the spring of the year or the summer, whenever the programme terminates, that the project is hardly finished and very often they turn it over to the municipality and of course the next week they are in front of my desk looking for monies to complete it.

We are of the opinion, in fact we are convinced that those programmes that the federal government comes up with should be thought out more fully and the money made available to the province so that we can set the priorities and make sure that we can supplement it and complement and get the things done properly.

MR. ROWE, W.N. I suppose it is relevant, Mr. Chairman, the question I asked the minister was whether any amount, any part of that \$500,000 went for this purpose? So if it did, then it is relevant, if it did not, I am not relevant. Did the minister answer that question?

MR. COLLINS: I cannot say whether it does or does not. Actually I doubt it because, if the honourable member does not mind, \$100,000 is for the current financial year because of new municipalities being formed, \$300,000 is for revenue grants brought about because of where we lifted the ceiling from \$75,000 to \$100,000, this effect about twelve -

AN HON. MEMBER: Inaudible.

MR. COLLINS: Well the maximum revenue grant to any municipality in

Newfoundland prior to \$75,000, there were about twelve or fifteen municipalities who were being discriminated against because their revenue collections meant that they were entitled to more than that. The ceiling was lifted, which discriminated against about fifteen municipalities. But fifteen municipalities are better off to the tune of \$25,000. The other \$100,000 was brought about by the need for or rather the payment of subsidies on water and sewer programmes.

MR. ROWE, W.N. On the whole question, Mr. Chairman,

AN HON. MEMBER: Inaudible.

MR. ROWE, W.N. It seems passing strange, as it has been said here in the House before, that the government would not have made provision in the budget, the estimates of last year, for this extra \$25,000 for fifteen municipalities. It has already been announced in the throne speech, I will just ask the question, maybe the minister can deal with it later.

Why was not the extra amount of money put in the budget last year, the estimates last year? Secondly on this question of LIP grants, and I assume I am being relevant, Mr. Chairman, since we do not know if this money covers that or not. The minister says that 1,200 applications are received. From municipalities?

MR. COLLINS: From municipalities and groups and individuals. This is not all municipal applications.

MR. ROWE(W.N.): Yes but do other groups have to go through the Department of Municipal Affairs?

MR. COLLINS: No but they come through another provincial agent. This year, for the first time I believe, all of the applications from all of the groups, that is my understanding, all of the municipal applications come through my department and I believe this year, for the first time, all of the other applications had to be sanctioned by some provincial -

AN HON. MEMBER: Went direct to Halifax.

MR. COLLINS: Yes but Halifax would not deal with them unless they were approved, I believe -

MR. ROWE(W.N.): I know what the hon. minister is talking about. For example CAUSA had to be consulted on all of them. For example, if there were a local group building -

MR. COLLINS: No.

MR. ROWE(W.N.): No. Well maybe the hon. member can explain what his side of the story is a bit later.

MR. COLLINS: I know Halifax referred those back.

MR. ROWE(W.N.): Yes, I know that I have had problems outside of municipalities where people, for example athletic associations applied directly to Halifax and then CAUSA were brought in on it and other agencies like that so although they might not have gone through some provincial agency to begin with, they were certainly brought into it at some point along the way. Well, you say 1,200, Mr. Chairman, the minister

says 1,200 through his own department?

MR. COLLINS: No, no that was from the province.

MR. ROWE (W.N.): From the province. All right I just wanted to get that clear. The minister says 250 are -

MR. COLLINS: 220 or 230.

MR. ROWE (W.N.): Well, what I would like to ask, there is a lot of buck passing in this programme, back and forth, and it is not only the federal government who is to blame, the provincial government is to blame as well because -

MR. COLLINS: No, no.

MR. ROWE (W.N.): Of course, they are, Mr. Chairman. A municipality, how many, for example, applications received from municipalities by the minister's department are turned down in the first instance? Very many?

MR. COLLINS: We turned down one application and we are taking care of that hopefully on another programme.

MR. ROWE (W.N.): One application, Mr. Chairman. So what happens, here is the role now that I see the provincial government play through its Department of Municipal Affairs, I see them being merely a conduit pipe whereby all these applications are received by Municipal Affairs then they are just merely shovelled up to Ottawa, with no scrutiny whatsoever. The minister says one was turned down. Is he trying to tell the committee that out of, I do not know how many his department receive from municipalities, 400 or 500, I would imagine, because some municipalities had 200 or 300. Were there not 400 or 500 from St. John's there, for example? What the minister is saying, Sir, is that, well I infer from his remarks that everything received is passed on to Ottawa except for one, which was turned down. Now that must have been very bad, if it was turned down it must have been completely outside of the criteria altogether.

MR. NEARY: No, no.

MR. ROWE(W.N.): Well, okay maybe it was not. I do not know anything about. Obviously the member for Bell Island is privy to all.

MR. NEARY: Yes, I know all about it.

MR. ROWE(W.N.): But the point that I am trying to make is that the federal government, I think conscientiously, brings in a programme which is designed to alleviate unemployment and to try to put in some useful public services. I think I am being relevant, Mr. Chairman. The provincial government which has to deal with Ottawa because the municipalities are not entities unto themselves, they cannot deal legally or constitutionally with Ottawa except through the provincial government. They are creators. The provincial government's role -

MR. COLLINS: The hon. member said that.

AN HON. MEMBER: (Inaudible).

MR. ROWE(W.N.): Yes, that is right but I mean as far as the municipal governments are concerned the deal is -

MR. COLLINS: The only reason we look at them is in case there are any other implications which the province might be required to get involved in afterwards, but for all practical purposes the federal government deals with municipalities.

