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**VERBATIM REPORT**

**THURSDAY, APRIL 18, 1974**

**SPEAKER: THE HONOURABLE JAMES M. RUSSELL**

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

PETITIONS:

MR. H. W. C. GILLETTE: Mr. Speaker, I rise to present a petition on behalf of the residents of Bridgeport, Notre Dame Bay, in the District of Twillingate.

The prayer of the petition is to have a road, which is locally known as the Route Road, approximately one-quarter of a mile in length, rebuilt and upgraded as it is now in a deplorable condition and overflowed by water which cannot be contained by the present drainage.

This petition, Mr. Speaker, is signed by some sixty-eight residents of Bridgeport, which must be a vast majority of the residents of Bridgeport.

Mr. Speaker, I know the road. It is very narrow and it is as bad as the writer of this petition states. It is overflowing and almost impassible on times.

I trust that the Minister of Transportation and Communications will see fit to have this one-quarter of a mile of road rebuilt and upgraded. I ask that this petition be placed on the table of the House and referred to the department to which it relates.

MR. J. CARTER: Mr. Speaker, I beg leave to present a petition on behalf of some 200 residents of the Old Broad Cove Road.

The petition reads: "We, the undersigned, request the House of Assembly to ask the Minister of Transportation and Communications that the Old Broad Cove Road be upgraded and paved this year.

"We believe our petition has particular urgency in view of the following: There are in excess of one hundred private houses along its four miles, and more under construction. There are three commercial firms, a shop, an exchange of the Newfoundland Telephone Company and a gravel pit of the Department of Transportation. It is only eight miles from the city and the road is an important link between two of

the principal roads leading into and out of the city, Portugal Cove Road and Thorburn Road. It also shares much of the traffic of Bennett Road, Bradbury Road, Witch Hazel Road, Oliver's Pond Road, Tote Road and Goat Cove Road, between St. Phillip's and Portugal Cove, all of which are connected to it.

" During the school year, five school busses, three junior school and two high school busses are routed along this road, and during the summer fleets of trucks from the Department of Transportation use the road in connection with the gravel pit. Throughout the entire year other heavy trucks, maximum gross weight from 42,000 pounds to 74,000 pounds, use the road in order to service three farms with livestock feed.

" It is no exaggeration to say that in all seasons of the year, the Old Broad Cove Road is in a state of disrepair. In the summer the traffic and the rain combined put potholes back quicker than the graders can fill them. There is also the considerable inconvenience of dust. At other seasons things become even worse. In freezing conditions, instead of potholes, there are dangerous ice ravines which with the thaw of snowbanks, quickly become ponds and streams. Two years ago during the spring thaw no traffic whatsoever was able to negotiate the road for two days, the road remained in such disrepair, despite the best efforts of the graders and the constant expenditure of the Department of Transportation. The conclusion seems inescapable, the department would save expenditure by upgrading and paving these four miles."

Now, Mr. Speaker, as I have said, there are over 200 signatures on this petition. They are residents, they are all adults and they are all voters.

I have heard it suggested that it must cost in the neighbourhood of \$50,000 a year to maintain this road and while I feel that this figure is probably excessive, still there is no doubt in my mind that the amount of money that is spent on that road every year is certainly considerable because that road suffers every year from severe washouts.

I would guess that it could be paved and upgraded for something in the vicinity of \$200,000 this year. I think it would be a very economical way to spend \$200,000 because I think that this would once and for all save this annual repair bill.

The road, of course, is built over land which has a high water table, much of it going through a valley and as a result it is a quagmire in spring and fall. In the summer when it dries out, it is a dust bowl and, of course, there is a tremendous build up of ice in the winter.

Now I am sure that if there were no paving proposed for this year that would be one thing, the residents could perhaps put up with the inconvenience but in the face of any paving in Newfoundland anywhere, they feel that they have priority.

Mr. Speaker, if any member of this government have any doubt about the necessity of this project, I will gladly take them for a ride over that road. I am sure that within half an hour they would change their mind.

I would, therefore, ask that this petition be placed upon the table of the House and presented to the department to which it relates.

MR. S.A. NEARY: Mr. Speaker, we on this side of the House support this petition on behalf of the 200 residents who reside along the Old Broad Cove Road. Sir, I go over this road once in a while myself and I certainly concur with the Member for St. John's North that the road is probably one of the worst stretches of gravel road in this area. It is in a bad state of disrepair, Sir, and needs to be upgraded and paved. It is a reasonable request that these people are making down there. I might say, Sir, that I have more than a passing interest in this particular stretch of road because under redistribution, Sir, part of that area there will become a part of the new District of Portugal Cove-Bell Island.

I hope, Mr. Speaker, that now that the Minister of Transportation and Communications and myself are kissing cousins that he will see to it, Sir, that that road is upgraded and paved before the next provincial election. It is a reasonable request, Sir, and I hope the Minister of Finance will pass a few shekles over to his colleague there and try to get that work done this year.

MR. E. M. ROBERTS (Leader of the Opposition): I would like to say a few words, not as the putative member for the district but rather as a resident of the area, Sir, on the Old Broad Cove Road. I think I can claim to be at least as familiar with it as the Hon. Member for St. John's North as I am sure I have bounced in a car over every pothole on the road.

I think the request is entirely reasonable. There is a large population, Mr. Speaker, living in the area bounded by Winsor Lake and the Thorburn Road and the Portugal Cove Road on three sides and the seacoast on the other. There must be, including the people of Portugal Cove and the people of St. Phillip's, 5,000 or 6,000 people in that area. The Old Broad Cove Road is one of the main traffic arteries in the area.

I think it is particularly relevant and appropriate and timely that this petition come forward now. There are persistent rumours in the area that the Tote Road is to be paved this summer. The Minister of Finance has made my point for me because he lives, in the summer months at least, along the Tote Road, which gives access to the rich people's part of Hogan's Pond.

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: I do not think the Member for Bell Island should count on the Member for St. John's West voting for him, nor I do not. After all the Member for Bell Island would not want one hundred per cent of the votes in the new Constituency of Portugal Cove-Bell Island. He would not want the Minister of Finance with him, I should not think.

Mr. Speaker, if the Tote Road is to be paved, as the people living on that road expect (I do not know where they got the impression but they are under that impression, the drivers, the permanent residents) then I think it would be entirely appropriate that the Old Broad Cove Road be done as well. The Old Broad Cove Road and the Witch Hazel Road are the only major arteries, besides the Tote Road, in that area that are not paved. Bennett's Road has been paved, the Thorburn Road is paved and, of course, the Portugal Cove Road is paved, and Tucker's Hill, the Marine Drive running along has been paved, as has the Horse Cove Line, running over to the Topsail Highway.

Mr. Speaker, I think it is very appropriate and as a resident of the area and as well as a Member of the House, I am delighted to lend support to the petition.

MR. SPEAKER: It has been brought to my attention that we have in the galleries the Mayor and Deputy Mayor of Port Union and also the Chairman of the Community Council of Melrose.

On behalf of all honourable members, I would like to welcome these gentlemen to the galleries today.

REPORTS OF STANDING AND SELECT COMMITTEES:

HON. DR. G. ROWE (Minister of Health): Mr. Speaker, I wish to table the Report of the Royal Commission on Nursing Education. I would like to say that on the cover it shows the month of February. The report was actually submitted by the commissioner on February 28 to the Clerk of the Executive Council and then went to the printers. It was just received back from the printers a week or so ago. It is now being tabled at the earliest opportunity.

HON. G. DAWE (Minister of Provincial Affairs and Environment): Mr. Speaker, I would like to table the Collection Agency's Regulations, 1974.

NOTICE OF MOTION:

HON. L. BARRY (Minister of Mines and Energy): Mr. Speaker, I give notice that on tomorrow I will ask leave to introduce a bill, "An Act Further To Amend The Crown Lands, Mines and Quarries Act."

HON. J.C.CROSBIE (Minister of Finance): Mr. Speaker, I give notice that on tomorrow I will ask leave to introduce a bill, "An Act To Amend The Financial Administration Act."

I also give notice that on tomorrow I will ask leave to introduce a bill; "An Act Further To Amend The Newfoundland Municipal Financing Corporation Act."

I will on tomorrow ask leave to move the House into A Committee of The Whole To Consider Certain Resolutions Relating To The Guarantee Of The Repayment Of Bonds Or Debentures Issued By And The Guarantee Of The Repayment Of Loans Made To Certain Local Authorities.

MR. SPEAKER: Answers to questions of which notice has been given:

Oral Questions:

The honourable Member for Bell Island.

MR. S. A. NEARY: Mr. Speaker, it is very difficult to ask the ministers questions because fifty per cent of the ministers are absent from the House -

MR. SPEAKER: Order, please!

MR. NEARY: I wonder if the House Leader could indicate, Sir, if any more ministers are going to be here? Will the Premier be here this afternoon?

AN HON. MEMBER: Inaudible.

MR. NEARY: Well, Mr. Speaker, we have to know because how can we put questions to the ministers if they are not coming?

MR. SPEAKER: Order, please!

AN HON. MEMBER: Inaudible.

MR. NEARY: The honourable member will answer them.

MR. ROBERTS: The schoolboy debate answers, "No."

MR. SPEAKER: Order, please!

MR. BARRY: The unstabled Leader.

MR. NEARY: Mr. Speaker, I -

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. NEARY: Sir, I gave notice to the Minister of Manpower and Industrial Relations before lunch that I would be asking him a question about an illegal strike at Come By Chance involving the employees of Guildford's Limited, I think involving some 140 employees of that company. The minister promised to get the information by the time the House opened at 3:00 o'clock. Would the minister inform the House now, if he has the information that I asked for?



MR. SPEAKER: The Hon. Minister of Manpower and Industrial Relations.

HON. J. G. ROUSSEAU (MINISTER OF MANPOWER AND INDUSTRIAL RELATIONS):

The matter is being checked into and I have just talked to my department and I will be able to give him a comprehensive reply to it in tomorrow's question period. I did not undertake to have it today, I only tried to but it is being looked into to as I suggested to the honourable member. I will have a full and comprehensive reply tomorrow. I am, in case he wants to know, aware of the problem.

MR. NEARY: Could the minister indicate to the House if any conciliation procedure is going ahead to try and conciliate this dispute at the present time or is it just going to be a report?

MR. ROUSSEAU: Not at the present time. We have been in contact with the company, we have been in contact with the business manager for the union involved and as I say I will have a full and comprehensive reply for the member tomorrow.

MR. NEARY: Mr. Speaker, I hardly recognize the minister without his beard, Sir. I wonder, Mr. Speaker, if the minister would care to give us an updated report on the grim labour situation in the province at the present time involving strikes at Labrador City, Buchans, Baie Verte and the one at Come By Chance. Would the minister care to give us an updated report of just what is going on?

MR. ROUSSEAU: The situation at Labrador City - a meeting will take place tomorrow morning, hopefully, between the company and the union in an effort to resolve the dispute there. The situation at Baie Verte we have not been involved in. As I have suggested to the House before and as we said publicly the only involvement we have in this situation is if one or the other side or both ask us for assistance, and we have not been requested to do so at Baie Verte. We have been attempting to contact the company or the union this morning at Buchans to find out the cause of the problem out there, as we do as a matter of policy in any kind of a strike that does occur. But up to 1:00 o'clock when the offices closed we had not been successful in contacting either the union or the company. We had an unofficial discussion with one of the union executive at Buchans but he was not able to fill us in on the

problem enough for me to report what was said there. So we are attempting to get a report out of Buchans. The Come By Chance the ones he is talking about is the Guildford one, that one, of course, as I say I am aware of. I will have a full and comprehensive reply for the minister tomorrow.

MR. NEARY: Mr. Speaker, with all the negotiations of strikes that are going on around the province, could the minister inform the House if he has sufficient conciliation officers to cope with this hectic situation or are they scattered all over the province now? Just what is going on? Has the minister beefed up his department to take care of this situation? Or does the minister need additional staff to do it?

MR. ROUSSEAU: At the present moment we have sufficient staff and I am sure if the request came for more staff that the sympathetic Minister of Finance would give us sympathetic consideration and add to the department, if necessary.

MR. NEARY: Mr. Speaker, I wonder is it the Minister of Provincial Affairs who is responsible for the Arts and Culture Centre in Gander? Which minister is responsible for this?

AN HON. MEMBER: The Minister of Tourism.

MR. NEARY: The Minister of Tourism, Sir. I would like to ask the Minister of Tourism, Mr. Speaker, if he has received representation from any organization in Gander concerning the arbitrary decision by the government to name the Arts and Culture Centre after a member of this House? After a politician, Sir! Could the minister tell us if he has any requests from the Town Council or any other organization?

HON. T. M. DOYLE (MINISTER OF TOURISM): I think, Mr. Speaker, that question could be better directed to the Hon. Minister of Finance. I cannot answer it.

MR. NEARY: Well would the Minister of Finance indicate to the House, Sir, if there has been any objection to this from residents of Gander?

HON. J. C. CROSBIE: (MINISTER OF FINANCE): I have heard nothing, Mr. Speaker, but accolades for my suggestion, but the government have not named the Arts and Culture Centre in Gander after the honourable

Member for Gander. It was simply my own designation of it, I thought it should be, you know, I think it would be a good idea to call it the Common Centre For The Performing Arts. But that has no official sanction and it might well be called the Gander Arts and Culture Centre or any other number of names, but the Gander District their action has been esthetic so far.

MR. NEARY: Mr. Speaker, as usual the Minister of Finance got a part of his anatomy caught in the wringer again. Would the minister indicate if there will be prior consultation with the residents of Gander before this centre is named?

MR. CROSBIE: Most definitely.

MR. NEARY: Well good, glad to hear it.

Mr. Speaker, let me see now, I have a few more questions -

AN HON. MEMBER: Inaudible.

MR. NEARY: Well, Mr. Speaker, I wonder in view of the emergency situation in the province at the moment due to the postal strike and the air strike or the strikes that are grounding the aircraft, would the Acting Premier indicate to the House, if it is possible for the province to lend a hand to the federal government in distributing the family allowance cheques and the unemployment insurance cheques possibly through the army of social workers that we have scattered around this province? Otherwise, the people will not get their family allowance cheques on time.

Would the minister tell the House if they thought about this, if they have made any approach to Ottawa to try and assist in this emergency?

MR. SPEAKER: The Hon. Minister of Justice.

HON. T. A. HICKMAN (ACTING PREMIER): Number (1), Mr. Speaker, there has been absolutely no request from the Government of Canada for aid from the Government of Newfoundland, which will be a new twist. I am sure that we will do our best to accommodate them if they deemed it appropriate. From what I read in the press, apparently the big number one problem is to get the family allowance cheques into the Province of Newfoundland.

MR. NEARY: They are here already I believe.

MR. HICKMAN: Secondly, I know within this building today we are experiencing difficulties in getting provincial mail out. So I seriously doubt if we could as a province provide any meaningful assistance to our confreres in Ottawa with respect to the labour problems that apparently are facing them.

MR. NEARY: Well, Mr. Speaker, my understanding is that the family allowance cheques are already here, I know the unemployment insurance cheques are here and are going to be returned to the Unemployment Office. What I would like to ask the minister, Mr. Speaker; if it is possible to use the army of social workers scattered all over Newfoundland to have the cheques delivered in packages and then distributed to the people in the area? Because if this be a prolonged strike, there is going to be an awful lot of hardship in this province if they do not get their cheques. Would the minister consider that?

MR. HICKMAN: I obviously, Mr. Speaker, cannot answer that question. I do not know what the attitude of the Government of Canada would be for anyone handling the Royal Mails other than those who have had the absolute jurisdiction and responsibility for doing it.

MR. NEARY: Well, Mr. Speaker, we could turn the Minister of Finance into a road runner.

Sir, the Minister of Mines and Energy indicated that he would answer questions in behalf of other ministers who are absent. I wonder if the minister could give us some information on the Harbour Arterial Road. Has it been delayed? Is it going ahead? What is the situation now concerning the Harbour Arterial Road?

MR. BARRY: What is the Harbour Arterial Road, Mr. Speaker?

MR. NEARY: Mr. Speaker, I will direct the question to the Hon. Minister of Finance; the Minister of Finance knows all about it.

AN HON. MEMBER: Inaudible.

MR. NEARY: Would the minister indicate to the House if he knows if the Arterial Road is going to be delayed? Is it going ahead? Has it been put on the shelf indefinitely? What is the situation concerning the Harbour Arterial Road? There is only one? The minister knows where

it is.

MR. CROSBIE: Inaudible.

MR. NEARY: All the land speculators in this province know where the Harbour Arterial Road is. Would the minister indicate whether he has an answer or not to that?

MR. CROSBIE: Inaudible.

MR. NEARY: Do not be so foolish boy. Stand up and give -

MR. CROSBIE: Inaudible.

MR. NEARY: Mr. Speaker, would the minister -

MR. SPEAKER: Order, please!

MR. NEARY: Stand up as a matter of courtesy to the House, stand up and give us the answer?

MR. SPEAKER: Order Please!

AN HON. MEMBER: Be seated!

ORDERS OF THE DAY

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Order, please!

MR. CROSBIE:

Consolidated Funds Services, page 12. There is only one item to be voted and that is item 102-01 called general expenses under debt management expenses. There may be some questions on some other part of it that could be answered now but the general expenses are debt management expenses. These are payments, legal expenses, printing of bonds, printing of prospectus, agents' fees, registration fees, rating service fees and those kinds of charges. The estimate for this year is \$250,000.

MR. ROBERTS: The only item the minister has indicated, 102-01 \$250,000 up from \$200,000 revised last year. I wonder if the minister could indicate to us, please, what the money was spent on last year, specifically who got the legal expenses? Did any of it go to that well known bond lawyer, Mr. Richard Greene, Q.C.? Is he a Q.C. yet?

AN HONOURABLE MEMBER: No.

MR. ROBERTS: He will be shortly, if he is not already. I am sorry?

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: He will come well recommended, Mr. Chairman. He may not come recommended by the board that the Minister of Justice has set up but I would assume that the Minister of Justice will be shown the same courtesy here as he is on other matters and we will hear about it when it is announced.

I wonder if the minister could indicate to us, Mr. Chairman, what the money was spent on last year. How much went to the agents? How much went to the legal fees and so forth? Furthermore, whether the minister could indicate how much the fiscal agents for the Province received?

Now, it does not show in these estimates. I am not sure it ever did. I do not think it is a change. I do not think the minister is guilty of having changed it and I will not accuse him of that but the Province issued a bond issues, let us say for \$10 million, and that is sold to the underwriters and up until now, at least, our bonds have been underwritten. I am not so sure they will be next time out after the experience of the most recent power commission issue, large parts of which I understand are still in the hands

of the members of the syndicate, but the underwriters do not pay \$10 million for it. We agree as a Province to pay \$10 million and to pay the interest of the stated rate thereon. The underwriters may only give us \$9,995,000 or they might give us \$9,900,000, whatever the rate is for which the issue is issued. That is fine. The difference between that and the amount for which they succeed in selling the bond issue to the public is their profit or their loss and they sometimes, of course, sustain losses.