MR. ROWE(W.N.): Right and as I understand it the municipal government, if it says no to a municipality then the municipality, if they see fit, can then circumvent the provincial government completely and go direct to Halifax or to Ottawa.

MR. COLLINS: Anyway this has no significance here; I do not think.

MR. CHAIRMAN: This matter and its association with the local initiatives programme could take us well into next week so -

MR. ROWE(W.N.): Mr. Chairman, I asked the minister if any part of this \$500,000 was in respect of -

MR. COLLINS: - for the hon. member to ask a question, I could have said no.

MR. ROWE(W.N.): Well, okay he should have said no. I asked if I were relevant. Now I am preceeding on the assumption that perhaps part of this is and I think it is an important point anyway and I will not keep the committee any longer except to ask this question. It seems to me that if the provincial government does not want anything to do with this, then they should wash their hands of it. They should say to the federal government, "Federal government, this is bringing us nothing but nightmares, therefore, let us get out of it. You can do it directly if you want to." If they do in fact take on, if the provincial government take on the responsibility of supposedly vetting some of these municipal projects which are submitted, then I would submit, Sir, that they should do their job. It seems to me, by circumstantial evidence only, but it seems to me self-evident that if every application but one which is received by the Department of Municipal Affairs is shovelled off to Ottawa and then some of them are turned down and some of them accepted -

AN HON. MEMBER: (Inaudible).

MR. ROWE(W.N.): Well, what are they then? We do not even go through -

AN HON. MEMBER: (Inaudible).

MR. ROWE(W.N.): Well, what is the point of it. Well, why does not the Department of Municipal Affairs say to the federal government, "You are wasting the time of our officials and our ministers, forget about it coming through Municipal Affairs."

AN HON. MEMBER: (Inaudible).

MR. ROWE(W.N.): That is right. I am aware of all of that, Mr. Chairman. The point that I am saying is that the provincial government here comes out, and the Minister of Finance has done this on occasion and I do not blame him for it, but he has come out on occasion saying, "We are right on the hook. The federal government puts us on the hook with regard to these LIP programmes." When I would submit, Sir, that the provincial

government is master of its fate to a certain extent and certainly if they exercised more scrutiny over some of these applications they would not find themselves afterwards getting into some of the binds that they do in fact get in by shovelling it all up to Ottawa, Ottawa approving some of them and then the municipality coming back on the provincial government for extra money and then an extra burden being put on the provincial government. That is the only point I want to make and I think it is a legitimate point. I am sure that the Minister of Municipal Affairs agrees with me wholeheartedly. He would like to see the LIP programmes, I am sure, out of his department altogether so that he can spend more time concentrating on purely provincial issues and purely provincial responsibilities. Maybe he does not, I do not know, but it seems to me he should.

MR. ROWE(F.B.): Mr. Chairman, the hon. Minister of Municipal Affairs and Housing says that you approved 1,099 of these applications -

MR. CHAIRMAN: If the hon. member would permit. He interrupted the member for White Bay South on the matter of local initiative programmes in the Department of Municipal Affairs and it would be preferable if this debate did not continue into a protracted debate on its association with the Department of Municipal Affairs. We are dealing with Head XIII and supplementary supply and these items have been outlined.

MR. ROWE(F.B.): Mr. Chairman, I wish to make one short point unless you rule me out of order, of course.

MR. CHAIRMAN: The member may make his point but please make it as quickly as possible.

MR. ROWE(F.B.): If I understand correctly, the hon. the minister suggested that his department approved 1,199 out of 1,200 applications, all but one?

MR. COLLINS: No, no. 1,250 applications submitted to Halifax from all over Newfoundland, all of the groups and individuals involved. Ours were probably about 200 or 300.

MR. ROWE(F.B.): You had 200 or 300 come into the Department of Municipal Affairs and you approved all but one.

MR. COLLINS: I am pretty sure they were all approved but one.

MR. ROWE(F.B.): Did the hon. minister's department inform the municipalities involved that his department had approved these?

MR. COLLINS: Yes every one of them.

MR. ROWE(F.B.): Well, surely therein lies the reason why the provincial government would want to become involved in this because they simply write back to the municipalities involved and say that the provincial government has approved of these applications. They are sent off to the mainland, to the federal government, and some of them are turned down, there is a political advantage to it.

AN HON. MEMBER: The fed's are bad boys.

MR. NEARY: Mr. Chairman, I think we are perfectly in order because the hon. minister has already stated that he does not know if there is any LIP money in here or not, in these grants to councils.

MR. COLLINS: (Inaudible).

MR. NEARY: No, it is not a point of order.

MR. CROSBIE: On a point of order, I believe you have made a ruling that this is irrelevant to this debate so the hon. gentleman is out of order.

MR. CHAIRMAN: The hon. member for Bell Island will recall yesterday evening's protracted debate and the ruling made at that time concerning the head economic development. The Chair is prepared to hear arguments and make a subsequent ruling on this matter as well, if the hon. members insist on protracted debate on this matter on which the Chair has already expressed its opinion that the irrelevance has gone on quite long enough.

MR. NEARY: It is not irrelevant because Your Honour was out of the House when the minister stated that there are \$300,000 -

MR. CHAIRMAN: With the hon. member's permission, the Chairman was not out of earshot.

MR. NEARY: Well, then Your Honour must have heard -

MR. CROSBIE: To a point of order.

MR. NEARY: I am speaking to the point of order, Mr. Chairman.

MR. CROSBIE: Is the hon. gentleman appealing your ruling?

MR. NEARY: No, I am speaking to the point of order.

MR. CROSBIE: No, you are not speaking to any point of order. You have not made one.

MR. NEARY: Sit down, sit down bully boy.

MR. CROSBIE: The Chairman has made a ruling and if the hon. gentleman wants to appeal it, let him do so.

MR. NEARY: Mr. Chairman, I am speaking to a point of order.

MR. CROSBIE: This is the same intolerable course as we had last night.

MR. NEARY: Sit down bully boy.

MR. CROSBIE: Obstruction of the business of the House and that is all it is.

MR. NEARY: Mr. Chairman, I am speaking to the point of order.

MR. CROSBIE: There is no point of order. You were overruled. Now are you appealing the ruling?

MR. NEARY: Sir, to my knowledge, Mr. Chairman, the minister stated that there was \$300,000 grants to municipalities and he was asked a question by my colleague

MR. NEARY: Mr. Chairman, obviously the minister does not have any information.

MR. COLLINS: On a point of order, Mr. Chairman, this is a lot of nonsense. Let us face it!

MR. ROBERTS: To the point of order, Mr. Chairman, -

MR. COLLINS: Mr. Chairman, the point of order is this: I have read this three times. Everybody agreed to it, until the Leader of the Opposition comes in now with something on Buchans. I do not have a list of all the municipalities. I did tell the honourable member that I would undertake to get it for him. That is all I can do.

MR. ROBERTS: Mr. Chairman, if the honourable gentleman - the point is that he is coming before this committee looking for \$500,000 and does not have the information. That is fine. The evidence will speak for itself. Now he mentioned that the increased revenue grants account for part of the expenditure which he is requesting from the committee now. I did hear him correctly I believe. Would he be good enough to tell you, please, when the grants were increased?

MR. COLLINS: How many times have I given that answer already?

MR. ROBERTS: I do not know! You have not given it to me.

MR. COLLINS: Yes I did!

MR. ROBERTS: The honourable minister has not given it to me. Mr. Chairman, the honourable gentleman does not have to tell us but could he tell us. It seems like a rather relevant, reasonable question. I have heard of arrogance.

MR. COLLINS: Mr. Chairman, the grants will be made available to the municipalities and as far as I know, this year. They were not shown in last year's or this year's estimates.

MR. ROBERTS: When were they increased? I know they have been increased. I would like to know when they were increased? What date? What was the order-in-council or the other authority? That is what

Mr. Roberts

I want to know.

MR. COLLINS: There is an order-in-council but I do not have it with me. I do not know the date on it.

MR. ROBERTS: Let me take it a step further, Mr. Chairman. This subhead 1311-03-02 was shown as Local Councils, \$2.79 millions requested, approved in the main supply bill, we are now up an extra \$500,000 and the minister gives as part of his reason for this, the increased revenue grants. That is fair enough. I mean the revenue grants are automatic in the sense if a municipality raises revenue, the government matches according to the formula and the government changed the formula before the March election, before these estimates were prepared and I wonder if the minister would tell us why it has now exceeded that? There may well be a perfectly obvious reason but all I would like to know is know it. That is all I am asking. There is no answer. If the minister has no answer, then I am forced to the conclusion that the estimates are false, that the estimates were understated, that is the point. These are a fairly predictable expenditure.

MR. COLLINS: What has the hon. Leader of the Opposition got against municipalities? We circulated a booklet last week and he went beserk. Are you against us giving them anything?

MR. ROBERTS: Mr. Chairman, to a point of order - may I ask what relevance that point (if it is a point) has to this? I asked the honourable minister a question arising out of 1311-03-02. The minister drags himself in and ask for an extra \$500,000, an extra \$500,000, not chicken feed, not worth arguing about.

MR. CROSBIE: Chicken feed compared with the past.

MR. ROBERTS: Right! Chicken feed compared to the future.

MR. CROSBIE: (Inaudible).

MR. ROBERTS: Sure!

Mr. Roberts.

Would Your Honour enforce the relevance of the hon. gentleman from St. John's West or are the rules one-sided? Can he get away with it.

AN HON. MEMBER: Yes!

MR. ROBERTS: Yes, now they have let the cat out of the bag, the bus contractor.

MR. OTTENHEIMER: Mr. Chairman, point of privilege.

MR. COLLINS: Point of privilege, Mr. Chairman.

MR. OTTENHEIMER: Mr. Chairman, point of privilege, I submit that references or rhetorical questions to the effect; are the rules for one side or the other, are quite out of order. They impugn the impartiality of the Chair and would make any sensible debate in this House impossible. I suggest that the privilege of the House is at stake here, Mr. Chairman, when any honourable member says or suggests in statement or rhetorical question; are the rules only for one side?

MR. ROBERTS: Mr. Chairman, to that point, there was no intention on my part to impugn Your Honour's impartiality and if there were any words used that gave Your Honour that impression (I do not care about the impression the hon.member for St. Mary's got but I do care about the impression Your Honour has) then, of course, I amend them or withdraw them whatever is necessary. What I did say was that the hon. Minister of Finance seems to feel that the rules do not apply to him, that he is the one, when anybody else strays from the straight and narrow, gets up and calls Your Honour's attention to it and yet when he gets up, he feels that the rules do not apply to him. Of course, we are learning a little about Jovial John these days. Now as I was saying -

MR. CROSBIE: Mr. Chairman, the honourable gentleman has expressed himself from a point of order and I can reply. The honourable gentleman is deliberately filibustering this Supplementary Supply Bill.

MR. ROBERTS: No!

MR. CROSBIE: And every means within his power for the last day and a half and contemptuously continues. No wonder tempers are getting short. The questions are irrelevant. The estimates will be coming before this House, when all this information can be given and when it is legitimate to ask and get it. The information that the honourable gentleman is asking for now is not relevant to this debate and it is for the purpose and the purpose only of harassment and of delaying the business of the House and that is all it is and if he occasionally goads members here, it is quite understandable.