Now out of that they also pay their fees and expenses and that includes payments to lawyers who are at the least suggested by the government of the day.

I wonder if the minister could indicate to us what money has gone in this head in the last year or so for this item. Indeed, perhaps he could indicate to us the prices at which our bond issues have been sold? We do have quite exhaustive lists of bond issues and that is very interesting and very good but we do not have, as far as I can see anywhere in this omnibus book, a listing of the issued prices. I think the minister probably announced all of them. I do not think there was anything secret about them. If he has not announced them they could be obtained elsewhere.

I wonder if the minister could indicate to us how much roughly has gone to the syndicate headed by the Burns Brothers people.

MR. CROSBIE: Mr. Speaker, I will do my usual humble best. I thought the honourable gentleman might be interested in these legal lawyers. There seems to be an unholy interest in lawyers on the other side of the House.

Last year the money under that vote was spent in this way:

Legal expenses: \$33,000.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: I knew their curiosity would kill the cat. Here it is. Mudge, Rose, Guthrie and Alexander who are American lawyers in New York, \$6,265.00 and then Mudge, Rose, Guthrie and Alexander for their services on a U.S. bond issue of \$40 million of a few months ago, \$20,531.

Pervatt, Swain and Moore are also a big law firm in New York who acted for the underwriters in connection with a Blue Sky Certificate. This was because it was a public issue, \$2,204.00.

Any other item is fees of Canadian counsel of A.E. Ames and Company in connection with a Deutschemark issue of 100 million Deutschemarks last early April, I believe it was, \$3,800.00. I do not know who this Canadian counsel was. I asked and I did not have the information downstairs. We just reimbursed them.

So there is nothing there for the gentleman that the honourable Leader of the Opposition mentioned. Now he does act for Burns Brothers. Mr. Greene acts for Burns Brothers and Denton Limited as their counsel for the syndicate when there is a bond issue and they pay him out of whatever commission and so on they make, I suppose.

As far as what moneys are being paid to the fiscal agents are concerned, I could not tell him and we would not have that information. If it is a bond issue sold in Canada, the syndicate which is headed by Burns Brothers and Denton Limited receive a commission of 1.25 per cent. That commission is divided up between the members of the syndicate. There is at least five, six firms on the management committee and there is another, I do not know, fourteen or sixteen other firms in the syndicate. So that commission is divided up among them all.

I would assume that Burn is the leader of the syndicate, gets the bigger portion of it but how they divide it is their own business - but the commission itself is 1.25 per cent.

In the U.S., bond issues in the U.S., the commission varies between one per cent and 1.5 per cent. I believe on this \$40 million issue we have in the United States the commission, I believe, is one and one-eighth per cent. The syndicate there is led by Merrill Lynch Pearce Fenner and Beehan. Once again Burns are members of it and Greenshields and there are a number of American firms in the syndicate. How they divided it up, I do not know. That is their business.



European borrowing: The commissions in Europe are a lot higher. They usually average around 2.5 per cent. Burns are not the head of any syndicate in the European borrowing. A.E. Ames and Company still are. We have not had any European borrowing since last April I think it was.

So that is the only information I can give the honourable Leader of the Opposition at that point.

MR. ROBERTS: Would the minister give us the issued prices of the various issues?

MR. CROSBIE: No, I have not got that here. I mean I could get it and it has already being stated publicly whatever it was sold at. Sometimes they are sold at a discount. I could get it but I have not got it here right now. I shall get it if he should really want it.

MR. ROBERTS: I would like to see it all in one place.

MR. CROSBIE: Now, the rest of that vote last year: Printing of bonds and miscellaneous expenses were \$81,815.00. Paying agents fees: These are fees paid to banks and so on who act as paying agents for the bonds, \$40,882.00. U.S. registration fee, \$8,040.00, that is registration for this public bond issue with the S.E.C. Rating service fee, that is Moody's pr Standard and Poors \$5,004.00. Miscellaneous is \$41.34. Sundry charges at banks \$2,280.00 and various fees in connection with trustee fees, maintaining bond registers, administering sinking funds, registering and cancelling of bonds, \$39,830.00.

So that is what it was last year and it should be about the same or perhaps a bit more this year.

MR. NEARY: Mr. Chairman, under what sub-head then can we get the list of legal fees that were paid out to local firms, local law firms that looked after the government's interests in these matters? It is under this sub-head, I presume. It is the only place that I can see that we can get it. Would the minister undertake to provide us with a list of all the law firms in Newfoundland who have handled these transactions?

I understand that a former Leader of the Opposition, Mr. James

Greene, of O'Dea, Greene and Neary, I think, handled some of these bond issues for the government on behalf of the government, also acting in various other capacities on behalf of the government.

Can we get a list, Mr. Chairman? The minister should undertake to give us a list, a list of all the law firms in Newfoundland that handled the legal transactions for the government in connection with bond issues. Give it to me now, all right, let us have it. That is what the Leader of the Opposition just asked.

MR. CROSBIE: Mr. Chairman, I just answered a identical question, five minutes ago, two minutes ago, and I have said there was no payment by the Newfoundland Government to any law firm in Newfoundland for acting, for acting for the government on bond issues. The Newfoundland Government on bond issues uses as its lawyer the Department of Justice who do not charge us anything. They are already paid, they are civil servants.

The only other ones that are paid by us are Mudge, Rose, Guthrie. They acted for us in the U.S. Any law firm in Newfoundland that acts on any one of these bond issues is acting for the syndicate or the bond purchasers to advise them if everything is in order according to..

a Newfoundland law and they are paid by the bond purchasers and not by the Newfoundland government. So, the only figures I can give the honourable gentlemen, I have already given them. So there was nothing spent out of that vote paid to any law firm in Newfoundland last year from this vote.

Now, if the honourable gentleman want to know what law firms in Newfoundland received any payment at all from the government or any of its agencies in the last twelve months, if he were to table a question like that we could get that for him. The honourable gentleman mentioned Jim Greene, former Leader of the Opposition, a first class, top-notch lawyer. He has acted for the government, acted for the government in connection with the Canadian Javelin shares case, a first-class job. We got a good judgement.

AN HONOURABLE MEMBER: Acting for the Premier.

MR. CROSBIE: He acts for the Labrador Liner Board Limited. He is solicitor for the Labrador Liner Board Limited.

MR. NEARY: Solicitor for the Premier.

MR. CROSBIE: He does good work. So, that is one answer there I can give him. Other than that I do not know of anything else he has done. So, when we need lawyers we use lawyers and we use the best lawyers and if the best lawyers happen to be also associates or supporters or former supporters of the Progressive Conservative Party, we do not hold that against them. If they are supporters or former supporters of the Liberal Party, we do not hold that against them. If they are supporters or former supporters of the New Labrador Party, we do not hold that against them. If they support the New Democratic Party, we do not hold that against them. We just use them because they are good lawyers.

MR. NEARY: Mr. Chairman, there is no trouble to know when you have got the Minister of Finance in the corner. He dances a jig then in the House just as we saw him do, Sir, a few moments ago. The Minister of Finance knows full well, Mr. Chairman, the information I am asking for. Whether the firm of O'Dea, Neary and Greene or Greene and Neary get it

directly or indirectly from the government it comes out of the pockets of the taxpayers of this province. It does, Mr. Chairman. It is the taxpayers who have to foot the bill.

The minister should undertake to get us the information that I ask for. Whether these firms are involved directly or indirectly they are getting their fees, Sir, via the public treasury. The people of Newfoundland have a right to know what law firms are getting a rip-off in this province as a result of the government going to the bond market. I do not care whether they get their fees from Burns Brothers and Denton or not, they happen to be the fiscal agents of the government.

Mr. O'Dea, the author of the famous Liquor Leases Report, is acting for the power commission. The minister gets up and dances a jig and says he does not care if they are New Democratic Party, Liberal or Progressive Conservative. Why were they all changed? Why were the government's fiscal agents changed? Ames Brothers were doing a good job and the minister came out one week and said that they had no intention of changing the government's fiscal agents. The next week we hear the Premier on radio and television telling us they are going to change them to Burns Brothers and Denton, a buddy of his, a school chum. Then the minister gets up and tries to shrug it off.

So, we want to know what kind of rip-offs the lawyers who are friendly to the government, supporters of the government - I do not know but they contribute to their campaigns. What kind of rip-offs are they getting? I do not care whether it is coming directly or indirectly. The people of this province have a right to this information. The minister should undertake to get the information if he should not know it, call up his buddies, Burns Brothers and Denton and say, "Give me a list", or call up the brokers that the minister is doing business with. "Who is looking after your interests in Newfoundland? How much are they getting out of this? What rip-off are they getting?" The people have a right to know this. The minister need not try to brush it off by trying to be smart alecky and funny. This is information

that the public have a right to. Why does the minister not give it to them?

MR. CROSBIE: Mr. Speaker, the public has no right to what information private firms use in their own private business. I have already stated that if we have paid anything to a firm of lawyers we are quite willing to provide the information, anything that we pay. What Burns Brothers and Denton or any other firm in this world pay to lawyers or solicitors who act for them is their business. Who they have or who they have act for them is their business, not our business.

To get up in this House and talk about rip-offs and the rest of it and use that insulting language degrades this House and degrades the life of this province, that everything mentioned in this House has to be sullied with the honourable gentleman's vulgar and malicious tongue. There are no rip-offs. Any firm of lawyers that acts or does any work in a bond issue, he is ripping nobody off. He charges a fee for the services he provides.

Now, the only fees that have been paid by the government are the fees that I have mentioned. It might have been that two or three years ago other firms may have been used. There are different fiscal agents or different firms were used. Curtis, Dawe and Fagan used to do quite a bit of this work. In fact they did some while we were here. The first few months while we were here they acted on a bond issue for the Public Utility Commission.

So, that is the only answer I can give the honourable member. If he want to put down some specific question, I shall be glad to get the answers for him.

MR. ROBERTS: Mr. Chairman, I wonder if the minister - I realize it is probably a little beyond this head but since he has raised it - if he could indicate or get for the committee - I realize he probably will not have the information there - the amount which the government have paid or expect to pay to Mr. James Greene, Q.C. for acting on behalf of Labrador Liner Board. Is he on a retainer or is he paid sort of on a

piecemeal basis? I realize he has probably been retained either by the manager of Labrador Liner Board, Mr. Ingram, or by the board, but to say that is to dodge the issue because of course it is a Crown Corporation and the board are the government and Mr. Ingram is an employee of the Crown Corporation and thus answers to the government for what he does or does not do. We the people are paying for it.

Also what has been paid to Mr. James Greene for acting in connection with the action taken by the government to force Canadian Javelin to register the change of shares? I think that is over, is it not? The court has rendered judgement and there has been no appeal. So, maybe Mr. Greene has not sent in his bill as yet, but what do the government expect the libel for?

The other point I would make in respect to "Rip-offs" is simply this: That the minister is trying to blindfold the devil in the dark. What he says is technically quite correct but we all know - and what we are trying to find out are the amounts involved - we all know that the counsel for these issues, retained by Burns Brothers and Denton, is not Mr. James Greene who has had some experience at least. It is Mr. Richard Greene who is not only relatively junior at the bar but I venture to suggest has never done a bond larger than \$27.04 until suddenly Burns Brothers and Denton scratching furiously for a counsel, Lo! and Behold! Should happen to fasten upon Mr. Richard Greene, an estimable gentleman, a man who had served in this House for four years until the voters of Bell Island retired him therefrom and who has since served the present Premier and the present government party in another very real and very vital and unfortunately very necessary way.

Lo! and Behold! This Mr. Richard Greene who has never in his life I venture to submit given an opinion on anything bigger than the title to a house in Downtown St. John's, is retained by Burns Brothers and Denton, for what? To advise them not on what the government are doing is right or wrong because the government, as the minister said, have their own lawyers. I assume the Minister of Justice gives the final opinion. He is advised therein by Mr. McCarthy, the Deputy Minister of Justice, and

by the other officials. He is retained to advise Burns Brothers and Denton that in fact the government do have power to issue these bonds and then everything is hunky-dory. A nice little piece of change and probably worth \$10,000, \$20,000, \$30,000 or \$40,000 in fees to Mr. Greene or to whatever lawyer does it.

Of course it is an area of patronage. It has gone on in the past. The lenders have the right to name their counsel and they do name their counsel. The syndicate have the right to name their counsel and they do name their counsel and they pay them but we pay them because one and one quarter per cent fee includes some expenses. It does not include them all. It may include the expenses of their counsel or it may not. If it do not, we pay it directly. If it do , then we pay it indirectly.

If Mr. Richard Greene - I did not bring his name into it in this context until the minister told us that Burns Brothers and Denton had retained Mr. Greene - if they have retained him, then whatever the fee is that is being paid to him, we are paying it. Now, that is a fact and all we want to know is how much. If the minister cannot tell us how much, then he cannot, but let that be recorded.

Let it be recorded also that Mr. Greene, an estimable gentleman and a member of the bar in best of standing, never in my knowledge acted in his life on a bond issue until Lo! and Behold! the Tory Government retained Burns Brothers and Denton in somewhat unusual circumstances as their fiscal agents. They have retained them. They are doing the work and Bruns Brothers and Denton, being new to Newfoundland, casting about for an agent, for a lawyer, a legal adviser happened upon Mr. Richard Greene. They did not happen upon any of the lawyers in St. John's who have acted on bond matters and I am not talking of any firms with political connections but firms like Stirling and Ryan which make quite a fetish out of having no political involvement. To my knowledge no member of that firm has any political involvement. There are a number of other firms that have steered clear of politics.

of politics. Lo! and Behold! They fastened upon Mr. Richard Greene. Well obviously it is patronage. Mr. Greene's name was suggested directly or indirectly by the Premier or by the Minister of Finance or by some spokesman, somebody speaking in behalf of the government, done just as it has been done in the past. It should be ended. All we are asking the minister is to indicate how much of our money, directly or indirectly, has gone to Mr. Richard Greene for the services which he has performed. That is all we want to know. If the minister cannot tell us, then he cannot tell us but it should be recorded.

MR. NEARY: Mr. Chairman, I wonder if I could have another word, Sir, because one of the biggest favours that I ever did a gentleman in this world was to defeat Brother Greene over on Bell Island. While he was Member for Bell Island, he was doing a course in law and eventually became a solicitor, Sir. I did him a favour by defeating him because he really hit the jackpot, Sir, after he was defeated on Bell Island.

Mr. Chairman, when I hit a sensitive nerve with the Minister of Finance, Sir, he retaliates by trying to leave the impression that I have asked something dirty, that there is something improper about my questioning the minister on this particular matter of legal fees, Sir.

Mr. Chairman, you remember a couple of weeks ago when the Minister of Finance had said that if I had come into the House and asked questions of the minister, I would have gotten the answers. Now I am putting the questions to him, Sir, because from the rumours and hearsay and the reports that I have been getting, I have very grave doubts, Sir, if there is not conflict of interest in some of these bond issues. I have been told, Mr. Chairman, that at least one of these bond issues in the early days of the Tory Administration was handled by a firm headed by a Minister of the Crown, Sir. I would like for the minister to confirm or to deny that, Mr. Chairman. I would like to know the answer. That is why I am putting the questions to the minister. There is nothing sinister nor dirty nor filthy about it. The minister tries to leave that impression. If you cross-examine him, tread on his toes, ask him questions, he flies off the deep end, Sir. Talk about



thin-skinned, the minister pretends he is thin-skinned. The minister knows when I have legitimate questions. The Leader of the Opposition is absolutely right, Sir, when he says that technically speaking the minister may be correct when he says that he does not have the information. The minister can get us the information, Mr. Chairman. It is more than just a coincidence that some of those law firms downtown are picked out by Burns Brothers and Denton, picked right out of a clear, blue sky. They do not know their way around Newfoundland, they know nobody in Newfoundland; all of a sudden they are using law firms that are supporters of the Tory Administration. Is that just a coincidence? Mr. Chairman, is it? Is the minister just trying to pretend that we are all naive in this honourable House?

While the minister is on his feet, Sir, I noticed recently that for the first time, I believe, the Bank of Nova Scotia is now hovering around and now willing to lend the government a few shackles. We found that out in connection with the Brinco deal. Would the minister indicate if coming events cast their shadows before them? Are they going to discard the Bank of Montreal the same as they did with every other organization and firm that had anything to do with the former Liberal Administration? Are they going to discard the Bank of Montreal and now start doing business with the Bank of Nova Scotia? Is this going to be a new policy? Mr. Speaker, I am genuinely sincere in trying to get the answer to these questions. I hope that when the minister stands up this time that he will not try to be smart, that he will not dance a jig, that he will come clean and level with us, Sir, let us have the information. If he should not have it there on his desk, he can send for his officials. The minister can get the information. The minister knows that he can get that information. It is the taxpayers, Mr. Chairman, who are paying the bills. They may not pay it directly from the Public Treasury but indirectly. It comes out of the bond issues; it comes out of the fees that are charged.

Mr. Chairman, when the Minister of Finance was over on this side of the House, he wanted all the little details and all the tedious

information that he could get. Well, we want it. The people of Newfoundland want it. We want to find out if there is any conflict of interest. I do not care if it be twenty-four and one-half hours. Sir, we want to get this information. Let us see the minister get up and be serious for a change and not go off yakking about Oh! the Member for Bell Island is trying to hit me below the belt. If I wanted to hit below the belt, Sir, I could find a vulnerable spot to hit the minister in. I am only trying to get information, Mr. Chairman.

MR. CROSBIE: It gets tiresome answering this kind of thing. The honourable gentleman is up to his usual tactics trying to pretend that there is something wrong, that there is something suspicious and all of this when, of course, there is not. That tactic, Mr. Chairman, is going to boomerang. The honourable gentleman and his colleagues are not going to have a hope nor a prayer in the next election. The people of Newfoundland are on to these kind of insidious and vicious tactics.

Now to get back to the questions again: The people of Newfoundland are not paying one cent to the lawyers or solicitors that Burns Brothers or anyone else are hiring. They pay them themselves, out of the commission that they get. They are entitled to the commission whether they have a lawyer or not. It does not matter one cent to the commission, Mr. Chairman. They will get their one and one-quarter per cent commission for selling the bond issue, for buying it, whether or not they ever have a lawyer. Whether they want a lawyer to check matters out for them or not, they decide themselves. They pay it themselves. The only money we have paid out in legal fees, under debt management expenses, is the \$33,000 that I have enumerated. I do not know what Burns Brothers pay their solicitors. I do not know what Ames pay their solicitors. I do not know what Merrill Lynch pay their solicitors. I do know the ones we paid ourselves and what they are. I am not going to ask Burns Brothers what they pay their solicitors. It is none of our business. They do not charge it to us. It comes out of their commission

which they are going to get anyway, whether they have a lawyer acting for them or not.