MR. ROBERTS: Mr. Chairman, that point is as contemptible as the honourable member and does not need to be replied to. The questions I have asked are relevant. If the minister chooses not to answer that is up to him. The minister comes in and asks for \$500,000 and has given us precious little explanation. Now there is explanation I am sure and the minister has undertaken to table lists in due course. I asked the honourable minister a perfectly reasonable question. A major change in policy was made before the March election.

MR. CROSBIE: It was announced in the Speech from the Throne.

MR. ROBERTS: Right. Then up come the estimates, drawn up well after, based on that policy for \$2.8 million in round figures. We have heard from the Minister of Finance how accurate the estimates are, how he personally scrutinized every cent, including 1311-03-02. Then the minister comes in and blithely asks for \$500,000 extra - fair enough. That is okay. I do not begrudge that but as for his cheap, snide, little - against municipalities - yeah! yeah! I have not taken on any town councils.

MR. CROSBIE: Completely against them.

MR. ROBERTS: Mr. Chairman, would the hon. member for St. John's West keep quiet.

MR. CROSBIE: The honourable gentleman despises municipalities.

MR. ROBERTS: Would the honourable gentleman be quiet?

MR. CROSBIE: The honourable gentleman hates them.

MR. ROBERTS: Of course, the honourable gentleman hates them.

MR. CROSBIE: The honourable gentleman harasses them.

MR. ROBERTS: Of course, he does.

MR. CHAIRMAN: Order please!

MR. COLLINS: About Buchans, it is the first I have heard of it.

MR. ROBERTS: I was not allowed to talk about Buchans. The hon. Minister of Finance would not allow me.

MR. CROSBIE: Does the honourable gentleman ever keep his -

MR. ROBERTS: When it is 6:00 P.M., I will talk to the honourable gentleman about Buchans. The Minister of Finance is scared or does not want it to come up. Now as I was saying about 1311-03-02, the estimates tabled on the 31 May, Sir, the main estimates, required \$2.8 million to implement a policy of the administration, a policy of the government of this province. That policy is revenue grants. I suppose the Local Improvement District of Goose Bay gets revenue grants. Does it? It matches its revenue, dollar for dollar on the first thousand and whatever it is. Every municipality in the province qualifies for them except, I believe, St. John's and I am not sure about Corner Brook. There may be others but generally almost every municipality qualifies. Now we ask for an extra half million. That is five hundred thousand on twenty-eight hundred thousand, eighteen per cent, a fairly substantial underestimate. All I have asked the minister is, could he give us some explanation of it. I am quite prepared to believe that there are explanations. It is not that the policy was changed because the policy was in effect before this book was prepared. The minister, I think, is nodding his agreement. Now would he tell us. All I want to know is why this dupe of \$500,000? We are told that the

Mr. Roberts

estimates are accurate.

MR. COLLINS: No, no, Mr. Chairman, it is not a matter of duping. There was a mention in the Throne Speech in the last session. There had to be an order-in-council for this. The Treasury Board had to have a look at it and so and so forth. The officials had to prepare the thing. I do not know what the delays were but at any rate it was not reflected in the estimates for the year. We have now come for supplementary supply.

MR. ROBERTS: I thank the honourable gentleman. All he is saying and it is reasonable, the estimates are not accurate. That makes the point. Let it be recorded. Let the Minister of Finance note that.

MR. CROSBIE: It was most accurate in twenty-one years.

MR. ROBERTS: Oh, I do not know about that. I do not know about that at all.

MR. CROSBIE: It is still a bit inaccurate.

MR. ROBERTS: The honourable gentleman prepared estimates before. We shall see about that. We dealt with the Blackhead Road thing.

AN HON. MEMBER: We talked about that.

MR. ROBERTS: The only thing I need to talk about is Buchans and I am not allowed to talk about it in the committee apparently so when the minister is free, if we could have a word, because they do have a serious problem there.

MR. NEARY: Mr. Chairman, the minister stated earlier that fifteen water and sewer systems went on stream this year and that was one of the reasons for the increase in grants to municipalities. Would the honourable minister give us a list of these fifteen water and sewer systems?

MR. COLLINS: Yes, I will undertake to get it. I do not have it with me.

MR. NEARY: Mr. Chairman, does the honourable minister have any

Mr. Neary.

information with him at all.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Mr. Chairman, that is a legitimate

That is a legitimate question, the minister made the statement.

MR. ROBERTS: Listen to what is talking, "Mr. Ego"

MR. NEARY: Mr. Chairman, could the honourable minister tell us what water and sewer systems are in progress at the present time?

MR. CROSBIE: Yes, we will stack them up.

MR. NEARY: Aw keep quiet "Bully Boy."

MR. COLLINS: There are a lot of them but I would not care to identify them. You would not expect me to remember all of them.

MR. NEARY: Could we get a list of them?

MR. COLLINS: I do not think that is - but I will undertake to get a list for the honourable member.

MR. ROBERTS: All right, he will get the list. It is obvious that he does not know his stuff. Has there been any change...

MR. COLLINS: After that, I might change my mind.

MR. ROBERTS: If the honourable gentleman has a mind that he can change, he has found more than the rest of us have with him.

MR. COLLINS: I have and the honourable member can make me change it pretty quick.

MR. ROBERTS: Mr. Chairman, could the honourable gentleman - well, I mean, let me say, Mr. Chairman, I do not care if the honourable gentleman changes his mind or not, I do not feel that anything we get is a favour to us. If the honourable gentleman does not wish to table information that is fine, that is it, but let him not do anything as a favour to us. Let him not do anything as a favour. If he feels he should make the information public, fine, if not, that is fine too, we will know what to do.

MR. COLLINS: I am quite willing to table it all, but I do not want it mixed up with the Buchan's problem. Now let us go on and forget about it.

MR. ROBERTS: Fine! Fine! Now, I want to ask another question. Has the honourable gentleman or have the government changed the policy under which subsidies are given - I cannot put a name on - I do not

know what the policy is called, but you know, for municipalities up to 1,500 it is so many thousand dollars a year, for municipalities between 1,500 and 3,000 it is so many dollars maximum a year and from 3,000 up, again there is another, there are three categories. Has that policy been changed?

MR. COLLINS: No, Mr. Chairman, it has not been changed. It is being looked at very carefully.

MR. ROBERTS: It is under review is it?

MR. COLLINS: Yes.

MR. ROBERTS: Because, okay, thank you.

MR. NEARY: Getting back, Mr. Chairman, to the LIP projects again. I wonder if the honourable minister could tell us how many applications -

AN HON. MEMBER: You are out of order again.

MR. CROSBIE: Discussion of the LIP projects, Mr. Chairman, has been ruled irrelevant in the committee and this is an attempt to overcome that ruling.

MR. NEARY: Mr. Chairman, are we not allowed to get any information at all? Does the honourable minister want a dictatorship?

MR. CHAIRMAN: Order please!

MR. ROBERTS: Mr. Chairman, back on LOC, the Local Councils 1311/0302 this may or may not be the right subhead, if it is not I am sure the minister will tell me. Does this cover paving, these fifty-fifty paving programmes for municipalities or is there a separate subhead?

MR. COLLINS: What we are dealing with here today and I have read it a dozen times -

MR. ROBERTS: No, I am looking at the warrant 1311/0302 that subhead -

MR. COLLINS: Mr. Chairman, I have undertaken on three or four occasions if the honourable Leader of the Opposition will permit me, to come back tomorrow with a complete list, right down to five cents worth.

MR. NEARY: Well let us defer the Heading.

MR. COLLINS: No, let us pass it. Can you not take my word for that?

MR. ROBERTS: We will take the honourable gentleman's word,

Mr. Chairman, that he will table the list, there is no question there, but as my colleague says, if we pass - I doubt if the Head will pass today anyway, but if there is information in the information to be tabled by the minister that leads to further questions relating to Subhead 1311/0302, then we would like to have an opportunity to ask the questions.

I find that, I am looking at the book, Sir, that the paving grants are under a separate subhead altogether. We will get to that on estimates. Would the minister tell me if any of the money of 1311/0302 has gone to Salmon Arm or the Town of Glenwood?

MR. COLLINS: I already dealt with that one.

MR. ROBERTS: Has that been dealt with?

MR. COLLINS: Yes.

MR. ROBERTS: Okay, I will read it in the newspapers.

MR. NEARY: Mr. Chairman, getting back to the Blackhead Road for a moment. The honourable Minister of Finance told us earlier that I think forty or fifty thousand dollars had been spent on a royal commission to investigate the Blackhead Urban Renewal Scheme. To my knowledge that report has not yet been made public. Will the honourable minister tell the committee when he intends to make the report public, if any of the recommendations made by Mr. Kostaszek have been implemented?

MR. COLLINS: I do not know how this can apply, but I will tell the honourable member that I had a meeting with Mr. Kostaszek at noontime and we are just about ready to let the Royal Commission Report go to the honourable member, to the press and all others who might be interested.

MR. WOODWARD: I do not want to delay the subhead and the estimates, but I would like to ask the honourable minister, and maybe he can get some information from the honourable member for Labrador West, now the Minister of Recreation and Rehabilitation, who is dealing according to the media with problems in Labrador on a cabinet level, if the

communities that have been under municipal rule, but have received very little guidance or direction from

the Department of Municipal Affairs and consequently we have had a number of undesirable things happen in the communities because of the department not lending their expertise to water and sewerage programmes in development of communities.

Are the honourable member for Labrador West and the honourable Minister of Municipal Affairs, getting together? I know they have the Department of Municipal Affairs this year, get involved in the development of the five communities namely - Postville, Hopedale, Makkovik, Davis Inlet and Nain, and lend some expertise and some planning to those communities from a municipal level.

MR. COLLINS: Mr. Chairman, I can say that feasibility studies have been completed and are being analyzed in our department now.

MR. MARTIN: It is not my intention to further obstruct the proceeding on this bill, but I must agree with the concerned voice of my colleague from Labrador North, that I think perhaps a lot of the reasons why we are having to go through this exercise today, a lot of the reason why some money has been spent in municipalities that could not be accounted for before have, so to speak, may be directly attributed to the fact that not enough assistance in expertise and management expertise was given to these communities by the department when they were first set up and no such thing as an on-growing programme of management training has been carried out.

I would just like to ask the minister whether or not his department is thinking along these lines so that when we come to next year's estimates, maybe we will not have to deal with this same problem all over again. I think it is a valid point that my friend from Labrador North has raised here. I know that we have to deal with the same problems in the southern part of the coast as well.

MR. COLLINS: Mr. Chairman, in response to that, I think there has been a greater effort in the Department of Municipal Affairs this year than ever there was before. We have an on-going royal commission, we are beefing up the staff of the department, when I say "beefing it up" I mean we are getting an increase in staff. We are looking at regional offices and with regard to the Labrador Coast, as I already said, we have feasibility studies done into the problem down there and that is being considered by government now.

MR. NEARY: Mr. Speaker, when I asked the honourable minister about the Kostaszek Report, I also asked the minister if any of the recommendations had yet been implemented and I do not think the minister answered my question, Mr. Chairman, I wonder if he could give the Committee that information?