Now the Leader of the Opposition asked about Mr. Jim Greene, the linerboard mill and the share case. There has been no bill received from Mr. Jim Greene yet on that Canadian Javelin case. Questions should be tabled in the ordinary way. Any information wanted on these matters, if it be tabled in the ordinary way, we can get the information. What he is being paid by Labrador Linerboard, I do not know. He has done a lot of work for them. He may have submitted bills, he may not have submitted bills. He is doing a first-class job. I hope that he is getting properly recompensed for it. If the question were tabled I could find out the answer to that.

As far as the Bank of Montreal is concerned or the Bank of Nova Scotia, the Bank of Nova Scotia was approached by the government in connection with the Churchill Falls matter because we needed a bank other than the Bank of Montreal who are also the bankers for Brinco. We were hardly going to risk going to the bankers for Brinco and discussing financing the acquisition of Brinco with them. We went to the Bank of Nova Scotia who were pleased, ready, willing and able to provide the necessary financing. It does not mean that the Bank of Montreal will no longer be the government's bankers. They still are. The position has not changed at all. In addition to the Bank of Montreal, the government or government agencies use various banks. I do believe the Power Commission use the Bank of Nova Scotia, if I be not wrong, and has for years. Other government agencies use the Royal Bank, and different banks are used. The principal banker of the government is the Bank of Montreal. There is no change in that. There is no change contemplated in that, certainly not at this time. That is not to say that in six months, one year, two years or five that the bank might change.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: The Premier is not going to change any banks and would not attempt to change any banks without consulting the Minister of Finance nor did he change the fiscal agency.

MR. NEARY: Oh, yes he did.

MR. CROSBIE: No, he did not.

The honourable gentleman is wrong in his interpretation there. That is all I can say, Mr. Chairman, on this question. That is all the information I have.

MR. NEARY: Mr. Chairman, I cannot let that pass, Sir. The minister, in his usual snide way again indicated that there was something dirty about what I was attempting to do, Sir. He said that we would not have a hope nor a prayer -

MR. CROSBIE: Not a chance.

MR. NEARY: "Not a chance," the minister said, "of ever winning the support of the people of this province." Well I ask the minister now to put it to the test. Let us find out who the real boss is over there. If the minister think and feel it, now is the time to put it to the test.

MR. CROSBIE: The honourable gentleman does not know where the Premier is this afternoon.

MR. NEARY: Ah! Mr. Chairman, I can tell you one place he is not, Sir, he is not negotiating with Brinco, I found that out. He is probably down south on a vacation.

MR. CHAIRMAN: Order please!

MR. NEARY: Mr. Chairman, the minister obviously is not going to give the House the information that it wants. The minister has decided to conceal this information, to hide it, Sir. Well it will all come out in the wash, Mr. Chairman. It will all come out in the wash. One cannot hide these things. We saw it happen down in the United States with Watergate, Sir. They tried to cover up and look what happened. The whole system in the United States, the whole democratic process is being threatened because they tried to cover up, Sir. Well the minister can cover up if he want to but we will get the information some day, maybe this fall, next fall or the fall after.

Sir, when we have the privilege of sitting on that honourable side of the House, we will get the information and I hope the minister is in the House so I can dangle it in front of his eyes. The minister knows he can get that information, Sir. It is a source of embarrassment to him. We will get it eventually, Mr. Chairman. We may not get it during this session, Sir, but we will get it. I will not forget, if the minister is still around this House, which I doubt very much, Sir, to send him over copies of all these documents.

Mr. Chairman, as far as I can see this is a reasonable request,

nothing dirty or filthy about it, Sir. It is the kind of information that this House should have. That is why, Mr. Chairman, that we are standing here debating the Estimates in detail, Sir, unless the minister want to refuse to give us the information. Well, they will have to pay the price, Sir, that is all I can say.

On motion 102-01, carried.

MR. CROSBIE: Head 202, Mr. Chairman, there is a correction to be made on the previous page. Where the page starts off, Legislative, this does not have to be voted or anything but the amount of \$1,618,100 should be reduced by \$29,000 and down below - Amount Approved by Statute - \$29,000 should go in there because the Auditor General's salary is statutory. So above it would be \$1,589,100 and down in the Amount Approved by Statute it would be \$29,000. The change should be made because the Supply Bill will have to differ by that amount.

MR. ROBERTS: The Auditor General's salary is \$25,000.

MR. CROSBIE: No.

MR. ROBERTS: Has it been changed?

MR. CROSBIE: Yes, it was changed last year.

MR. ROBERTS: Well why does it say in the salary of any -

MR. CROSBIE: I do not know I presume that -

MR. ROBERTS: Subject to the Legislature.

MR. CROSBIE: That just means that it is subject to. I am just pointing out that his salary is subject to the Legislature. As far as I know the salary of both -

MR. ROBERTS: The Auditor General and Controller General are paid statutory. We do not vote their salaries.

MR. CROSBIE: Exactly. That is why I am making the corrections.

MR. ROBERTS: Then why does it say on page 114 that it is subject to the Legislature.

MR. CROSBIE: That means that it is subject to the Legislature.

MR. ROBERTS: That means that it is not subject to the Legislature.

MR. CROSBIE: Well it should be if it be not.

MR. ROBERTS: Well it is subject to the act which in turn is subject to us.

MR. CROSBIE: Well whatever it is.

MR. ROBERTS: Yes, whatever.

MR. CROSBIE: Exactly. Now then the Department of the Auditor General. Well the only thing there is, are there questions? I think it is all pretty straightforward there.

MR. ROBERTS: Well, Mr. Chairman, I only have one or two questions. First of all when is the Committee on Public Accounts going to be set up, provided for in the Standing Orders. The minister may have some information which we do not as to when it is to be set up. The House Leader is not in the chamber. Two, four, six, eight, ten, eleven, I think we should have a quorum call. Are they coming in? No, that is not enough. Two, four, six, eight, ten, let us have a quorum call, Mr. Chairman.

MR. CHAIRMAN: We have a quorum

MR. ROBERTS: Mr. Chairman, on a point of order. The new Standing Order 4(d) provides that three minutes shall elapse from the ringing of the bells, I submit three minutes did not elapse. Your Honour has not acted within the rules of Standing Order 4 (d). Either we are going to have rules, Mr. Chairman, or we are not. They drag the sick and the dying out, Mr. Chairman. I am making a point of order. I am drawing Your Honour's attention to the fact that Standing Order 4(d) provides that three minutes shall elapse.

MR. CHAIRMAN (MR. STAGG): The honourable the Leader of the Opposition is quite correct. We will now sit for two minutes.

MR. CHAIRMAN: The Clerk will count the House please.

We have a quorum.

MR. ROBERTS: Thank you, Mr. Chairman. As I was saying, I wonder if the minister could indicate when the standing committee to which the Auditor General's Report is to be referred, when that is to be set up? I also wonder if he could indicate to us what action the minister has taken to implement the various changes recommended by the Auditor

General in his report, the report which the minister tabled. I wonder also if the minister could indicate to us, please, whether the Auditor General has submitted as yet a report on the non-direct accounts of the Government. The Auditor General is required to do this. He may have submitted it or he may not. That I do not know but it has not been tabled, it has not been made public. In years passed the two were bound together, the report on these accounts here and the report on the Crown Corporation and what have you. That has not been made public as yet, to my knowledge. It has not been tabled in this House. I wonder finally if the minister could indicate to the committee, Sir, the present standing of the Auditor General's Office, the Auditor General has made the normal and the ongoing complaint that I am afraid we get every year, certainly every year that I can remember, the eight I have been in the House, about the difficulty he is having in recruiting staff. There are some paragraphs, Sir, quite near the end of his report in which he points this out, I wonder if the minister could bring us up-to-date on that please?

MR. CROSBIE: Well, Mr. Chairman, with reference to the committee on public accounts, the honourable gentlemen know the rules were only passed I think it was last Tuesday or the day before the Budget Speech, and that committee will be set up in due course. I do not know exactly when, I presume in the next few days and should function once it is set up. So that will be set up shortly. The Auditor General's Report itself, I can assure honourable gentlemen that it is not like former years, that the comments of the Auditor General made in his report have been followed up; where we think they are justified changes will be made, where we do not think they are justified, we are prepared to attempt to disagree with him and explain why. Now that will be the function of the committee on public accounts. It would certainly be contra-productive for me to spend the afternoon here now going through the Auditor General's Report and deal with every comment he made and saying what action has been taken to follow it up. That is the function of the committee on public accounts and if they are interested they will



receive full information. I can just assure honourable gentlemen that any comment the Auditor General made is being followed up.

On his staff, the Auditor General's staff position, the staff complement for the department is fifty-seven, including himself, his current strength is fifty; that is at April 16.

There are seven positions vacant because of the difficulty in getting staff, lack of suitably qualified candidates, normal delays in recruitments and selection processes. He will be hiring for the summer eight students, from May to September.

As far as his comment on the Auditor General's Report is concerned, he did not request any new staff in 1972-1973, and in 1973-1974 the Auditor General requested eight new positions - May and June - six of these were approved on July 6 and two others were approved on September 21.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: For the first time I suppose in our history, Mr. Chairman, the Auditor General asked for eight additional staff. He got eight additional staff, first he got six, then he appealed for the other two. He claimed he had to have them also. So we will accommodate him and bend over backwards. We also approved the remaining two, so he has now fifty-seven total staff. His requests for staff in 1973-1974 were accepted.

The rest of the money involved in this department, of course, is travelling. They have to do a lot of travelling doing municipal audits and various things like that. Computer expenses -

MR. ROBERTS: Crown Corporations.

MR. CROSBIE: Oh, yes, I thought they were tabled. Is the honourable gentleman sure they are not tabled? But anyway, I will check into it and see if they have not been tabled, I am sure they must be ready by now because I remember seeing the volume a few weeks ago.

MR. ROBERTS: They have not been tabled in this session.

MR. CROSBIE: If they be not tabled, I will see that they are tabled, I will check into it but I thought that they were tabled.

MR. NEARY: Mr. Chairman, I wonder if the minister will tell us where the Auditor General and his staff found a nest after they were booted out of Confederation Building? They were on the third floor I think, Sir, up to about a year and a-half or so ago. They were booted out after the new administration took over. Could the minister tell us where they have gone? And if they are all under the same roof or if they are like

all other government departments scattered all over Hell's Acre? Sir, would the minister also indicate to the House if the Auditor General received an increase in pay last year?

MR. CROSBIE: Mr. Chairman, the Auditor General and the Comptroller General are both receiving \$29,000 a year. It is an increase they got last year, approved by an amendment to the Revenue and Audit Act. We are proposing an amendment to the Financial Administration Act this year, I gave notice of it today, so that it will be no longer necessary to have their salaries specifically included in the Revenue and Audit Act. This is a very unwieldy process. It delays them in getting pay increases that everyone else in the government have gotten. So we will be suggesting that be changed so that the Lieutenant Governor in Council will give them a salary increase with a proviso that they cannot suffer from a salary decrease unless the House approve. That be coming forward in an amendment.

Now what was the first point? There were two questions the honourable member asked. What was the first one?

MR. NEARY: Where are they situated now?

MR. CROSBIE: Oh, yes. Now I have not visited the Auditor General's Office but I understand they are located in the Imperial Oil Building, I suppose it is still called that, which is down on Elizabeth Avenue. It is the same building that the conflict of interest registry is in. What floor they are on, I do not know but I have not had any complaints from the Auditor General about his space. They were certainly not kicked out of the building. More suitable space was found for them, more adequate space. I do remember his saying that there was an ideal amount of room to also have the conflict of interest material down there. I think we arranged for a few hundred more square feet for him.

So I believe he is adequately housed, clothed and fed. He is in his usual rare spirits, searching vigilantly to uncover all he can that has not been done the way he thinks it should be done. He is just as snarly as ever, watching the public purse.

MR. NEARY: Mr. Chairman, I am surprise to hear that the minister has not visited the Auditor General because I understand that the Auditor

General can send for witnesses if he should want to. I am surprised he has not sent for the minister long ago.

AN HON. MEMBER: He is satisfied.

MR. NEARY: He must be satisfied. Well, Sir, not according to the Auditor General's Report he is not satisfied. It was not a very favourable report, Sir, it was not very complimentary of the minister and his administration. I hope the minister is right that some of the matters - I hope the minister is right, Sir, that some of the matters raised in this report are being followed up, they are not just being put in one of the deep, dark closets down in the minister's office down on the third floor, swept under the rug. Some very, very important matters were raised in the Auditor General's Report this year, Sir.

MR. CROSBIE: Inaudible.

MR. NEARY: Well, Mr. Chairman, so are we, but we have no public accounts committee, Sir. This is exactly the point raised by the Leader of the Opposition. We had one -

AN HON. MEMBER: Inaudible.

MR. NEARY: Mr. Chairman, we had a public accounts committee last year and I was a member of that committee, Sir. It petered out, Mr. Chairman, and you know why -

AN HON. MEMBER: Because the honourable member was on it.

MR. NEARY: No not because I was on it, because the government ministers did not attend their meetings.

MR. ROBERTS: A deliberate attempt to stifle debate.

MR. NEARY: The Member for Labrador North was Chairman of the Public Accounts Committee. We had asked the Minister of Finance for permission to employ the services of a chartered accountant. I do not ever remember getting the -

MR. CROSBIE: Oh, yes, they did.

MR. NEARY: Did we get the permission? Well maybe we did. I do not want to accuse the minister falsely. Maybe we did but, Sir, there is no point in having a public accounts committee unless they have legal counsel, chartered accountants, have the authority to send for witnesses, have civil servants come and give evidence, subpoena documents. The

public accounts committee should be able to do all of this, Mr. Chairman, and I am looking forward to the next public accounts committee that is set up in this honourable House. I hope I am a member of it, Sir, because I will guarantee you one thing, Mr. Chairman, I will do a thorough job. But, Sir, we did not get off the ground in the last session of the House because the minister; for instance the Minister of Municipal Affairs and Housing was on the public accounts committee, I think he turned up for one and a-half meetings.

MR. EARLE: The Minister of Municipal Affairs and Housing attended every meeting.

MR. NEARY: No, Mr. Chairman, the reason the committee died, Sir -

MR. EARLE: He did as much work as the honourable member did, that is for sure.

MR. NEARY: Mr. Chairman, the minister has a right to get up and speak if he want to. If I be accusing him falsely, Sir, he can get up and defend himself.

AN HON. MEMBER: Inaudible.

MR. NEARY: And the friend of a good many honourable colleagues on the other side of the House too, help make millionaires out of some of that honourable crowd over there.

AN HON. MEMBER: Who?

MR. NEARY: That honourable gentleman help make millionaires out of some of that crowd over there.

MR. CHAIRMAN: Order, please! The honourable member's use of the phrase "Honourable Crowd" had been brought to his attention earlier in the session, that this is -

MR. NEARY: Mr. Chairman, we have been using that term in this honourable House for two years, well not for two years but thirteen years since I have been here.

MR. ROBERTS: Mr. Chairman, the Speaker ruled it in order a year ago, if Your Honour were to search back.

MR. NEARY: I am not going to argue with Your Honour because it is not a very important point, Sir, -

MR. BARRY: The honourable mob ...

MR. NEARY: The honourable mob, that is ruled out. The honourable gang, that would not be proper, that would be unparliamentary.

MR. CHAIRMAN: He is asking the honourable member to use language that it is more befitting an honourable member and certainly referring -

MR. NEARY: I will use the language, Sir, that will befit honourable gentlemen on the other side of the House, I have fourteen days. That would only be mild, Sir.

But, Mr. Chairman, I forget now what I was talking about but anyway, I would like to ask the Minister of Finance, Sir, if he would tell us if and when the salary of the Auditor General was increased? Because I do not remember, Mr. Chairman, I do not remember last year an amendment to the Revenue and Audit Act going through this House to increase the Auditor General's -

AN HON. MEMBER: It was.

MR. NEARY: It was!

MR. CROSBIE: Inaudible.

MR. NEARY: Because I do not know if members are aware, Mr. Chairman, but the Auditor General and the Comptroller of the Treasury are paid from the Revenue and Audit, or are given the authority to be paid by the Revenue and Audit Act and that can only be amended by this honourable House. I do not remember it, Sir; maybe one of these sleepers that the minister put through but I certainly do not recall ever voting for an increase in pay for the Auditor General, I might have done it but I certainly did not know I did it.

AN HON. MEMBER: Inaudible.

MR. NEARY: Pardon? No, that is right. My colleague here indicated to me that the Auditor General cannot be relieved of his office, he cannot be fired or disciplined unless it is by the authority of this honourable House.

MR. CROSBIE: Inaudible.

MR. NEARY: We certainly do.

MR. CROSBIE: What happened in 1969?

MR. NEARY: Yes, what happened in 1969? We had a Leadership Convention and the Member for St. John's West got defeated and then went over there and became Minister of Finance. That is the only thing that I remember

about 1969.

MR. CROSBIE: He was dragged up and questioned ..

MR. NEARY: What was dragged up?

MR. CROSBIE: The Auditor General was .

MR. NEARY: What about Shaheen being dragged in on the floor of the House and cross-examined by the minister?

MR. CROSBIE: Well that was good. That was good. That got the facts.

MR. NEARY: That was good. Honoured buddies now, kissing cousins, but they were not buddies in those days.

MR. CROSBIE: Everybody can make a mistake.

MR. NEARY: Haw! Haw!

MR. ROBERTS: And the people of Newfoundland are saying that about the minister.

MR. CROSBIE: Haw! Haw! No. Oh, no!

MR. NEARY: The minister should get down on his knees, Sir, and ask for forgiveness.

MR. CROSBIE: ... programmes, a thousand and one -

AN HON. MEMBER: Yes.

MR. CROSBIE: Before the minister.

MR. NEARY: The minister should get down on his knees, Sir, and ask forgiveness.

MR. CROSBIE: I had a letter from White Bay North just a few days ago.

MR. NEARY:

Mr. Chairman, hypocrisy, Sir, is not one of the characteristics of a good politician. Believe me, Sir, it is not. It is about time the minister learned that.

Sir, I have nothing more to say about this vote. Perhaps the Minister of Municipal Affairs and Housing would get up and tell us about the contribution that he made to the Public Accounts Committee last year, which was not very much. It was not very much.

MR. EARLE: About one hundred per cent more than the honourable member.

MR. NEARY: Pardon?

MR. EARLE: About one hundred per cent more than the honourable member.

MR. NEARY: No, Mr. Chairman, I attended every meeting. Every second that these meetings were held I was there. There were a few things I wanted to delve into, Sir. I cannot wait for the administration to appoint the Public Accounts Committee this year. There are a number of outstanding investigations, Sir, (not witch-hunts like we have seen that crowd carry on for the last two years) there are a number of questions, certain information that I want to get. I think that committee should have pretty broad powers, Mr. Chairman.