MR. COLLINS: I would not know how many but some of them have been implemented because it is a report, we have been receiving interim knowledge of the report if you want to.

MR. NEARY: Are we going to get the report next week?

MR. COLLINS: I hate committing myself to a day or a week -

MR. NEARY: May I ask the minister -

MR. CHAIRMAN: Order.

MR. COLLINS: We are talking about an award to a contractor on the Blackhead Road Urban Renewal Scheme, any other questions about the Blackhead Road are completely out of order.

MR. NEARY: The report has to do with the Blackhead Road. How can you disassociate the two?

MR. CROSBIE: There is no money in here for it.

MR. NEARY: How do we know that? I asked the minister if any of the recommendations had been implemented, he said "yes, he thought some of them had." He did not say whether there was money in here for it or not. The minister does not know it all, you know. He thinks he does but he has a lot to learn yet; most hated man in Newfoundland today, despised, Sir.

MR. NEARY: Mr. Chairman, may I ask the minister -

MR. CROSBIE: Mr. Chairman, I would like to ask the honourable gentleman -

MR. NEARY: Mr. Chairman, I am not allowing a question. I want to ask the minister -

MR. CROSBIE: Well then, Mr. Chairman, I would like to have that remark withdrawn.

MR. NEARY: What remark withdrawn?

MR. CROSBIE: Withdrawn that I am the most despised man in Newfoundland today. It is a very, very, very unkind thing to say about me and it has me all upset.

MR. NEARY: Mr. Chairman, now if I can get back to the business at hand. Will the minister

tell the committee why he cannot release the -

MR. CROSBIE: Take the long weekend, if you like. I do not care about my bill.

MR. NEARY: Did you ever see such a spectacle in your life, Mr. Chairman? The poor fellow, the fellows with the white coats will be coming for him pretty soon.

Mr. Chairman, will the minister inform the committee why he cannot release the Kostaszek Report at this time. They have had it long enough.

MR. COLLINS: Maybe it is not completed.

MR. NEARY: What is not completed.

MR. COLLINS: The printing is not completed.

MR. NEARY: Well all the honourable minister needs is one copy to table the report.

MR. COLLINS: You want one and every member over there probably needs one.

MR. NEARY: Obviously, Mr. Chairman, the minister is trying to hide something.

MR. COLLINS: I am not hiding anything.

MR. NEARY: Mr. Chairman, will the minister undertake to table the report in this House on Monday coming, Sir? All he needs is one copy. It cost the taxpayers \$40,000, Sir, I think we should have access to the report.

MR. COLLINS: I am reasonably sure I will be able to do it next week.

MR. NEARY: Well, what is to stop the honourable minister from tabling one copy of the report?

MR. COLLINS: You would not believe it if I told you.

MR. NEARY: I beg your pardon?

MR. COLLINS: You would not believe it if I told you.

MR. NEARY: No. Tell me.

MR. COLLINS: I just told you, it is printing.

MR. NEARY: Printing. Is the report printed?

MR. COLLINS: It is at the printers now.

MR. NEARY: But, Mr. Chairman, the honourable minister must have more -

AN HON. MEMBER: Inaudible.

MR. CHAIRMAN: Order, please!

MR. NEARY: Will the undertaker keep quite?

MR. YOUNG: Yes, Sir.

MR. NEARY: Mr. Chairman, the honourable minister must have more than one copy of the report in his possession. How many copies of the report did Mr. Kostaszek present to the minister? How many copies?

MR. YOUNG: Two.

MR. NEARY: Mr. Chairman, I do not want the undertaker to answer for the honourable minister. Will the honourable minister -

MR. COLLINS: The honourable member thinks he is cross-examining. I said that I will undertake to table the royal commission report as soon as it is printed. That is all I am saying about it.

MR. NEARY: Next week?

MR. COLLINS: Probably next week.

MR. NEARY: Some day next week?

MR. COLLINS: Hopefully next week.

MR. NEARY: Well, I will remind the honourable minister next week.

On motion Heading XIII - Municipal Affairs and Housing carried.

HEADING XVI - LABOUR

HON. G. DAWE: (MINISTER OF MANPOWER AND INDUSTRIAL RELATIONS): Mr. Chairman, this amount represents normal increases in salaries for the various votes, four per cent with one exception, 1611-05, refers to industrial enquiry reports. That is about it.

AN HON. MEMBER: Inaudible.

MR. DAWE: Pardon?

AN HON. MEMBER: Inaudible.

MR. DAWE: Three of them. Three reports.

MR. NEARY: Where the industrial enquiries ever carried out, Mr. Chairman?

MR. DAWE: Wabush, Labrador City and ERCO.

On motion Heading XVI - Labour carried.

HEADING XVII - HIGHWAYS

AN HON. MEMBER: Would the minister explain?

HON. DR. FARRELL (MINISTER OF TRANSPORTATION AND COMMUNICATIONS): I

certainly will, especially for you, Sir.

Mr. Chairman, this sum represents two special warrants of \$1,150,000, which were for the following subheads 1710-03-01 summer maintenance of roads and bridges, \$500,000. 1710-03-06 summer maintenance of equipment \$150,000 1711-01 highway improvement and reconstruction. Now \$650,000 was required to meet the cost of salary increases to open vote employees not provided for in the original estimates. A new wage and working agreement was signed with effect April 1, 1972 with the Newfoundland Association of Public Employees, covering some 2,500 to 3,000 employees. As you all know this agreement provided for forty hour work week. A general increase of four per cent, time and a-half paid after forty hours

and the many other benefits which were written into the agreement with it.