It should be able to send for witnesses, send for public servants, send for documents. It should be able to cross-examine witnesses under oath. Then I will get the information. If I cannot get it from the ministers on the floor of this honourable House, I will get it from the committee. Anyway, Sir, I am glad to hear that the Auditor General is adequately housed and clothed, Sir, and is in good health. I look forward to getting his report again around this time next year.

On motion, 202-01, carried.

MR. CHAIRMAN: Shall 02-01 carry?

MR. ROBERTS: As a matter of interest, why are the expenses down? They were \$72,000, revised, last year, \$63,000 estimated this year. It is unusual for expenses to go down. We have heard the minister's heart-rending pleas of everything going up. Could he tell us why these are down?

MR. CROSBIE: I do not know. It does not explain here why they are



down. Expense of travelling, \$63,000 is the estimate. It is almost entirely for expenses of auditors working on assignments mainly municipal audits away from St. John's, Department audits, 250 municipal entities. Then there are hospitals, courts and corporations located outside St. John's. There is no reason given why they are down. It may have something to do with travelling advances or -

MR. ROBERTS: The Auditor General must think the air-strike is going to last a long time.

MR. CROSBIE: Right.

On motion, 02-01, carried.

On motion, 02, carried.

MR. CHAIRMAN: Shall 08 carry?

MR. ROBERTS: Mr. Chairman, there is no 03, so Your Honour probably did not call it. I wonder if the minister, in telling us why this year we are going to have \$15,000 on Computer Services when last year we had nothing, could also explain what the \$8,000 Consultant Services were last year and why have we none this year?

MR. CROSBIE: Mr. Chairman, I think the Consultant Services last year were in connection with Computer Services. The expenses this year for Computer Services; this is for project and basic training for implementation of computer techniques to audit engagements. They expect to be able to carry out this activity during the present year by availing of services which can be provided by Newfoundland and Labrador Computer Services. They intended to commence such projects last year but for various reasons, many related to staff vacancies at the senior level, could not do so. The Consultant Services last year was assistance that they had in getting ready for the computer programme which they were supposed to start last year. That is why it is really part of 08.

On motion 08, carried.

MR. CHAIRMAN (Stagg): I have to ask for direction now. Do the honourable members wish to go back to 201-01?

MR. ROBERTS: I wonder if that could stand? There are some matters which I want to raise but I think, since the Premier and I had some preliminary discussions on them and the Premier is not (I do not know if he is in Newfoundland) in the House today, if it could stand.

MR. CROSBIE: Page 19, Mr. Chairman. Subhead 304, Treasury Board Secretariat:

MR. NEARY: Mr. Chairman, I would like to have a few words on this, Sir, as soon as I get organized here. Treasury Board Secretariat.

Sir, this is one of the items in the estimates that has certainly escalated in cost over the last two years, since the new administration took over. What heading was it under last year? Anyway, Mr. Chairman, I think that the people of this province are entitled to know, Sir, just how the Treasury Board Secretariat has grown in the last couple of years and just what salary -

MR. CROSBIE: Hear! Hear!

MR. NEARY: Mr. Chairman, I did not say that it was justified.

MR. CROSBIE: It is more than justified.

MR. NEARY: I am sure that the people will be interested in knowing what some of the salaries are that are being paid to the officials of the Treasury Board Secretariat.

MR. CROSBIE: Hear! Hear!

MR. NEARY: Hear! Hear! For what?

MR. CROSBIE: Hear! Hear! For whatever the honourable member says.

MR. NEARY: Sir, this is the same minister who came into this House last Thursday, Easter Thursday or Easter Wednesday (No that is Shrove Wednesday. Is that what it is called?) came into this honourable House and announced tax increases.

MR. CROSBIE: No!

MR. NEARY: Added one per cent on to the retail sales tax and increased the personal income tax. Well, Sir, we will argue later on whether that were justified. I do not intend to present my case now but when I look at the salaries of some of the officials, Sir, of the Treasury Board Secretariat, no wonder the minister had to increase taxes. No wonder. He could have wiped the whole Treasury Board Secretariat out altogether and it would not be missed.

Secretary of the Treasury Board \$24,500. That is more than a cabinet minister is getting. What is a cabinet minister's salary now?

AN HON. MEMBER: \$12,000.

MR. NEARY: Plus the House.

AN HON. MEMBER: It is not as much as the Leader of the Opposition's.

MR. BARRY: (Inaudible)

MR. NEARY: Plus the House. In other words, the minister is agreeing with me. \$24,500 for the secretary of the Treasury Board. Director of Treasury Board staff.

AN HON. MEMBER: He earns every cent of it.

MR. NEARY: He earns every cent of it. Maybe he does. We have not seen any evidence of it from the administration's standpoint. One director of Treasury Board staff, \$19,074. One management analyst III, \$15,209. What would an analyst I cost if this fellow cost \$15,209? Director of budgeting: One director of budgeting \$21,313. He is not exactly on welfare, Sir. One director of organization and management \$22,000. Fantastic salaries, Sir. Maybe they deserve them, I do not know but I think the people have a right to know how their tax dollars are being spent.

One organization and management officer II, \$15,993. Director of collective bargaining \$22,900. The most expensive director of collective bargaining I suppose in the province. I would say that is a lot more than some of the business agents of the bigger locals in Newfoundland are getting. Director of collective bargaining \$22,900. Not bad, Mr. Chairman. Not a bad salary. Maybe he deserves it, I do not know. One assistant director of collective bargaining \$19,380. What does a poor old conciliation officer get down in the Minister of Manpower's office? Not enough? He does not get near that. Assistant director of collective bargaining \$19,380. One director of classification and pay \$21,700. Great salary, Sir. Maybe the gentleman, the ladies and gentlemen who occupy these jobs deserve every penny of it. Maybe they do but they are certainly not in line with what is being paid in business and industry. They are way out of line, Sir, completely out of kilter with what is being paid.

Is it any wonder, Mr. Chairman, that the ordinary rank and file working-class people across this province are getting disgruntled? They cannot make ends meet. When they look at the kind of salaries

that they are paying, Sir, and it is the working-class people of this province who are paying these big salaries, no wonder they are getting disgruntled. Now wonder they are pessimistic. They are in a state of shock and despair. Make no wonder!

One director of classification, and pay \$21,700. One personnel officer III, \$21,014. \$21,000. One personal officer II, \$19,000. Then at the bottom; extra assistants, \$30,190. I am going to ask the minister to give me a breakdown of that \$30,000.

Sir, the point I am trying to make here is that this is one of the monsters that this government have created. Talk about creating a bureaucratic empire, Sir, there is a classic example right there, costing the taxpayers of this province \$711,300. Almost \$800,000, Sir. I do not think -

AN HON. MEMBER: (Inaudible)

MR. NEARY: Pardon?

AN HON. MEMBER: Turn over to the next page.

MR. NEARY: Planning and priorities? No we will come to that later.

Mr. Chairman, this sort of empire building we could do without in this province. It is too expensive, Sir, for Newfoundland and it is not justified; in my opinion. I could go through these estimates, Mr. Chairman, and I could pick out example after example of extravagance and waste in this budget that could give the Minister of Finance the \$10 million that he needs without putting on that one per cent on the retail sales tax. We can, right through the whole estimates, Sir, with a sharp pencil we could eliminate the dead wood throughout the extravagance and waste and we could come up with \$10 million just like that.

Then the minister is out on radio and television apologizing for having to increase the retail sales tax.

MR. CROSBIE: Mr. Chairman, - Oh! The honourable gentleman is not finished?

MR. NEARY: Sit down! Sit down! "Sit down! you are rocking the boat."

MR. CROSBIE: Only seventy-four hours to go.

MR. NEARY: Mr. Chairman, the minister may think it is funny but it is not going to affect him. One per cent on the retail sales tax really does not make very much difference to the minister but it makes a lot of difference, Mr. Chairman, to the people of this province, the ordinary working-class people who do not have the ability to pay. They do not, Sir. They are throwing up their arms in disgust and in defeat while at the same time we see this great empire getting built here. Treasury Board Secretariat costing the taxpayers of this province almost \$800,000 are down their living in their own little dream world. They have their own little empire.

I think the last year, Sir, the last year that the much maligned Liberal Administration was in power, if we had two or three members on that Treasury Board Secretariat, that is about all we had.

MR. CROSBIE: Twaddle!

MR. NEARY: What was that?

MR. CROSBIE: TWADDLE!!

MR. NEARY: Twaddle?

MR. CROSBIE: Twaddle!

MR. NEARY: Not true?

MR. CROSBIE: That means foolish.

MR. NEARY: Foolish?

MR. CROSBIE: Not true.

MR. NEARY: Here is the minister, Sir, - I was driving over to Marshall Motors the other day to get my car repaired and I heard a lady calling in and saying; "It is wonderful. My God! It is wonderful to have a man like you Mr. Crosbie, with all the brains that you have."

MR. CROSBIE: That is right. That is right.

MR. NEARY: "All the brains in the government." The criteria she was using for brains, Sir, was dollars and cents.

MR. CROSBIE: No, Sir!

MR. NEARY: That was the criteria.

MR. CROSBIE: I will tell the honourable member what it was when I get to it.

MR. NEARY: I will tell the minister what it was. All right! If the

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minister is so brainy, he has all the brains, Sir, believe me -

MR. CROSBIE: The honourable member has all the heart.

MR. NEARY: One of the softest jobs -

MR. CROSBIE: We remember that. The honourable member is all heart.

Remember?

MR. NEARY: Mr. Chairman, one of the softest jobs -

MR. CROSBIE: The Ex-Premier said the honourable member had no brains

"But" he said; "Steve has a wonderful heart." He was right. The

heart is up in the head. I do not know where the brains are.

MR. NEARY: Mr. Chairman, can the minister restrain himself for a few moments? If this brainy minister were so clever as this woman, obviously, who was (No I will not make that statement, Sir.) I can almost detect who the lady was. I can almost detect it. I can almost tell the minister who she was.

MR. CROSBIE: It was not Mrs. Hanlon?

MR. NEARY: No it certainly was not. The minister tried to abuse Mrs. Hanlon when she was right. She was putting embarrassing questions to the minister which he refused to answer. He flew off the handle, went off his head. He did, Mr. Chairman. The minister went off his head on the openline programme.

AN HON. MEMBER: He could not take it.

MR. NEARY: He could not take it, Sir. Now, if that brainy minister is so smart - and believe me, Mr. Chairman, the softest job in the government, (believe it or not) one of the softest jobs. Apart from my honourable friend down there from Harbour Main who has Provincial Affairs which was always considered as a joke, the softest job in government is the Minister of Finance, Sir. What does he do in between budgets? What does the Minister of Finance do, Mr. Chairman, in between budgets? He tries to leave the impression with Newfoundland that he is a hard worker;

MR. CROSBIE: That is a good question.

MR. NEARY: I would not like to see him with Highways or Social Services or Health. He would really go off his head.

AN HON. MEMBER: (Inaudible)

MR. NEARY: Not only that, Mr. Chairman, if he had a district to represent where all his problems were not taken care of by the City of St. John's, where his constituents were calling him up day and night, writing him and pounding on his door -

MR. CHAIRMAN (Stagg): Order please!

MR. NEARY: He would really go off his head then.

MR. CHAIRMAN (Stagg): Order Please! The honourable gentleman, while he is making a point that is rather interesting and entertaining, it hardly relates to Treasury Board Secretariat.

MR. NEARY: Sir, it is not very entertaining because it is true. Anyway, Mr. Chairman, the point that I am making here is that this minister, who in my opinion has all kinds of leisure time, could handle many of these matters himself, instead of pawning them off on a crowd of mandarins.

AN HON. MEMBER: The honourable member has the flu. Do not rush.

MR. NEARY: I do have the flu today, Sir. I must say my lungs are not the best today. If they were, Sir, the minister would hear something.

Instead of pawning off this responsibility on a crowd of innocent mandarins, Sir, no wonder, Mr. Chairman, no wonder the process of government is grinding to a halt. You would not make any wonder, Sir. This is only one of the empires that they have built up. Wait until we get down to the next one, Planning and Priorities. I know we cannot talk about that one now but I am wondering, Mr. Chairman, if it is all necessary, if all these big salaries are necessary. Could the money not be better used to provide housing? Or to provide jobs for our people? \$800,000. Next year it will be \$1 million. Where is it all going to end? Is it necessary? What do they do in other provinces? Do they lash out this kind of money to get a crowd of Treasury Board officials to do the Minister of Finance's work for him? That is really what they are doing, Sir.

The minister has himself insulated in his office down there, cut off from the outside world. He has his little crowd down there, running around doing his work for him. I wonder, Sir, if it is all

necessary. I do not deny the fact that under the Treasury Board Secretariat there may be some good men. I know some of them personally and they are good men. Many of them are good men. This is not a condemnation of the individuals who make up the Treasury Board Secretariat. It is the fault of the minister for allowing this monster to be created, for allowing this empire to be built right under his very eyes, when the minister should be assuming more responsibility himself, Sir, instead of strutting around with his nose up in the air.

He should put his nose to the grind stone, roll up his sleeves. If he is going to leave the impression that he is a hard worker, well then, let him work. I hope, Mr. Chairman, that when we come into this House next year, instead of it being almost \$800,000 that it will be much less. I am afraid, Sir, that it is going to be much more, it is going to be \$1 million. This honourable crowd, Mr. Chairman, since they took office have thrown more roadblocks and created more obstructions in the way of progress in this province - I have heard, Sir, (I do not know if it is true or not, perhaps the minister can tell me) that ministers, elected representatives of the people, have had a continuous running battle with Treasury Board. Treasury Board is really running the province not the elected representatives.

I do not mind having a Treasury Board Secretariat, I think it is necessary but I think it has gone completely out of control. The power, the decision-making process no longer is in the hands of the elected representatives, Sir, it is in such boards as the Treasury Board Secretariat and the Planning and Priorities Committee. No wonder the ministers are getting frustrated. They cannot get decisions, they cannot get things done. Everything is grinding to a halt. Everybody is running around with a brief case and a piece of paper but nothing happening. This is the result, Sir, of this kind of an empire that is being created.

I am all for running the province in a businesslike manner but I do not know if this is necessary, Sir. \$711,300. Perhaps the



minister can justify it. No doubt, when I take my seat he will get up and say a few words, probably be his usual humourous self but, Sir, this is almost \$800,000 of the taxpayers money. I hope the minister can justify it. I hope the minister will tell us what he himself does in between budgets. The Comptroller of the Treasury goes off and floats all the bond issues. What the minister does besides come into this honourable House and take away the mothers' allowance, do a hatchet job on the students and increase taxes on the poor ordinary people of this province -

MR. CHAIRMAN (Stagg): Order please!

MR. NEARY: What else does the minister do?

AN HON. MEMBER: The budget debate.

MR. NEARY: No it is not the budget debate.

MR. CROSBIE: I pull legs off spiders or dandy-longlegs.

MR. NEARY: I would not be a bit surprised. I would not be a bit surprised.

MR. CROSBIE: He forgot that one.

MR. NEARY: Anyway, Sir, I would like to hear the -

MR. CROSBIE: I torment little old women.

MR. NEARY: That is what the minister did on openline the other day with "Mrs. Phone Forum." Abused her -

MR. CROSBIE: I splash them when they are walking on the sidewalks.

MR. NEARY: He could not take it. Now, Sir, I would like to hear the minister's explanation for all this empire building, all this money that is being spent and all this extravagance and waste. Is it necessary? Tell us! Let us hear about it!

MR. CROSBIE: Mr. Chairman, that was as valuable a contribution as we usually get from the honourable Member for Bell Island. That means that even John D. Snow could not sell it. What are we talking about here, Mr. Chairman? The honourable gentleman attacks the salaries paid to the Treasury Board staff, these gentlemen who are defenceless and unable to defend themselves. An infamous attack upon what the members of the Treasury Board staff are being paid. Well, I am here to do my best to protect them in my own small way.

What we are talking about is not \$711,000 in salaries, Mr. Chairman. The salaries we are talking about are \$576,000 as compared to \$542,000 last year in salaries. In this budget, Mr. Chairman, we are paying out in salaries \$250 million to 27,000 people in this province - public servants, teachers, people who work at Memorial University and the rest of it - \$576,000 of that amount of \$250 million is going to the people who work in the Treasury Board Secretariat, thirty-eight of them, of whom there are no more valuable members of the public service.

The honourable gentleman mentioned the salary of the secretary of the Treasury Board. An outstanding, young Newfoundlander, I do not know what his age is, about thirty-two or thirty-four, who joined the public service of Newfoundland about six years ago. In six years he has come to one of the top civil service positions. An absolute crackerjack, talented, has his masters degree in business administration, worked in the civil service. He is a civil servant - he worked when the previous administration was in there. One of the few good things they did in the last few years in office was to resurrect the Treasury Board and get it operating. An absolutely first-class young Newfoundlander. Splendid! He could go anywhere, in any civil service, in any business, who could earn outside today - he would have no difficulty today, Mr. Chairman, earning, I would say, at least thirty or forty thousand dollars in any one of the large companies in Newfoundland today. If he went to the Federal Civil Service he would be making thirty or forty thousand dollars. He is absolutely top-notch. He likes Newfoundland and he likes government work. He makes \$24,500 which sounds a lot, of course, and it is a lot to the ordinary person to whom the Member for Bell Island is trying to address his remarks. He knows that that sounds a lot to somebody on welfare or somebody who is only a labourer or a fisherman and it is.

For the skills involved and the work involved that that gentleman puts into it, \$24,500 is vastly underpaid. He receives

no overtime, yet that particular young gentleman works, I would say, in the average week he works at least twenty to thirty hours more than he has to here, from nine o'clock to five-thirty o'clock. In the average week at least thirty hours, and does it because he likes the work. Splendid! Absolutely first-class, top-notch! I am delighted, I am so proud that the civil service of Newfoundland has someone in it like the secretary of the Treasury Board, Mr. Victor Young. A splendid man!

Now there are five on the Treasury Board staff, nineteen in classification and pay division. These are the people who are in charge of the classification of all positions in the civil service, the hospital service and so on. Classification and pay: A very unenviable job. Everybody disagrees with how you classify their job. It is a tough job but the nineteen of them, three in the the collective bargaining division - look at their responsibility, Mr. Chairman. They are responsible for the collective bargaining on behalf of the government with all our civil servants, with the hospital employees and everyone else whom the public treasury pays. Thirty-five, I think it was, collective bargaining agreements entered into last year.