As you all know, no provision was made in the original estimates of the department to meet the additional cost.

Five hundred thousand dollars to meet the cost of the additional expenditure on the Twillingate Causeway: During the late fall it was decided to continue with the construction of the Twillingate Causeway.

Due to the early arrival of winter, not all the work anticipated could be carried out and any balance remaining was required for the replacement of the Culls Harbour bridge and to meet the cost of additional requirements of salt for ice control purposes. This purchase of salt will require transfer of funds from capital to current account. As everybody knows, the early arrival of winter and the extremely low temperatures we have experienced, with the increased mileage of pavement, much greater quantities of salt have been used, and the necessary steps have been taken to obtain our further requirements to carry us through the rest of this winter season.

Thank you!

MR. GILLETTE: I would like to ask the honourable the Minister of Transportation and Communications concerning the \$500,000 for the Twillingate causeway. Is this amount to be spent for the work that is to be done or what was done last year?

MR. FARRELL: I do not quite understand your question, Sir.

MR. GILLETTE: Is this amount for work already done or for work to be-

MR. FARRELL: Part of it has been done and the rest of it will be ongoing this coming year. Does that answer your question?

MR. GILLETTE: In other words, the \$500,000 is to complete the causeway.

MR. FARRELL: Yes.

MR. GILLETTE: Thank you very much.

MR. FARRELL: Well, we will be partial. We have also a bridge to put in as you know and the causeway to complete.

On motion, Heading XVll, Highways, carried:

Heading XVlll, Supply and Services; \$225,500:

MR. EARLE: Mr. Chairman, this, Sir, required two special warrants. One of \$195,500 and another one of \$30,000. The reason for this was the general expenditure of the department was 6.8 percent over that amount originally calculated. This was due to over expenditures under a number of headings of which I will give details as follows.

Heading 1802, Salaries, General Administration.

These additional funds were required to pay temporary assistants and to pay overtime to our permanent staff. This additional expenditure was incurred because of additional purchasing activity by the DREE programmes. Apart from our normal purchasing activities in 1972-1973 we were required to purchase furnishings and equipment and various supplies for seven new academic schools, three extensions to present vocational schools and also five new provincial schools. Under this particular vote the over expenditure was \$15,000.

On subhead 180301 the over expenditure was twelve thousand dollars. This was brought about by additional funds which were required to offset expenditures incurred by the appointment of two additional purchasing staff under Treasury Board memo, 1814 of 1972. These funds were necessary because of the expanded purchasing activity related to the increased DREE Programme.

Subhead 0301, Office Supplies and Advertising, increase of \$20,000.

In analysing our payments to date, we required an additional amount of twenty-five thousand in our office supplies and advertising subhead. This additional amount was required because of increase costs in reorganization where forms had to be changed and additional office supplies had to be acquired. This was not anticipated when the estimates were originally drawn up because we had no idea of the restructuring programme and there was no way to determine what would be involved.

Under subhead 18030302, Office Furniture and Equipment an additional expenditure of \$10,000 was incurred. This amount was determined on the basis of the

individual departments anticipated requirements. At the time these amounts were included in the estimates the cost was calculated at the present market price. However because of an increase in cost and an increase in demand because of the restructuring programme which could not be anticipated at the time the estimates were prepared and additional funds were required.

Subhead 1804(02)(02) - Office: There is an additional expenditure of \$1,500 on this particular heading. These additional funds were required to offset increased expenditure on our telex machine due to the increased purchasing activity. As the committee must be aware, because of the nature of the DREE programme involving the purchases of various items for schools, we were required to make use of our telex machine on a more frequent basis to meet deadlines.

Subhead (03)(01) - Operations, \$130,000: An additional amount of \$130.00 over the amount estimated for 1972-1973 was required to offset expenditures which were not anticipated prior to the submission of the 1972-1973 estimates. The following is a breakdown of these requirements: An amount of \$31,209.34 to provide for additional payments by the government to Atlantic Aviation under the provisions of the Social Security Assessment Act and the Insurance Premium Tax Act effective May 1, 1970. The balance of \$98,790.66 was to offset expenditure incurred due to an increase in aircraft operations because of an increase in forest fire activity. For instance the total hourly rate of the Canso water bomber is estimated at \$484.00 per hour. These planes were used extensively in these operations as shown by our statistics which lists water drops in 1971 at 1,047 and in 1972 at 2,730 practically double the operation of the water bombers, an overall increase of 1,683 water drops. The flying hours for the same period were increased from 467 hours in 1971 to 700 hours in 1972, this being an increase of an additional 233 hours.

Subhead 1805 - Printing and Photography: An increase of \$15,000. Additional funds were required for this subhead because of increased activity in our printing and photography division created

MR. EARLE: by the introduction of a microfilming programme, also for overtime and temporary assistance. The microfilming programme was instituted in April 1972 under instructions of the former minister, the Minister of Supply and Services who felt that the programme was long overdue, This was not anticipated prior to the time the estimates were submitted.

Subhead 02-02 Maintenance - \$1,000 increase. With the introduction of new programmes in our printing and photography division, which increased our activity, necessitated heavier demands on our machinery and equipment whereby we were required to make more frequent repairs to keep some of the older equipment operating.

Subhead 02-03 Equipment acquisition - additional cost of \$6,000. With the introduction of our microfilming programme, it soon became apparent that we needed additional equipment if we were to have an efficient operation, because it was not always possible to have these films developed outside the government, and to maintain a rotating schedule which was established so that each department could be given a prescribed time slot for its work. We therefore decided to acquire a reader-printer and a microfilm developer at a cost of \$6,000.