The head of the Collective Bargaining Division, Mr. Ted Blanchard, who is now Deputy Minister of Labour - a tremendous, first-class man, respected throughout the labour movement. Now, unluckily we have lost him. He has become Deputy Minister of Labour and we have to beef up the staff. I will tell you about salaries, Mr. Chairman, and how underpaid these men are. Mr. Alcock, who worked with us last year, one of the three, Mr. Blanchard, Mr. Dave Norris and Mr. Alcock, the youngest of them, left us about three months ago. He is gone with the Newfoundland Labrador Construction Association, where he is getting, I think it is around five thousand dollars more than he could get from us on the Collective Bargaining Division at Treasury Board.

You have to pay, Mr. Chairman, what is necessary to attract the right skilled people into these jobs. They have other places to

go, they do not have to come to the Newfoundland Government Service. They can go tomorrow to private industry, they can go with the unions, they can go with the federal government, other provincial governments, so they have to be paid. In all of these classifications I would say our people are paid less than their counterparts, certainly in the federal government.

Then we have a Budgeting Division which is a new division. A lot of work was done by these people on the present year's budget, headed by Mr. Sansom, a first-class man who was with the Power Company at Deer Lake until a few months ago. An Organizational Management Division headed by Mr. Olivero, a first-class man. An Organizational Management Division of government to advise on how departments should be organized, on the proper management and on the proper form of organization. They have done invaluable work the last year or two.

So, thirty-eight of them in the Treasury Board, all of them doing first-class work, all work far longer hours than they are required to and I say that this \$576,000 - there will be not another item like this, more valuable, voted than this \$576,000.

What does the Treasury Board have to do in addition to those things? It has to try to watch the estimates, it has to approve or disapprove requests from the departments for spending outside the estimates, sometimes within it and so on. It is not a job for which you get much thanks. They have to be the watchdogs of the treasury and try to keep spending within bounds. The President of the Treasury Board does not fool himself. He knows that he is looked on as public enemy No. (1) by his colleagues and by everyone who wants more money spent that is not provided for in the budget. If somebody do not undertake the job, we will be in pretty slack shape, we would be down the drain pretty

quickly because there is no end of requests for money and we have to try to exercise some controls. There is only so much we can borrow.

So this \$576,000, I am going to vote for it with a heart and a half. It is the most valuable \$576,000 in the estimates and I am delighted and pleased that the honourable gentleman is giving me a chance to praise these invaluable employees, the treasury board, who have been such great assistants to me.

Now, what do I do in between budgets? Why, I am taking up tatting. I sit down there in my office in the Department of Finance and I am now learning tatting. Last year I learned how to knit and I learned how to sew and I have read the odd book. I find something to keep my body and soul together. I usually arrive into the office around eleven thirty and I have coffee hour then, for an hour we have our coffee, have a good old chat, run downstairs and have another coffee, downstairs usually. Then I get up around one o'clock and it is lunch time. Then off I go and sometimes the Premier has me to lunch. We have our little bit of hard tack, tea, at lunch time.

Then I usually stroll back in around three o'clock and if the House of Assembly be meeting, I drop in here. I like it. I like coming in here, Mr. Chairman, and listening to the member for Bell Island. That is the only one we ever seem to get to listen to. Nobody else has a chance. The big mouth of the honourable member for Bell Island is flapping hour after hour, day after day, but I like it. So, from three to six I like to drop in here and then if we are meeting in the night time, I like to drop back in again and listen to some more of the member for Bell Island.

So it is a wonderful life, a pleasant life. It is almost like a holiday every day and I am glad that the honourable gentleman pointed it out because the Minister of Finance's job is a snap.

Now, he mentioned what else? Yes, salaries. Golly! I think I have answered all of the points the honourable gentleman made except one.

The honourable gentleman had the gall, had the audacity, he had the

nerve to mention this one per cent increase in the sales tax that was announced last week. What gall has he got, Mr. Chairman, to mention that? He who was in the Liberal administration that instituted the sales tax! We had no sales tax before the honourable gentleman's administration instituted it. Five per cent they started in 1963, and inexorably they crept up. We have an eight per cent sales tax today, Mr. Chairman, and seven per cent of it is the Liberal tax and one per cent is the P.C. tax. One-eighth of the sales tax is the P.C. tax, seven-eighths is the Liberal tax.

The honourable gentleman has the gall to mention that the sales tax went up. You would think he would keep quiet. Seven-eighths of the sales tax is his, his party's, one-eighth is ours. Now he dares criticize it. Five per cent in 1963, then in 1967 it went to six per cent. We never heard the member for Bell Island protest in 1967, not a squeek, not a murmur, not a giggle from the member of Bell Island when that went up in 1967. He was a backbencher but he was a backbencher then with a difference. He did not dare open his mouth in 1967. No, Sir, it is only since we liberated him in 1972 that he has been heard from. Not a sound from him in 1967 when she went to six per cent and then in 1968 it went to seven per cent.

Did we hear from the member for Bell Island? Did he storm up and down the land protesting against this infamy? No, not a murmur from him when his party put it up to seven per cent. Did he protest in 1968 when it was extended to hotel and motel accommodations, telephone services, telecommunications, repairs, laundry and drycleaning? Did the honourable gentleman protest then? No, he did not protest then. Did he protest when it went on to chockey-bars, on the soft drinks? No, he did not protest then, not a word, not a murmur. Did he hail us and salute us when we took it off the children's clothing in 1972? Did he say how good the government was, what a wonderful government this P.C. Government was, what heart the Minister of Finance had? Not at all. He did not give me any praise or credit, not one bit, Mr. Chairman when we took the Liberal tax off the children's clothes.

What did he do in January, 1974, when we removed that Liberal tax from the furnace oil and the stove oil and the heating oil? Did we hear him praise us up and down the land then? No, not a word when we took off that Liberal seven per cent from the stove and fuel oil. What did we hear from the honourable gentleman when his Liberal administration increased the personal income tax in 1969 when they put it up five points from twenty-eight to thirty-three? Did we hear him protest? No, we did not hear him protest and I can go on to the gas tax. What happened when the gas tax went up, the corporation tax? We know that he would be all for that, he is all for the corporation tax. The gas tax went up five cents in 1968, from twenty cents a gallon to twenty-five cents a gallon. Did we hear the honourable gentleman then cry out against this cruel Liberal gas tax? Every cent of the gas tax is the Liberal tax. All twenty-five cents of the gasoline tax is the Liberal tax. Every percentage of the corporation tax is the Liberal tax. Every point of the income tax is the Liberal tax except for the four that we have added. Four out of forty, four out of forty is P.C., thirty-six out of forty is Liberal, Liberal, Liberal, Liberal tax. Seven of the eight points of the sales tax are Liberal.

The honourable gentleman dares to criticize it. Dare they open their mouths? Yes, they dare open their mouths because they think the people of Newfoundland have forgotten. They have not forgotten, Mr. Chairman, and we will see they do not forget.

I personally pledge to see that they do not forget and all my colleagues on this side of the House are unanimous in their determination that the people of Newfoundland know how much of their tax burden is Liberal and how much is P.C.

Now, every government has to impose taxes and I would not even mention, Mr. Chairman, these Liberal taxes, I would be too much of a gentleman to mention them if the honourable gentleman were not trying to take such a slieven tack. If they would just say, "We realize the people of Newfoundland have to have services, therefore there has to be taxes," and not try to make a fuss about it. No one likes taxes. I do not like them, nobody does, I would not even mention these Liberal

impositions but if that is the game they want to play, then we have to remind the people of Newfoundland it does not matter what government is in office. At some point, reluctantly, occasionally taxes must go up.

Our one per cent increase, reluctant as it is, is only one out of eight points and our four points on the income tax is only four out of forty. So, I hope the honourable gentleman will take the hint and not bore this honourable House any longer with any more mutterings and cluckings and allegations about the same increase in taxes we had last week.

MR. NEARY: Mr. Chairman, the minister has me in tears, Sir, tears with his defence of the Treasury Board Secretariat which is the item we are discussing at the present time, Sir.

I have no doubt at all that some of these gentlemen that the minister referred to, Sir, are capable men. They have a great deal of ability. I have no doubt about that at all, Sir. What I criticize the minister for, I did not criticize the members of the Treasury Board's Secretariat, Sir, far be it from me to do that, but the minister tried to leave that impression in this honourable House that I was attacking defenceless people. That, Sir, is incorrect. That is not true. I was attacking the minister for allowing this monster to be created, this empire to be built up.

The real power in this Province today, Sir, is in that Treasury Board Secretariat, not in the hands of the elected representatives of the people who should be taking the decisions. That was the point I made, Sir. I did not attack defenceless people, men who are not in this House to defend themselves.

The minister has a technique for twisting and turning things. Then, Sir, he went on to try to defend his tax increases. Mr. Chairman, I came into this honourable House in 1962 and I was in this honourable House four years before the Minister of Finance managed to get a seat in this honourable House, thanks to Mr. Smallwood. The present Minister of Finance was brought into this Honourable House by former Liberal Leader and former Premier of this Province, Joey Smallwood, who brought in



both him and the Minister of Justice and the Minister of Municipal Affairs and Housing, gave them a seat in this honourable House. They had it passed over to them on a silver platter. They did not have to earn it or work for it, it was passed over to them. They were hooked on to Joey's coat tails.

AN HONOURABLE MEMBER: Does that mean you were too?

MR. NEARY: No, I was not, Mr. Chairman. I had to earn my spurs.

I had to win my seat from a Tory. I had to knock off a Tory and we already talked about that earlier this afternoon, Sir. Sir, I sat here for four years, worked hard, I was outspoken. Mr. Chairman, there is nobody in this honourable House who was as outspoken as I was. They say Mr. Smallwood was a dictator. He never tried to muzzle me in any way. I had complete freedom. I spoke out on every issue that I wanted to speak out on.

Sir, like all parties sometimes when a party wants to do something, when the administration that is in power wants to do something and they hold a caucus the same as the administration does today, they may come to an agreement that they will go into the House and put up a united front on certain issues even though, Mr. Chairman, there may be individual members of that caucus who may violently disagree with the decision that is taken. That is the party system. What is wrong with it?

AN HONOURABLE MEMBER: What has that got to do with it?

MR. NEARY: It has all to do with it because the Minister of Finance just raised it and I am answering the Minister of Finance what he just said.

Mr. Chairman, I can tell you this, Sir, that I have always been concerned since I came into this House in 1962 about the way tax increases are imposed on the people of this province. My views were made known in the proper place at the proper time, Sir.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Ah, Mr. Chairman, that is not the way the party system works! One does not resign, Sir, every time one is overruled or outvoted. If so, they would have resignations over there right now, would they not?

I was standing up for my principles, Sir, but, Mr. Chairman, here is what I am leading up to. In 1966, Sir, there was a new crop of politicians came into this honourable House, the briefcase swinging type, the harbour type, the well-to-do lawyer, the rich people were brought into this House, much to my chagrin, Sir. I did not get a cabinet seat at the time. I was a backbencher for six and a half years. I earned my cabinet seat too. But, they were brought in over the head, Sir,

of senior members of this honourable House, including my colleague who is sitting here on my left and put them in the cabinet, these bright, young geniuses, these well-to-do rich lawyers and businessmen.

Mr. Chairman, let me tell you this, Sir, that the author of the chocolate bar tax and the soft drink tax just took his seat. Oh, Mr. Chairman, I am not going to sit here in this honourable House and have abuse heaped on me by the Minister of Finance.

MR. MARSHALL: On a point of order, Mr. Speaker. I have sat in this House myself for a number of years and I am quite frankly sick of listening to: "You did! You did not! You did! You did not!" from over there, with respect to what went on in that great and now defunct Liberal Party.

Now we are discussing the treasury board secretariate. I believe we are on salaries and I do not think what the honourable member for Bell Island is saying now has one iota of relevancy to the particular topic.

MR. NEARY: Mr. Chairman, to that point of order, Sir. The Minister of Finance, Sir, in his remarks made certain points, Sir, that need to be clarified and answered. That is all I am doing, Sir. I trust that the Chair will give me and members of this side of the House the same leeway as they give the ministers and members on that side of the House. That is all I am asking for, Sir.

MR. MARSHALL: To that point of order, Mr. Chairman. That is nonsense. The honourable member if he thought the honourable Minister of Finance was being irrelevant could have gotten up on a point of order the same way as I am. He did not get up because the honourable Minister of Finance has never been irrelevant to the point. He is always right to the point and decisive, incisive and all the rest of it. So, certainly it is not up to the Chair to intervene at all and we hear this from time to time, "Will the Chair give the same latitude to this side as the other side? And continue to insult the Chair and the Speaker of this House. It is not a question of that at all.

The question is that I am rising on a point of order as any member

of this House could rise on a point of order if they so wish to. The honourable member for Bell Island is being completely and absolutely irrelevant to the point at issue when he keeps talking about all of this stuff in the past that nobody is interested in but himself. We are speaking, Mr. Chairman, to 304-01, Salaries for the Treasury Board Secretariate, and the honourable member for Bell Island is being irrelevant.

MR. NEARY: Mr. Chairman, may I speak to that point of order? I would like to point out to Your Honour, Sir, that we are discussing item 304, Treasury Board Secretariate. The Minister of Finance, Sir, rightly pointed out in his remarks that the treasury board secretariate are the watchdogs of the treasury. They are the ones who keep control on the purse strings and they are the ones who recommend tax increase, Sir, to the Lieutenant Governor-in-Council. They are the ones, Mr. Chairman.

I am perfectly within my rights, Sir, to discuss this matter and to answer the points that have been raised by the Minister of Finance.

MR. MARSHALL: That has nothing to do with it.

MR. NEARY: It has all to do with it.

MR. CHAIRMAN (MR. DUNPHY): Order, please!

The Chair has listened to the honourable gentleman from Bell Island and thus feel he is being irrelevant to this issue that we are now discussing, Salaries for Treasury Board Secretariate.

Whether or not the former speaker, the Minister of Finance, was irrelevant or not is not important. The fact that he was or was not does not mean that we must have repetition of more irrelevancy.

So, I would suggest that the member for Bell Island confine his remarks to 304-01.

MR. NEARY: Mr. Chairman, I think Your Honour, Sir, is really pinning me down here because we are not discussing salaries, Mr. Chairman. We are not discussing salaries, we are discussing item 304, Treasury Board Secretariate which is much broader than salaries. We are not on salaries yet, Sir. We are on that particular subhead.

AN HONOURABLE MEMBER: We are on 304-01, Salaries.

MR. NEARY: Mr. Chairman, it has been my understanding since I have been in

this honourable House, Sir, that when you come to the heading 304 - 01 is salaries - that then you can debate at some length, Sir, and that you can have pretty broad -

AN HONOURABLE MEMBER: General policies.

MR. NEARY: Yes, you can talk about general policies under this particular heading, Mr. Chairman.

MR. CHAIRMAN (MR. DUNPHY): Order, please.

As I understand it, we are discussing 304-01, Salaries. To go outside of this I think we are being irrelevant and repetitious. So, if we could get on with it, it would be much appreciated.

MR. NEARY: Well, Mr. Chairman, I do not have any choice but to appeal your ruling, Sir. That is an incorrect ruling. I appeal your ruling, Sir. It is a wrong, wrong ruling, Sir, and it is creating a very dangerous precedent.

MR. MARSHALL: The honourable member for Bell Island has been here since 1962 and he obviously did not know the rules of the House and he still does not. When he is talking about speaking on the general thing of the department, one must refer to the first one, 301. Well, one does not discuss the Lieutenant Governor's establishment but 302 under the Premier's office, the first vote in each department. Then there is a general wide-ranging debate

Now, we are down further. We are down to specifics. We are down into 304-01, Treasury Board Secretariate. If the honourable member for Bell Island wishes to be foolish and to appeal the ruling, he can go ahead and do it but he is totally and absolutely wrong. I would suggest that he withdraw his stated intention to appeal the ruling.

MR. NEARY: Inaudible.

MR. MARSHALL: I am not through yet. Sit down. Sit down. I am not through.

I mean, if the honourable member want to get not a postgraduate course but an elementary course in the rules, we would be glad to give it to him. He obviously, when he sat here for so many years with such a great deal of independence, was depending on somebody other than himself, because he knows not what he is talking about.

MR. NEARY: All I am asking is for the same leeway that the Minister of Finance had, Sir, when he spoke under this subhead. That is all I am asking, Sir, and I am prepared to withdraw my motion if I can have the same treatment, no more or no less than the Minister of Finance had, Sir.

AN HONOURABLE MEMBER: He is getting the same treatment.

MR. NEARY: I am not getting the same treatment, Sir. Your Honour has ruled that you cannot discuss anything but salaries under this subhead. That is what Your Honour has ruled. That is an incorrect ruling, Sir, I submit.

Well, it is the minister who is misguiding the Chairman, misleading the Chairman. So, Your Honour maybe I will carry on and just see how far I will get with this -

MR. CHAIRMAN (MR. DUNPHY): Is he appealing the ruling or is he not?

MR. NEARY: Well, Sir, I am prepared to carry on and just see how far I can get with answering some of the points.

MR. CHAIRMAN (MR. DUNPHY): I suggest that the honourable member withdraw it and carry on and see if we can get through with this.

MR. NEARY: All right, Sir, I will withdraw it for the moment.

Sir, the Minister of Finance in his remarks talked about the necessity for increasing or adding one cent to the retail sales tax. Well, Sir, I say to the minister that this year he is going to get from the Government of Canada an additional \$28 million

in equalization grants an additional \$28 million, Sir, and this is a result of the federal tax on heating oil in Western Canada.

I claim, Mr. Chairman, that some of this money could have been used not only to offset an increase in taxes, Sir, but to reduce taxes in this province. The minister by his own admission in his Budget Speech stated that there was a surplus in current account last year of almost \$14 million.

MR. CROSBIE: On a point of order, Mr. Chairman, this is not relevant and the honourable gentleman is not addressing any argument I have made. He addressed himself to Treasury Board salaries and I answered him on the point about salaries. He brought up the point about an increase in sales tax and I pointed out to him how many times he put up the sales tax. What he is talking about now is more suited for the Budget Speech. He is arguing about the question of whether taxes needed to be raised this year and what expenditures of government could have been cut out this year. He is not addressing himself to the Treasury Board Secretariat nor salaries for Treasury Board Secretariat at all.

MR. NEARY: Mr. Speaker, to that point of order: That is only a matter of opinion, Sir, that is not a point of order. The minister has expressed an opinion. Now, Sir, if I choose to discuss certain matters under the Treasury Board Secretariat rather than in the Budget Speech, that is of no concern to the minister. That is my own business. The minister has expressed an opinion, Sir, not a point of order, I submit.

MR. CROSBIE: Well, Mr. Speaker, in connection with the point of order, I would like to refer to some authority. As the member for Bell Island is replying to a point of order and he has no authority to cite of course except his authority as a member of this House -

MR. NEARY: Inaudible.

MR. CROSBIE: Now just be patient. If the honourable gentleman will be patient I will come to it. Page 201, Mr. Speaker, of Beauchesne

says this, section 239, "The whole management of a Department may be discussed in a general way when the Committee of Supply is considering the first resolution of the Estimates of that Department," which reads as follows: "General Administration' (amount stated); but the discussion must not be extended to any particular item mentioned in the Estimates of that Department."