Subhead 02-04 an increase of \$8,000. The demands of this division for instant service has been increasing steadily over the years. However, this year, departments were informed that any copying work requiring long runs should be done at our printing and photography division which is capable of doing work faster and cheaper because they are better equipped. This year, departments have taken advantage of this service and have increased demands in this area very considerably.

Subhead 1806-01 Salaries. This is transportation services. An additional amount of \$5,000 was acquired in this subhead because we were given authority to pay overtime to

MR. EARLE: employees in this division rather than time off, which I might say meets the requirements of the NAPE collective bargaining agreement. There was also an increase in demands placed on this division because departments were informed that they should use the services of this division more frequently rather than renting cars outside.

Subhead 02-02 Operations, increase of \$2,000. The activity of our transportation division increased because of departments being requested to use the facilities of this division more frequently. This increased maintenance and operating cost per vehicle, and therefore an additional amount was required to pay operating costs.

Mr. Chairman, if these amounts are totalled up as I have given them under each subhead

they come to the special warrants which were issued up \$225,500.

MR. ROWE (W.N.): Mr. Chairman, if only all the other ministers were so thorough in their explanation of their supplementary estimates these estimates would have gone through much quicker, Sir, than they have gone through. I compliment the hon. minister for his thorough and in place stimulating account of what has gone on in his department.

One question I have to ask, Sir, \$20,000 - 1803(03)(01) - Office supplies and advertising. What advertising was done and what amount of money was spent on advertising? Maybe the hon. minister already gave us a breakdown on that but I did not hear it if he did. What advertising was involved there?

MR. EARLE: Mr. Chairman, as hon. members must be aware there is a considerable volume of advertising over the year and one has only to look at the daily papers and so on to see the number of advertisements. This was of course substantially increased over the past year. I do not have the detail here but I will undertake to get it for the member if he requires it.

MR. ROWE (W.N.): Sir, obviously the only reason I am asking, I see a lot of things in the paper from the hon. minister's department and if the hon. minister can assure us that what this amount is, is merely that, advertising in newspapers and this sort of thing, tender calls and that sort of thing, can he assure us that none of that money went to George McLean or any of his outfits?

MR. EARLE: No, not a cent.

On motion, Head XVIV - Supply and Services, carried.

MR. MARSHALL: Mr. Chairman, I think the hon. member for Labrador South was up before you carried it.

MR. M. MARTIN: Mr. Chairman, may I speak on this one before you pass it through? I have one question to ask of the hon. minister. It has come to my attention from local supplies, they are quite upset about the fact, as they have put it to me, that it has become the policy of

the Department of Supply to consider tenders solely on the merits of cost without regard to quality and this kind of thing. The complaint I get most is that most of these tenders are going to people outside of the province because they are able to underbid five or six cents lower. This has a double-barreled disadvantage. First there is a great need of more employment in this province as everybody knows and this kind of tendering would thereby lessen the effects of government spending into the local economy. The second one of course is that if we are buying inferior products even at a little less cost, then we are going to get into replacement and repair much sooner than we otherwise would.

I would like some assurances from the hon. minister that this is not the case.

MR. EARLE: Mr. Chairman, I am glad the hon. member for Labrador South asked that question as it gives me an opportunity to state the policy of this department which is quite clear

it is quite clear and concise. Actually it is stated in the act for department whereby preference should where possible be given to local suppliers all things been equal. This has been the policy of the department for a number of years and it is continuing and as a matter of fact in the case of manufactured articles, articles which are manufactured in Newfoundland or Labrador, the department usually goes by the criterion of up to a preference of ten per cent on local supplies.

I have asked incidentally that this preference be extended not only to manufactured goods but to those firms and people who maintain adequate supplies to give proper service and who also employ local people, keep establishments where people are contributing to local taxes and are of benefit to the economy. This has not been agreed as yet as a government policy but I am hoping that if I maintain this office that further preference may be given to local suppliers in this direction.

Quite frankly, Mr. Chairman, I am all for it.

MR. WOODWARD: Before we move on I would like to ask a question of the honourable the minister, is it the intention of his department to do the purchasing for Labrador services this year and will they continue to do the horrible job in exporting supplies that they have done over the previous years?

MR. EARLE: Mr. Chairman, again I welcome that question because the horrible job referred to is most certainly not the fault of my department. As a matter of fact I was discussing this before I came into the House this afternoon. It may be of interest to the members to know that orders for northern supply are asked for in June until the close of navigation. Quite often the same supplies for which we asked for in June do not get on the last boat because of some reason or other there is a tangle up in all of these filling of orders and so on.

Now I do not think we can give any greater notice than that to my department, from June until December when navigation ends. There should

be ample time for these orders to be filled.

MR. WOODWARD: Mr. Chairman, if I may I would like possibly while we are on this subject and I do not want to delay but it is very important. For the information of the Labrador representative in cabinet, the honourable member for Labrador South.

AN HON. MEMBER: Labrador West.

MR. WOODWARD: Labrador West, I am sorry. I would like to, if I may, Sir, just briefly tell this House what happened last year and I do not want a repeat of it this year. We had -

MR. ROBERTS: Mr. Chairman, if my colleague would permit, I understand from the House Leader that they want to move the adjournment, if my colleague is not awfully brief we are going to be back here at eight o'clock tonight. By brief, I mean, a minute. But if we adjourn it

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we will be back on Monday or whenever they call the order again. I think it is a fairly lengthy point he wants to make because it is a fairly important issue.

On motion that the committee rise, report progress,

Mr. Speaker returned to the Chair.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred made progress and ask leave to sit again.

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

On motion, the House then adjourned until tomorrow Monday, February 26, 1973 at 3:00 p.m.

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