Now we are on Treasury Board Secretariat, we are not on the first item of the Executive Council Department and the honourable gentleman cannot talk generally about anything he like. Even if it were the first item of the Estimates, he would have to restrict himself to discussing the Executive Council or if it were on Treasury Board, to discussing Treasury Board. He cannot make a speech as he would in the Budget Speech ranging over the whole field of government activities and discuss whether a tax increase is justified or not justified by other expenditures. He must restrict himself to Treasury Board. That is quite clear from Beauchesne. It is clear from all previous practice and precedent in this House.

MR. ROBERTS: Mr. Chairman, if I may say a word on that point; There are I think two relevant remarks. The first of all is that in the Executive Council, which the government have chosen; true there is precedent but the government have continued to set up as a separate head of expenditures, there is no general vote. There is no minister's salary vote as such. We do have minister's salaries paid within the Heading 302, which is the Office of the Premier, and Heading 303, which is the Executive Council Office, but there is no minister's salary. There is no general vote.

Furthermore, this 304, this Head, by the government's direction and choice as is their right, has been the first resolution called and the citation just read by the Minister of Finance 239 on page 231 of Beauchesne's, fourth addition, "The whole management of a Department may be discussed in a general way when the Committee of Supply is considering the first resolution of



the Estimates of that Department." Now this is the first resolution. Is the Treasury Board a department? The answer, Sir, is yes. It has its own minister. It is a portfolio established by an act of this House. It has a minister who happens also to be the Minister of Finance but I might add is listed in this document as President of the Treasury Board, so I submit it meets all the tests of a department. It has a vote. It has a minister. It has an act. It exists by virtue of legislation. There is no other place where the general management of the Treasury Board may be discussed. It cannot be done on the Lieutenant-Governor's salary. We are not going to debate this type of thing on the salary for His Honour's private secretary or any such thing at all. So I submit my colleague is quite in order. He should be allowed to carry on in the debate in hope that we will clue it up this week.

MR. NEARY: Mr. Chairman, if I may continue -- May I continue, Sir?

-Thank you, Mr. Chairman.

MR. CROSBIE: It has to be dealt with one way or the other. Is the honourable gentleman allowed to discuss all aspects of government in this vote or has he to restrict himself to discussion on the Treasury Board and the Treasury Board alone?

MR. CHAIRMAN (MR. DUNPHY): I think the gentleman from Bell Island would be advised if he would restrict his remarks to Treasury Board. The Minister of Finance's point was well taken and I would suggest that the member for Bell Island continue but to confine his remarks within the Treasury Board Secretariat.

MR. NEARY: Thank you, Mr. Chairman. Sir, page 19, we are dealing with the Treasury Board Secretariat. I think, Mr. Chairman, that this Treasury Board Secretariat is growing out of all proportions and that some of the classifications there could be done away with, Sir, could be done away with and that we could use these countervailing savings, Mr. Chairman, towards offsetting any increase in taxes and we could go through every department, Sir, and we could throw out the dead wood, we could get rid of the extravagance and the waste and we could

find the \$10 million in all, Sir, the \$10 million that the minister is going to get from the one per cent increase in the sales tax. We could get that, Sir, with no trouble at all by doing what I suggest, by reducing the Treasury Board's Secretariat, cut the cost by at least half. It would be no trouble at all, Mr. Chairman. It could be done, Sir, in my opinion, by eliminating the excess number of academics and others hired in the past two years by the Minister of Finance.

For instance, Mr. Chairman, the Director of Budgeting, at a salary of \$21,313, could be done without. A Director of Organization and Management, Sir, at a salary of \$22,000, is a luxury that we can ill afford. Mr. Chairman, I would have no hesitation at all in saying this, to make this statement, and let the Minister of Finance argue with this one, that we could have savings under this heading, Sir, in the vicinity of \$290,000 and not a single word would be uttered from the general public, Sir, except maybe, Mr. Chairman, to praise the minister and the government for eliminating some of the obstruction and bureaucratic red tape that is currently slowing down the decision-making process of government. This is the sort of common sense economy, Sir, that the Minister of Finance should have implemented instead of increasing taxes as he did, not even taking into consideration the ability of the people to pay these taxes. That is the point I was making, Mr. Chairman, when we got into the legal and the technical wrangle. I was making the point that the Treasury Board Secretariat the cost of that Secretariat could be cut this year by two hundred and ninety odd thousand dollars. That could build four or five houses, Sir, for people who need shelter in this province. Instead of letting this empire grow, instead of creating this monster and, Mr. Chairman, the minister confirmed that the real power in this province today is with the Treasury Board Secretariat, not with the elected representatives

of the people. The ministers themselves who should be making the decisions have to go on their hands and knees, crawling to the Treasury Board Secretariat. Ah! Mr. Chairman, I had heard, I have heard the rumblings.

AN HON. MEMBER: Inaudible.

MR. NEARY: I beg your pardon?

AN HON. MEMBER: Inaudible.

MR. NEARY: No I am not against budgeting and planning, Sir, but that is what we have a Minister of Finance for. The Minister of Finance is shirking his responsibility, he is pawing it off on his officials. He can joke all he likes - the minister can joke all he likes, Sir, about taking up tating and knitting and drinking coffee, Sir, he has not convinced me, I was in government, I was a member of cabinet, Sir, for three and a-half years, and I know the work horses in the cabinet and the Minister of Finance - not this minister, I am not talking - nothing personal, Sir. I have no ill-will for the present Minister of Finance. But Ministers of Finance, Mr. Chairman, have a snap compared for instance to the Minister of Health, the Minister of Transportation and Communications and the Minister of Social Services and the Minister of Municipal Affairs and Housing. Why if that minister had to take the abuse and the criticism and the requests and the phone calls and the letter writing and constituents, he would not be able to stand it.

There is no harm to say, Mr. Chairman, if you get the name of an earlier riser, you could stay in bed all day. No harm to say that. Because the minister has a name and a reputation of being a hard worker well, Sir, I would like to see the Premier put him over into the Department of Health or down in Transportation and Communications. I tell you, Mr. Chairman, that would be a real eye opener. Put the minister in Social Services, let him find out how the other half lives.

MR. CHAIRMAN: The honourable member is again digressing as he has on a number of occasions this afternoon. Treasury Board Secretariat is certainly far away from the topic he is presently discussing.

MR. NEARY: So, Sir, this Secretariat is growing out of all proportions. It should be stopped. It should not be allowed to get any bigger. It

should be reduced, if anything, I do not mean there should be a layoff and that anybody should lose his job, Sir. I do not mean that. As the minister pointed out, maybe they would not have any trouble finding jobs elsewhere with the federal government or business or industry. More power to them. They have their masters degree, more power to them. Maybe they cannot stand to work for the minister, I do not know. Maybe that is why some have already left.

But the point here is, Sir, that we should be thinking about common sense economies. This is the point that I am making, Mr. Chairman. Here is one example of where we can save the taxpayers of this province almost \$300,000 a year. If we did that sort of thing, Sir, in my opinion there would be no need for increases in taxes.

MR. CHAIRMAN: Shall 304-01 carry?

MR. CROSBIE: No, no, do not pass it yet, Mr. Chairman, we have seventy-three hours to go yet. I do not have any rush for this item to be passed.

The honourable gentleman just mentioned common sense economy, Well that is pretty good coming from the honourable Member for Bell Island. This is the first time, Mr. Speaker, in the last two and a-half years that the word "economy" has been mentioned by the honourable gentleman for Bell Island because every time you turn on the radio or the television or read the paper you hear him roaring for more money to be spent. When Treasury Board was negotiated -

MR. NEARY: On a point of order, Mr. Chairman -

MR. CROSBIE: I am just coming to Treasury Board -

MR. NEARY: Sir, because if so, I hope we will be given the same privilege on this side of the House.

MR. CROSBIE: I will be relevant, Mr. Chairman.

MR. NEARY: Could we have a ruling, Mr. Chairman?

MR. CROSBIE: I am not relevant, I am just going to speak about the Treasury Board.

Well Treasury Board, Mr. Chairman, on behalf of the government -

MR. CHAIRMAN: If the honourable minister is -

MR. CROSBIE: Mr. Chairman,

MR. NEARY: Mr. Chairman, I have raised a point of order, Sir, and I would like to have a ruling from Your Honour. Would the honourable member please take his seat and do not be so ignorant of the rules of this House.

MR. CHAIRMAN: Certainly in the debate on the estimates, the debate is wide-ranging and occasionally members are allowed to digress into irrelevancies sometime because the Chair through inadvertence or amusement or whatever allows them to do so. The Hon. Minister of Finance was getting very close to being irrelevant. However, he apparently was on a preamble to getting to the topic of the Treasury Board. I believe, as the honourable member raised this point of order he interrupted the honourable minister as he became relevant.

MR. NEARY: Mr. Chairman, I do not have any objection to what the minister is saying as long as we get the same leeway on this side of the House. That is all I am asking.

MR. CHAIRMAN: The honourable member will get leeway.

MR. NEARY: Treat both sides of the House alike.

MR. CROSBIE: Mr. Chairman, the honourable gentleman has had so much leeway, we all know the leeway the honourable gentleman has had. Now the honourable Member for Hermitage wants me to be relevant. I am just getting to my point, Mr. Chairman.

When the Treasury Board Secretariat, led by the poor President of the Treasury Board, that much abused creature who now stands before the members of this honourable committee trying to defend his pitiful estimates, were negotiating last year with various bodies of public servants, hospitable employees and the like, in collective bargaining negotiations, acting on behalf of the people, trying to ensure that any increases given were reasonable and would not cost the people of the province too great a sum.

On every occasion the honourable Member for Bell Island was bellowing and shouting, roaring and screaming that the government were being too tough, that more should be given, that an increase for the hospital workers, for the lower paid ranks, of forty per cent, was not enough. That an increase for the higher paid ones, of twenty-odd

per cent, I forget how the ranges went now - the increases over two years went from fifteen per cent to over forty per cent. That was not enough. Nothing was enough. To curry favour with the people who were negotiating, would be \$10,000 or \$20,000. Nothing was enough. Nothing we did or said was right. He was not on the economic kick then, he did not care about Cool Hand Luke, Cool Hand Steve is now on the cool economic kick.

Well that is something new for Cool Hand Steve, to be on an economic kick. He wants to economize by gutting the Treasury Board. The whole vote, salaries for the Treasury Board is \$576,000 and the honourable gentleman wants to eliminate \$297,000, half of it, I do not see the honourable gentleman getting up and saying, "Cut back the hospital workers in half or gut out the people who work with Social Services and the welfare officers or strangulate the clerks or diddle the constabulary and give them nothing or put the boots to the wardens at the penitentiary or knock the nurses. No, Sir, you will not hear the honourable gentleman for Bell Island say any of those things but when it comes to the poor thirty-eight employees of the Treasury Board staff who are responsible to assist the government in budgeting, in collective bargaining and in organization and methods and the rest of it, he wants to take the knife to them and cut out half of them and reduce it by \$297,000.

Well now that is something very peculiar. It is inconsistent. I know that consistency is not a great virtue, Mr. Chairman. Inconsistency is permitted but really when the honourable gentleman wants to put on his economic mask, I cannot really be forbidden and should not avoid pointing out that it is a huge, monstrous, inconsistency because the honourable gentleman is a spigot of spending, a fountainhead of suggestions for the spending of public funds on everything from roads to nuts. There is not a thing, there is nothing in the budget that when we come to it the honourable gentleman will not say, more should be spent.

He supported a petition today for roads. He supports petitions every day, for everything under the sun, roads, hospitals, welfare

allowances. The honourable gentleman as we go through these estimates, Mr. Chairman, I predict, I prophesy, I forecast that the economic mood of the Member for Bell Island will not last throughout these estimates, that when we leave Treasury Board Secretariat and Finance and we get into the other departments he is going to urge more to be spent, not less.

Only in this one little section of the budget, the Treasury Board, will he continue to carry out his vendetta in an attempt to cut my staff in half so that I have got to give up tating and sewing and reading and coffee drinking and really work.

MR. NEARY: Mr. Chairman, I cannot let a statement like that go unchallenged, Sir. I just cannot do it because what I am suggesting the minister as usual has twisted and turned and turned bottom up what I have said, tried to twist it to his own advantage, Sir, to try and score some debating points in this House.

What I am suggesting, Mr. Chairman, is this; that this administration have its priorities screwed up, upside down, inside out. Talking about supporting nuts, the people of this province, Sir, realize now that they have been supporting nuts for two years.

Sir, what I said the minister should be doing and the Treasury Board Secretariat should be doing is economizing in one area, taking it out of this and spending it on this, something that is more beneficial to the people. For instance, Mr. Chairman, let me give the minister an example: What about the money that is spend on foolish documentary films by George McLean?

MR. CHAIRMAN: Order please!

MR. NEARY: I Say that is approved by Treasury Board - that is approved by

Treasury Board, Mr. Chairman. That is the only way they can pay it out. What about the Press Secretary down in the Premier's Office, Sir? What about the Silver Anniversary celebrations, \$3 million or \$4 million? You know, Mr. Chairman, how the Treasury Board's Secretariate, how they could allow themselves to be fooled in letting each minister put in for an amount for Silver Anniversary celebrations, each department. Mr. Chairman, it ranges from Manpower and Industrial Relations right up to Provincial Affairs. There is \$14,000, \$15,000, \$25,000 and \$170,000 for Silver Anniversary celebrations. The St. John's Trotting Park is to get \$27,000.

MR. CHAIRMAN (Mr. Stagg): Order please!

While it is amusing at times for honourable members to preface their remarks with illustrations, it is amusing and illustrative for them to preface their remarks with some examples, what the honourable member is now embarking upon would be a total review of all the estimates and how they are somehow tied to Treasury Board's approval or disapproval of them. I suggest to the honourable member that that it carrying it a little too far. He should get back to relevancy which has not been the hallmark of debate here this afternoon. I suggest he should attempt it.

MR. NEARY: Mr. Chairman, I am merely trying to answer some of the charges or some of the comments made by the Minister of Finance, Sir, The minister tried to leave the impression that on the one hand I am advocating more government spending and then I put on my face as the saviour of dollars, that I go on an economy kick. This is what the minister said. First of all he said that I am demanding that they pay more money to civil servants, police, nurses and then all of a sudden I go on an economy kick. That is not what I said at all, Sir. The minister is not that dense. What I said was that the minister should be shifting the priorities. They have their priorities screwed up. They should be taking some of the money that is being wasted, used on foolishness, use that money, Sir, to offset any increase in taxes and to improve the public services.



MR. CHAIRMAN (Mr. Stagg): All the honourable member is doing now is disputing the ruling just made.

MR. NEARY: No, Mr. Chairman, no. I am just disputing what the minister said, Sir. Far be it from me to question Your Honour's ruling. I know the rules of the House, Sir. I know if I wanted to appeal Your Honour's ruling I could do it. I just want to set the record straight, Mr. Chairman, because the minister has twisted what I said. As time goes on, Sir, when we are debating the estimates, whether it be in the Budget Speech or item by item, the minister will find out much to his sorrow that there is room for economy, that there is room to shift priorities, to move money around from one department to another. This is what he should have done instead of coming into this House and asking for a tax increase. That is my case, Sir. I now rest my case.

On motion 304-01, 02-01-02-02,02-08, carried.

HEAD IV - FINANCE - 401-01

MR. CROSBIE: We are now into Finance. I do not think we will be very long on it because it is not a controversial department. If honourable gentlemen want to discuss it, of course, I would be pleased to discuss it.

On the previous page, I want to make another correction just for the record. That is the amount voted is not \$6,918,300, it is that less \$29,000, so it should be \$6,889,300. Then down two lines, amount approved by Statute should go up by \$29,000. It should be \$23,533,600. The reason for that is that the comptroller's salary is statutory. When the Supply Bill comes in eventually, I just want to point out that correction so no one will be wondering why there is a difference in the figures.

Now, Mr. Chairman, I do not know, really, if there is much I can say on this item. Everything is going well. It is all functioning. A lot of hard work is being done, a lot of tating, a lot of sewing and, therefore, I think the best thing for me is to see what questions members opposite might have or what they want to discuss.

MR. NEARY: Mr. Chairman, perhaps the chairman of the sewing circle down there on the third floor can tell us, under miscellaneous entertainment, what \$100,000 is for?

MR. CROSBIE: The honourable member will have to wait until we get there.

MR. NEARY: The honourable minister wants to wait until we get down to it? Well, Mr. Chairman, in that case, Sir, I know have my opportunity (I have been waiting for it all afternoon) to be relevant. I would like to discuss, Sir, under the minister's office, the matter of extravagance and waste, the matter of priorities. I think I will be perfectly in order, Sir, in doing it under 401, minister's office.

I have been trying to get my message across in this honourable House all afternoon, Sir, that in practically every department in the estimates, there is a certain amount of deadwood, there are glaring examples of extravagance and waste and there is room, Sir, in my opinion, for money to be transferred from one department to another. In this particular vote, Sir, we have, under one heading, Finance, \$170,000, for Silver Anniversary celebrations. Well, Sir, the minister will probably give me a breakdown of what this \$170,000 is going to be used for. I have no doubt at all about that, Sir. When we get to that item in the minister's department that he will give us a breakdown. Well, Sir, he can give me all the breakdown he wants.

MR. CROSBIE: Would the honourable gentleman permit me to interrupt him on a point of order? I think now that we are starting the 1974-1975 estimates that we should try to keep to the rules. I know the honourable gentleman is as anxious as every member of this committee to see that the rules are observed.

Mr. Chairman, on page 201 of Beauchesne, Section 239, which says: "The whole management of a Department may be discussed in a general way when the Committee of Supply is considering the first resolution of the Estimates of that Department." Then it goes on to say: "Discussion must not be extended to any particular item mentioned in the

Estimates of that Department." That is obviously correct, Mr. Chairman, because we can discuss when we get to Silver Anniversary, Silver Anniversary and we can discuss entertainment when we get to entertainment or we can discuss when we get to pensions, pensions. The honourable gentleman has to restrict himself to general comments on the Department of Finance generally and he cannot mention some specific item that is listed here below because when we get to that the simple explanation from me will satisfy him and it will save a lot of time. We have only got seventy-two hours and fifty minutes left and we do not want to waste the time.

MR. NEARY: Mr. Chairman, I bow to the minister's ruling, Sir, and I realize Your Honour that when the minister pointed out to me, I should have known better, Sir, I withdraw my remarks concerning the Silver Anniversary celebrations. I will save Your Honour the trouble of making a ruling because I know the minister is right. He did, for the first time in this session of the House, state a good point of order, Sir.

MR. CHAIRMAN (Mr. Stagg : Also in connection with that, the Chair would like to rule on it nevertheless. The point raised by the Hon. Minister of Finance and agreed to by the Member for Bell Island is well taken. On occasions ministers or with the general agreement of the House may agree to waive the general rule that particular items may not be discussed. The spirit in which the Hon. Minister of Finance introduced his estimates, I was under the impression that he had waived this rule, although he had not specifically said that he had and, of course, it was the duty of the Chair to interrupt the Member for Bell Island when he was beginning to discuss particular times.

MR. NEARY: Yes thank you, Mr. Chairman. Sir, I realize that under this heading all we are permitted is a few general remarks, Sir, and seeing that it was the Minister of Finance who brought the budget into the House then I think I would be quite within my rights, Sir, to have a few words about the

tax increases. So on that note the minister is going out for a draw, Sir, cannot take it.

AN HONOURABLE MEMBER: Going out for a tax draw.

MR. NEARY: Going out, well, I do not know if he is paying anymore taxes on these -

AN HONOURABLE MEMBER: The tax is unlawful.... (Inaudible.)

MR. NEARY: The tax is unlawful.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Mr. Chairman, has the Minister of Mines and Energy got a new pair of glasses? There is something different about him today. He either got a new pair of glasses or a new suit. I am not sure which Sir but anyway he probably paid the tax on it.

Sir, earlier this afternoon I indicated to the House that the Finance Department this year, Mr. Chairman, will get from Ottawa an additional \$28 million. This comes as a result of the unexpected windfall, Sir, through the tax imposed by the Government of Canada on Western oil.

So the Minister of Finance is going to have in his treasury this year and extra \$28 million dollars. I was hoping, Mr. Chairman, before the minister made his budget speech here a week ago Wednesday, that some of this increase could have been used to reduce taxes, especially on gasoline and heating oil, as was done, Sir, in our sister-Province of Nova Scotia and is currently being done in Ontario, to reduce the cost of living. But Sir, barring that, let us say that the minister could not find his way clear to do that, Sir, say his officials say, "No, the \$28 million, we need it, in current account or we need it to spend on capital account but we cannot use any of this money to reduce taxes on gasoline or heating oil or anything else. We need all of this money just to keep our public services at the same level that they are at the present time." Let us say he could not do that, Sir.

Are you aware, Mr. Chairman, that in 1973-74, revised revenue, there was a surplus of approximately \$14 million and this is precisely, Sir, the identical amount that the minister expects to get in the new tax increases.

Do you know what the minister did with that \$14 million, Mr. Chairman? He transferred it to capital account, as the Leader of the Opposition pointed out in a public statement a few days ago. I could not believe it when I heard it. I did not pick it up. The Leader of the Opposition picked it up but I could not believe it. I immediately got out my budget, 1974 budget, and I looked it up, the minister's speech and sure enough, Sir, sure enough, anyway it is \$13 million and so on, almost \$14 million, the minister transferred over to capital accounts.

Well, Sir, in my opinion, instead of the minister transferring this surplus to be used on capital account, he was morally bound, Mr. Chairman, the minister was morally bound to use this money, which resulted, Sir, mostly from revenue that was collected on inflated dollars and grants from Ottawa, the minister was not legally bound, Sir, but he was morally bound, Mr. Chairman, to use this money, instead of spending it on putting up some Arts and Culture Centre he should have used this money to hold down taxes and if possible, Mr. Chairman, to reduce taxes on our people who are hard-hit by spiraling inflation and record unemployment.

Mr. Chairman, if the Tory administration did not see fit to use either one of these devices or techniques that I have mentioned to hold the line or to even reduce taxes, Sir, as I said a few moments ago, they should have exercised, the minister should have exercised a few common sense economies and used the countervailing savings to decrease taxes or at least, Sir, to maintain them at the same level as they were in 1973.

Now, Mr. Chairman, does that not make a lot of sense? Now, how can the minister get up and twist that out of all proportions? I have given the minister examples, Sir, of the extravagance and the waste in his budget. What more can I do, Sir? I cannot go over and beat the minister over the head with his budget speech and say, "Look". It is not parliamentary. It would not be allowed, Sir.

How can you convince the minister that through a few common sense economies he could have saved the taxpayers of this Province the \$10 million that he expects to get from the increase of one cent on the retail sales tax? Sir, as time goes on, as we go into the details of the estimates, maybe seventy-two hours from now, that I will have convinced the minister that this is what he should have done, and I will point out to the minister beyond any doubt that there is room in his estimates to switch money around, transfer it from one department to another, from one subhead to another, from one head to another.

In the budget, Sir, and I hate to keep repeating myself, Mr. Chairman, there are glaring examples of extravagance and waste and there are all kinds of things that could be dropped or could be drastically slashed that would help make up the amount, Mr. Chairman, that the minister needed to offset an increase in taxes.

MR. CHAIRMAN (Mr. Stagg): Shall heading 401-01 carry?

MR. ROBERTS: Mr. Chairman, does the minister wish to say a few honeyed words to allay the doubts of the committee on this point? I would not want to deprive him.

MR. CROSBIE: We will listen to the honourable gentleman first.

MR. ROBERTS: Well, if the honourable gentleman listen, he shall learn.

I have one or two minor points that I wish to make, first of all on the minister's salary. I suppose it is as good a place as any. I think this is an appropriate place to ask. A number of my constituents in the St. Anthony Area and in the Roddickton Area and I believe a number of people living in the St. Barbe Area of St. Barbe North have asked the government whether they would extend the northern pay allowances to employees, government employees stationed on the Great Northern Peninsula.

Now the gentleman from Labrador South I think would confirm that these allowances are very necessary things. They apply equally throughout Labrador. Whether one lives in L'Anse-a-Loup, the southernmost community or whether one lives in Nain in the north or Labrador City in the west, one is paid an allowance of \$1,200 per annum for

a married person and \$600 per annum for a single person.

One of the better things this administration have done is ended the confusion there was over this allowance. Hitherto it was paid to some jobs and not others, generally a mish-mash, but the administration solved it by cutting the Gordian knot and they cut the Gordian knot by giving everybody the \$1200 and \$600 levels depending on their, not their state of celibacy but their state of matrimony. That is fine.

Now a number of people, government employees in White Bay North and in St. Barbe North, to my knowledge have raised by means of a letter addressed to the Premier their request, and they make a good case. I think they make a very good case for it because the cost of living on the Northern Peninsula is every bit as high as it is in Southern Labrador. Indeed in some cases it is a little bit higher. Well, they are as isolated in any real sense of the word, There is a road, so-called, from Deer Lake down north to St. Anthony but it is not a very good road. In parts at present it is impassible. It has been impassible for large periods of time throughout the winter months. That means we are just as isolated. We do not have the advantage of the daily jet service that is available in Wabush, at Churchill and Goose Bay on the Labrador. We do not have the advantage of subsidy by the Provincial Government service which is enjoyed from the Blanc Sablon air strip across to Deer Lake, run by Mr. Marion by Newfoundland and Labrador Air Transport.

We suffer from the same disadvantages of the cost of living, goods being brought in and stocked-piled for the winter. If they are brought down on a weekly basis on the road as much food stuff is, then we are paying the high cost that inevitably results from the lack of shopping centres, so forth and so on. The high fuel cost, the fuel cost on the Northern Peninsula are the highest in this Province even including the Labrador. The fuel cost in St. Anthony and that area are higher than they are on the Labrador. The high cost of electricity, the electricity, all of the electricity north of the Hawkes Bay, Port au Choix Area, Mr. Chairman, is generated by deisel fuel. There are substantial subventions being paid by the government to the Rual

April 18, 1974.

Tape 1182

RH - 5

Electrification Authority but we still have the highest cost of electricity.

A lack of adequate rental accommodation particularly relevant  
to government civil servants who are subject to being posted to the, area  
welfare officers



the Health inspector, I know the Minister of Health could speak of the difficulty he is having in getting a man to stay at St. Anthony, I mean a large part of it is housing, the cost of living. The difficulty, the lack of social amenities, the poor roads generally throughout the area, the lack of reliable air travel, The air service to St. Anthony by E.P.A. is out more often than it is in. Of course, we have a long cold winter.

Now we can go on at some length about why all of this exists, Mr. Chairman, we could have a roaring debate for the next three weeks on the inequities of living in the north and who is to blame. That would be interesting but it would not be terribly productive at this point. What concerns me is the request that these people have made, I think it is a reasonable one. I think it is entirely justified to pay it in the Labrador and I think it is equally justified to pay it in the northern part of the Northern Peninsula.

I would ask the minister what consideration has resulted? The letter to the Premier, not to name him by name, was sent on February 4. Surely by now the government have had time to consider this. The letter was dated February 4, 1974. They were kind enough to send me a copy, I have not been nibbling around down in the Premier's files but they were kind enough to send me a copy. They also sent it to the Minister of Highways, the Minister of Public Works, the Minister of Education; to Mr. John Peddle, the Manager of NAPE, and of course to me, copies of the petition and so forth.

I would like for the minister if he would to tell us whether that is to be done, I think it should be done.

I wonder if he could also tell us, Mr. Chairman, about an undertaking that the Premier made in Labrador South during August 1972. I know the gentleman for Labrador South will confirm what I am about to say and it will be of interest ( I am sorry in August 1972) when the gentleman for Labrador South was not the gentleman for Labrador South but was in the process of becoming the gentleman for Labrador South, the by-election campaign.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: No, no, no, it was 1972.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Of course it was 1972. That was the time the Tory candidate got six per cent of the votes down there.

But any way, August the 31, was it not? The member was elected in quite a clean-cut victory, 150 votes, which was I think a plurality as well as a - I am sorry a majority as well as plurality. The gentleman became the member and that is it.

But during that by-election campaign and I ask the member to confirm this because he would have the same knowledge that I would have, he was in the area. The Premier announced, I think it was at the famous meeting in Cartwright, the Premier went into Cartwright and held a mass meeting of about eighteen people and then left and that was the end of the Premier's campaigning in Labrador South. He spent the night up at Mr. Roberts' house, let it be recalled, Mr. Rod Roberts' house, a gentleman there in Cartwright. He announced "something" was going to be done about the taxes on the gasoline used in skidoos and snowmobiles and that type of vehicle in Labrador South.

I would like for the minister to tell me what has been done, whether any scheme has been worked out to exempt these people. I think there is a reasonable request there. Also along those lines there was the matter of the petition from Burgeo, Your Honour, asking - I think the Minister of Highways had it but, it comes under the taxes administered by the Minister of Finance, asking that they be exempted from the motor vehicle registration taxes in the same way and to the same degree as our people throughout Labrador.

Now in Labrador, quite logically and I think it was started by us and has been carried on by the present administration, that the people in Labrador West have, for example, say twenty miles of road they can drive on - I am talking to the Member for Labrador West, They can go out to Duley Lake, they can go across the lake from Wabush to Labrador City and I suppose they can drive to Mount Wright if they can get by the security guards - right? That is about it. Twenty or

thirty miles of road -

AN HON. MEMBER: Thirty or forty miles.

MR. ROBERTS: Thirty or forty miles. They can go out the Javelin Road to Duley Lake and out to Mount Wright, but I thought there were security gates on the Mount Wright Road.

MR. ROUSSEAU: Inaudible.

MR. ROBERTS: Okay then there is the road between the two communities but that is all there is.

In the Labrador South Area, unless you are fortunate enough to live between Red Bay and L'Anse-au-Clair, in which case you are, if the road is open, able to drive between those two communities and even get on the ferry and come across, when the ferry is operating, otherwise in Labrador South you have the privilege of driving from the Mission Station in Cartwright around to the Hudson's Bay Store in Cartwright.

I suspect that is the only road, even in Marys Harbour, unless miracles have been worked since I was last there a year or so past. It was only a rough track from the I.G.A. Station and the dock at one end around the community.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Well you could drive across the bridge if you want to. The bridge is there. You can also walk across it. There are some politicians, fortunately not on this side, who tried to walk across it without the bridge. That is another story.

You also cannot drive in Black Tickle, if the honourable gentleman wants to come and tell us of his knowledge of the district.

In the Labrador North Area you can drive from Happy Valley to Goose Bay to Northwest River. That is fine. In those three areas of the province a man or a woman or a company, a corporate body that has a car is only able to drive unlimited amounts of road. Your Honour seems to find it amusing. Well maybe Your Honour does find it amusing. I am talking about taxes and that is quite related to the Minister of Finance.

The government have exempted people from the taxes, they have lowered the taxes. I think it is five dollars but I will not stand by the figure.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: I am sorry?

AN HON. MEMBER: Inaudible.

MR. ROBERTS: It depends - a big truck would be more but all right, the taxes are substantially lower. If the Hon. Minister of Manpower has a car in Labrador West, the price he pays the government for the privilege of driving that car is two dollars?

MR. ROUSSEAU: Seven dollars.

MR. ROBERTS: Seven dollars. So whereas the price I pay for driving my car is twenty dollars and more if it were a big expensive car like ministers drive but you know opposition leaders drive a poor man's car Mercedes and Volvos.

So all that they want in Burgeo is the same thing. Why should they not have it? Burgeo is every bit as isolated as Cartwright and indeed it has got roughly the same amount of road I would venture - I mean you can only drive through Burgeo. The road is being built. It is being built and by the time Methuselah is a hundred years older than he is, the road will probably be finished. When that happens and the people of Burgeo can get in their cars and go on and drive up country and come on the highway network, let them pay the full price. Why should they not have a reduced price now and for that matter why should we not? In Gaultois there is hardly a road, we started it, did we not? During the by-election? But they moved the machinery out the day after the by-election. As a matter of fact the ink was hardly dry on the returning officers report when the machinery was being moved out of Gaultois.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: No, I suppose they did not have time to get it all out but certainly they moved it out the day after the election, Mr. Roy Best, the Mayor of Gaultois, telephoned to me. He had not believed me when I said the machinery would be moved out after the election and he said, "They are moving it out; it is down on the boat now." I know all about the machine. It is one owned by the gentleman for Trinity

South, Mr. Conflict of Interest himself. They rented the machine.

But there we are, I wonder if the minister could touch upon these three things and then let us go and have a dinner break and we can come back refreshed and ready for another two or three hours on some aspects of the minister's salary. I think it is a very interesting thing.

But I raise these three quite minor points because I think they are worthy of being raised and I think the people concerned should have answers.

MR. CROSBIE: Mr. Chairman, I really have not time between now and six o'clock

to do justice. It is around one and a-half minutes before six o'clock. I really do not have time to go into this in the detail that I should go into it, so first I will address myself to the Member for Bell Island and correct the misstatements of fact that he made.

There is no \$28 million this year additional monies from oil and gas, Mr. Chairman, in equalization. The actual amount is \$9 million. It should have been \$28 million, perhaps it should have been \$30 million or \$40 million but the Government of Canada decided that they were not going to equalize all the additional oil and gas revenues. So it is \$9 million.

The honourable gentleman referred to \$13 million surplus or contribution from current account to capital account last year and says that should have been used. Well it was used, Mr. Chairman, it was used in this way that last year instead of having to borrow - let me see now, page 29 shows what we had to borrow last year - we had to borrow \$157 million. If that \$13 million had not been available we would have had to borrow \$170 million. This year, Mr. Chairman, despite the revenue and the increase in revenue, we are going to have to borrow \$168 million.

We will hear the members opposite from the other sides of their faces before the House of Assembly session is finished, bemoaning and wailing the fact that so much is being borrowed. Well an awful lot is being borrowed, Mr. Chairman, too much is being borrowed really, financially, you know using any financial criterion, we are borrowing

too much money now. We need whatever contribution we can get from current account to reduce the amount of borrowing we are doing on capital account and we are borrowing on capital account so we can bring services to the people of Newfoundland.

I am going to be very interesting in hearing the honourable Member for Bell Island's list of the things that he says can be cut or slashed. He certainly does not suggest cutting or slashing social service allowances, We increased those this year and he tried to argue that it was actually a decrease. I am going to keep a list now until the session ends of every item that the honourable the gentleman for Bell Island suggests should be cut or slashed.

Now at eight o'clock, Mr. Chairman, I will be glad to deal with these three points that the Hon. Leader of the Opposition has raised and I will be quite happy, Mr. Chairman, to spend the next seventy-two hours discussing the minister's salary in the Department of Finance, and I hope we do, because I will speak just as much as they do, I will match them hour for hour, minute for minute.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Well I am too modest to say anything to that.

MR. CHAIRMAN: It now being 6:00 o'clock I do leave the Chair until 8:00 o'clock this evening.



**PROVINCE OF NEWFOUNDLAND**

**THIRTY-SIXTH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND**

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Volume 3

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**VERBATIM REPORT**

**THURSDAY, APRIL 18, 1974**

**SPEAKER: THE HONOURABLE JAMES M. RUSSELL**

The Committee resumed at 8:00 p.m.

Mr. Chairman in the Chair.

MR. CHAIRMAN (Stagg): Before commencing this evening's session I would like to welcome to the galleries a delegation from the Lewisport Town Council consisting of Mayor Norman Forward, Councillor Ern Roebothan, Councillor Kevin Manuel and Town Manager Eric Francis. I trust that your stay here will be interesting and informative. On behalf of all honourable members I welcome you to the galleries of the House of Assembly.

HEAD 404-01:

SOME HON. MEMBERS: Carried.

MR. CROSBIE: We do not care if we are here until June.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: No boy! We have only seventy-two and a-half hours now.

Now, Mr. Chairman, the honourable Leader of the Opposition had asked several questions before we adjourned at six o'clock. One was on the northern allowances which this administration reformed, rejuvenated made equitable and fair in the last year. I think it is now \$1,200 for a married person and \$600. for a single person who works for the government or teaches up in Labrador.

That allowance was instituted originally, Mr. Chairman; by the Liberal Administration of the day. It applied only to Newfoundland civil servants and teachers who worked in Labrador, when it was instituted. It is a recognition of the fact that living conditions and the people who live in Labrador deserve some kind of special treatment because of the special conditions they face.

It has never applied to any part of the Island of Newfoundland. It does not apply now to any part of the Island of Newfoundland and the government has decided that it cannot be extended to any part of the Island of Newfoundland. It would no longer be a northern allowance or a Labrador allowance as what it really is, if that happened.

The honourable Leader of the Opposition suggests that it should apply -



AN HONOURABLE MEMBER: Northern allowance.

MR. CROSBIE: It is called northern but it should really be called Labrador.

The Leader of the Opposition suggested that it should apply to White Bay North and St. Barbe North and the Northern Peninsula. Well, why should it just apply to the Northern Peninsula? Why should it not apply to Twillingate Island or to Burgeo not joined by road to the Mainland or to other sections or Bell Island another area of the province not connected to the Mainland? There is no way that you can extend this Labrador allowance or northern allowance to one part of the Island of Newfoundland without immediately having the cry that it should apply everywhere in Newfoundland.

As soon as we applied it to one part of Newfoundland, the cry would go up in Labrador that this is no longer a recognition of special conditions that face people who live in Labrador, it is now applied to the Island of Newfoundland and therefore there should be something different in Labrador.

So, the government's position is clear, Mr. Chairman. We have no plans to extend the Labrador or northern allowance beyond where it now applies and that is to the Labrador part of the Province of Newfoundland.

His second question was with respect to taxes on gasoline or whatever kind of fuel powers ski-doo's and other machinery of that kind, particularly with reference to Labrador South. That matter is still being examined or still being discussed and looked at as to whether this can be done or not, whether it is sensible to do it. The member for Labrador South has inquired about it several times. There are some difficulties in trying to decide how that could be administered if it were done. So, no final decision has been made on that. That is still to be reviewed.

Then the honourable Leader of the Opposition showed some concern about Burgeo and said he had received a copy of a petition

from the people of Burgeo who are petitioning the government to reduce their motor vehicle license fees in Burgeo on the grounds that they are not joined to the main highway system and have a very few miles of road to drive over. No final decision has yet been made on that petition, Mr. Chairman, as far as I remember. I know that the suggestion is going through the process and very shortly there should a decision on that but there is nothing I can say that is final on that matter tonight.

So, these are the three points the honourable gentleman raised. I hope I have dealt with them in a manner that meets his approval and that we can now carry the estimates of finance and move on to meatier departments where I am sure there will be much room for discussion.

MR. M. MARTIN: I have just one comment to make, Mr. Chairman, regarding the gasoline tax as it relates to the operation of snowmobiles in Labrador. That is to say that we do not advocate that the tax be abolished in any way whatsoever. What we would like to see is some of the tax money put back by way of services, perhaps if not the construction of highways, then certainly the clearing and marking of snowmobile trails with shelters along them, which was done very well by the old Commission of Government and then was allowed to lapse. If that could be done, we have no argument with the gasoline tax.

MR. CHAIRMAN: Shall 401-01 carried?

MR. E. ROBERTS (LEADER OF THE OPPOSITION): Not quite yet, Sir.

Could Your Honour give us a time? Why do we not use a clock like they have at the hockey games, you know, and we could sort of keep score? How about the Confederation Celebration? We could have the minister cast in sterling silver up there and Bob Nutbeam shining a light on him.

Mr. Chairman, the Minister of Finance has dealt with the three points which I raised - hold on now, somebody burped over there.

The gentleman from Harbour Grace burped. It is about as useful as his contributions.

He dealt with the three points I raised and for that I thank him. There is not much else that I can thank him for on it. I understand with respect to two matters, the Burgeo matter and the Labrador South matter, that they are being studied. Well, I find the Labrador South matter most interesting. I agree with what the gentleman from Labrador South said. It would make far more sense if that tax were to be collected to put it back. I do not think Labrador South has been sunk under the weight of money spent there whether it be in the twenty-three years during which the Liberal Party former the administration or during the two years in which the Tory Party have been the administration and the present member for Labrador South has been the member.

Indeed if the by-election served no other purpose, it may have imprinted upon the minds of a number of members, Mr. Chairman, the needs of Labrador South because it gave a number of us the opportunity or indeed required us for that matter to campaign throughout the district. The only thing I have to say on it is that I find it very curious that the Premier would announce two years ago that something is to be done and here we are, eighteen months later, and nothing is done and the Minister of Finance tells us it is under study.

I had a gentleman call me today from Conche who said he did not know who was running the government, Crosbie or Moores. I must say I think that is a fair question. The Premier makes a commitment and - I am sorry?

AN HONOURABLE MEMBER: I say, it is not Roberts.

MR. ROBERTS: No, it is not Roberts and it is not Dumphy and I welcome the honourable gentleman from St. George's back from wherever he was. I am delighted to see him. It certainly is not Roberts. It will be but it is not now and for that I am thankful. I can tell the

gentleman from St. George's something else too, that when the Liberal Party forms the government he will not be in it either. He will not even be in the House.

The honourable gentleman might tell us about the \$1.1 million he announced.

AN HONOURABLE MEMBER: Wishful thinking.

MR. ROBERTS: Wishful thinking, the \$1.1 million. The people in St. George's -

MR. CHAIRMAN (MR. STAGG): Order, please! Order, please!

MR. ROBERTS: Are we out of order, Your Honour?

The Minister of Justice on his way to the appeal court has dropped by. Well, the Minister of Justice enters into the debate.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: I apologize to the honourable gentleman then. I apologize profusely and humbly.

I must say they have obviously had a very merry supper, Mr. Chairman, very merry indeed.

Now, as I was saying, the Labrador South point, the only point that need be made, is it after a year and three-fourths of study a commitment by the Premier turns out to still be under study. That is an interesting comment upon the Premier's commitments.

As for the Burgeo one, I accept what the minister says. They have only had it for three or four months. This is a weighty decision and one which obviously will require the minister's personal study. That is why we are discussing the minister's salary. It will require perhaps a task force and perhaps as well require Pete, Marwick and Mitchell to be retained and perhaps eighteen other high priced consultants to be retained and a computer programme to be written.

At the end of it we will get some action. If the member from Burgeo should drop dead and there is a by-election, then something would be done. I mean, it is ridiculous. The principle is clear and the principle should surely apply. Burgeo is as isolated

as Happy Valley or Labrador West or anywhere on the Labrador Coast. When it is no longer isolated, then fine. But now that it is isolated, they should surely have some recompense for it. If not recompense, I suggest it is the principle established in respect of Labrador.

As for the northern allowances, all I want to say is that I regret the minister's position. I can see administrative difficulties. I would not pretend that I do not see administrative difficulties. The business of government is the business of drawing lines, of distinguishing between unequal cases and unequal needs and trying to deal with a matter in accordance with its merits, in accordance with its needs.

I suggest and submit that there is a need on the Northern Peninsula. The minister does not agree with me and there is no point in our going over it again and again. But shall I say that I do not accept his explanation. I do not accept his position and I shall continue to go back at it.

Now, Sir, if I could raise another matter falling within the minister's purview. As the minister in charge of administering our taxation system, I would like to ask the minister whether he intends to use some of the revenue obtained from Ottawa. We are now getting, I believe, from the estimates, \$9 millions extra on the oil and gas equalization payment. Now, I may say to the minister that I have done some research in the matter and the \$9 million figure is at best a guess.

Unless there be any doubt, the minister's guessing has been pretty bad the past couple of years. I have somewhere

in this pile of data some information about the minister's projections on taxes. He has been inevitably out over the last two or three years. It has been pretty bad budgeting. I will find those in a few minutes.

Let me deal with this question of the oil rebates. The minister has estimated \$9 millions additional on the equalization payments. That is over and above the normal ongoing increase, \$9 millions as a result of equalizing in the gas and oil revenues or the extra revenues that are going to accrue to Ottawa because of the fact the price of oil, at the meeting in which the Minister of Justice represented the government, was increased from \$4.50 a barrel. Was it \$4.00 or \$4.50? Well, the minister would not know. He was there. I was not there and I am not sure either.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Well, I can believe that.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Pardon?

AN HONOURABLE MEMBER: My colleague is not here yet.

MR. ROBERTS: Well, that is okay. Nobody listens to him.

AN HONOURABLE MEMBER: He does not have to listen.

MR. ROBERTS: That is fine. The honourable gentleman by listening may learn.

The point I am making is that the government are getting extra revenue. The Minister of Justice agreed to it. The fact that he does not know what went on there is quite revealing of the calibre of the representation we had at that important meeting. In any event, just for Your Honour's benefit, the price of gasoline in Canada, from the oil wells in Saskatchewan and Alberta, was kept artificially low. It was kept at either \$4.00 or \$4.50. The world price is \$10.50. I believe they call it the "Chicago Price". The school-boy debater could perhaps fill us in on detail on that, but I think it is the "Chicago Price". I do not know and it does not matter. It is \$10.00 and \$10.50 a barrel.

AN HONOURABLE MEMBER: The temporary Leader of the Opposition.

MR. ROBERTS: I agree I am the temporary Leader of the Opposition, agree

completely. I could say the temporary Minister of Energy with exactly the same relevance.

MR. FARRY: Your job for David Sparkes. Think he will run?

MR. ROBERTS: I hope, Mr. Chairman, that Mr. Sparkes will come in.

He would make a much better Minister of Energy or Minister of Finance or Minister of Health or Minister of Forestry or Minister of Justice or Minister of Manpower than any of them or all of them over there put together.

AN HONOURABLE MEMBER: A job for the godfather.

MR. ROBERTS: The Minister of Finance made an offer he cannot refuse, such as being asked into the Tory Cabinet and having the rug pulled out from under him on Shaheenery and a number of other points.

I hope the minister will run. The last time he ran he spent, as I had it explained, \$1,000 a vote and was buried. Was it eighteen feet under? (that phrase of Mr. Smallwoods) and he came second. The Minister of Justice came third. Mr. Vincent Spencer came fourth. No, I think Vince Spencer had two and we never could figure it out because it was not a delegate, as I recall it.

MR. CHAIRMAN (MR. STAGG): Order, please! Order, please!

MR. ROBERTS: Are we out of order?

MR. CHAIRMAN (MR. STAGG): Honourable gentlemen are certainly digressing beyond the head of expenditure (400) Finance. If this is the way honourable gentlemen wish to use up the seventy-five hours, with consent of the Committee the Chair will certainly go along with it. Otherwise honourable gentlemen will have to be called to order.

MR. ROBERTS: I thought, Your Honour, we were being quite relevant to the Minister of Finance's salary. That is why Your Honour was allowing us to go on.

Anyway, let me come back then for a moment to the oil price thing. That is what led us off on this. It was the Minister of Justice's violent and vicious and unprovoked entry into the debate that led us to this grave impasse. If the Minister of Justice do not know what I am talking about, he is in exactly the same category I confess on that point as am

I and everybody else in this House.

Now, Sir, the oil price revenues the Minister of Finance has estimated at \$9 million. It is at best an estimate. Other provinces that have received this revenue have used it to lower the price of gasoline -

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: We are on heating fuels but particularly gasoline. They have done something on heating fuels. They took away the sales tax and that may have come to \$2 million or \$3 million or \$4 million. The Minister of Finance when he announced it said he was not sure what it was but he thought in a year it would be \$2 million or \$3 million or \$4 million on the fuel tax, the seven per cent which has now become eight per cent, seven per cent on the price of fuel oil. Okay?

Now, what I want to ask the minister - let me say he does not know whether it is going to be \$9 million or \$19 million, I know that and he knows that and now the people of Newfoundland know that. That statement in the budget, in the estimates, of \$9 million in revenue, is at best a guess and at worse a misleading of the people of Newfoundland.

AN HONOURABLE MEMBER: Closer to \$12 million.

MR. ROBERTS: It may well be closer to \$12 million. It may well be over that. The minister cannot know. Ottawa do not know. Nobody knows. If the minister were being man-fashion he would have revealed that fact that he did not. Instead he made another of his slinging and underhanded attacks upon the Government of Canada. That is another story.

AN HONOURABLE MEMBER: Why is he saying that Ottawa does not know?

MR. ROBERTS: Because Ottawa does not know. That is why I am saying they do not know. I have no idea what they told the minister. I know what they have told me.

AN HONOURABLE MEMBER: He has access to the information of the Government of Canada?

MR. NEARY: Yes we do.

AN HONOURABLE MEMBER: That is in the opposition.

MR. NEARY: Sure.



MR. ROBERTS: I have access to information which is public. Of course I do. Anybody can -

MR. CROSBIE: That is not public information.

MR. ROBERTS: Well, the minister is trying to hide something now.

MR. CROSBIE: Inaudible.

MR. ROBERTS: Sure.

MR. CROSBIE: Then they must have strong stomachs.

MR. ROBERTS: They also have very good brains which is more than I can say for the minister opposite. We will come in a minute to the minister's performance on forecasting revenue where he has consistently underestimated, consistently and I might say negligently underestimated the revenues. We will come back to that.

What I want to ask him first is if he would expand somewhat on the gasoline tax. I would like to know why the government or do the government have any plans to do anything with the gasoline tax. I would like to know also what the minister is prepared to do about the proposal which is in effect in Nova Scotia which seems to be working there.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Well, the minister does not even control Newfoundland despite his best efforts. He does not even control the government most of the time. What I am saying is the proposal in Nova Scotia, whether the minister is prepared to see this introduced into Newfoundland. It is an amendment to the Public Utilities Act.

The Minister of Energy told us some weeks ago that he was considering, indeed I think he said it could be done, the amendment to the Public Utilities Act to bring the fuel companies, the regulation of prices under fuel. Noy, it is like most else in the Tory Government that might help anybody it has not been heard of since. Instead we are all flying jet airplanes.

AN HONOURABLE MEMBER: Give us time.

MR. ROBERTS: "Give us time?" How much time does the minister want? My Lord, what has he been doing for weeks? It is a simple amendment.

AN HONOURABLE MEMBER: Only two weeks.

MR. ROBERTS: Two weeks. It is three, four or five. The minister has been there. He has had task forces, high-priced legal advisers, high priced assistants. Damn him, let him do something for the people of Newfoundland!

The minister's salary, when we come to it. \$50,000 to keep the Minister of Energy going, \$50,000. That is the sales tax on \$600,000, \$600,000 worth of Newfoundland expenditures to go to keep the Minister of Energy going. He has not done anything yet.

AN HONOURABLE MEMBER: \$50,000?

MR. ROBERTS: \$50,000. Look in the estimates for the minister's office.

AN HONOURABLE MEMBER: Special legal counsel.

MR. ROBERTS: Special legal counsel. Well, put the special legal counsel to work copying out the Nova Scotia Statute. Let us do it. Why not? It worked in Nova Scotia. Or is the minister somehow in the hands of the oil companies?

AN HONOURABLE MEMBER: He is out of order.

MR. ROBERTS: What does he mean, out of order. The minister is out of order, of course he is. It has worked. The prices have gone back. It has worked, w-o-r-k-e-d, WORKED. That is how I know. How does the minister know it has not worked? The minister does not know. The minister is playing his schoolboy debating tactics again.

MR. BARRY: The interim leader is -

MR. ROBERTS: Of course I am the interim leader, Sir. Let me deal with this canard now. I am prepared to deal with it as often as they want, Sir.

I was preceded as Leader of the Liberal Party and I will be succeeded. That is equally true of Your Honour. Your Honour was preceded as Chairman of Debates and Your Honour will be succeeded.

MR. CHAIRMAN (MR. STAGG): Order, please! Order, please!

MR. ROBERTS: If only I could say that gentlemen opposite were not in the position. Is it a donkey that has no pride of ancestry and no hope

of posterity? You see, that is the position they are in.

The minister reminds me, you know, of Mr. Stanfield. Somebody once said that Bob Stanfield coming into the room is like somebody going out and the minister is in essentially that position.

Now, Sir, I think I have made a point in between some banter on the oil thing. Let the minister deal with that and then we have a number of other little points we wish to raise but deal first with that one, please.

MR. CROSBIE: Well, Mr. Chairman, we are all learning it here, how the honourable gentleman claims that my estimates on tax equalization are not very accurate. I am hurt, Mr. Chairman, by that. I am disappointed and I feel very much put upon to have such an allegation made against my ability of forecasting tax equalization revenues in this House because, Sir, it is a bitter, vicious attack upon the Government of Canada who are the ones that estimate tax equalization, not us, not the Minister of Finance of Newfoundland, not the comptroller and Deputy Minister of Finance, not the Assistant Deputy Minister of Finance, not the assistant to the

assistant to the Assistant Deputy Minister of Finance. None of us estimate tax equalization. I will tell you what we do, Mr. Speaker, we get on the phone to Ottawa, to the Department of Finance officials there and we say, "Gentlemen, what do you estimate we are going to receive in tax equalization for 1974-75?" Mr. Reisman or the man who is in charge of it, Mr. Shoyama or whoever it is says that our men have figured out that in 1974-75 the economy remains in such and such a way and it progresses this way and that in such and such a growth, you are going to receive "x" dollars.

Now, Mr. Speaker, this calculation has to be done on computers and computers on top of computers. It is a very intricate exercise. So they have told us, Mr. Speaker, that our equalization next year should be approximately \$185 million. Now before the oil and gas matter was settled by Acting Premier, the member for Burin, who went up to Ottawa on May 27 and settled the whole thing in a period of four or five hours and got the rest of the Premiers of Canada and the Prime Minister to agree, before he did that, we did not know what should be included for equalization of additional oil and gas revenues for the Province of Alberta and Saskatchewan. The Acting Premier brought back the bacon, nine million spondoolics of it, \$9 million.

Now, Mr. Chairman, that is not our estimate. That estimate is an estimate given to us by officials of the Government of Canada whose job it is, who are economists and statisticians and mathematicians - permanent civil servants of long repute in Ottawa and they told us humble peasants when we call from down here in the Confederation Building and said; "Gentlemen of great repute, mandarins of Ottawa, please tell us how much we will get in additional equalization this year?" The answer came back like Alladin coming out of the lamp, near abouts \$9 million. If you use \$9 million it is very likely that next year Opposition Leader Roberts will not be able to criticize you and, Mr. Chairman, that is why we have used \$9 million.

As the Opposition Leader points out, it may not be \$ 9 million. It may very well not be \$ 9 million. It may be \$10 million. It may

be \$12 million. It may be \$8 million. But the best estimate we can get from Ottawa is \$9 million and I would like to know what mandarin told the honourable Leader of the Opposition that it is likely to be \$12 million, because he is talking to some other mandarin than the mandarins that we are talking to. His mandarins are more optimistic.

Now as to my ability to forecast tax equalization, I refer to the estimates of last year. What was estimated for tax equalization? I think it was \$153 million. Yes, \$153,600,000 was the estimate given last year. Lo and behold! When we refer to page six of the attachments to the magnificent Budget Speech delivered in this House just one week ago yesterday, magnificent Budget Speech, reaffirmed by most of the people of Newfoundland, particularly the ones that call open-line shows, page six of the exhibits, we will see what was the tax equalization for last year, \$156,049,000, \$2.5 million in the difference.

Now I do not claim credit for it being that close because Mr. Chairman, it varied five times between March 31, 1973 and when the year ended, five times the Department of Finance at Ottawa changed that estimate. At one time it went up. It was going to be increased at one point by \$13 million and then they made a readjustment and it came down again and so on, five changes. I do not blame them for that because it is such an intricate exercise which involves comparing tax receipts and tax levels in all the provinces of Canada. Then they have got to forecast the gross national product and what it will be that year and so on. It takes three years for them to give you a final accounting. As I think I mentioned in the House earlier, Mr. Chairman, Lo and behold! At the end of February we got shellacked for \$5 million because they called from Ottawa to tell us that the final calculations for the fiscal year that ended March 31, 1972, were that we had been overpaid \$5 million in that year and we had to pay \$5 million back to Ottawa because of that overpayment.

We did not get wild and blame Ottawa and so on because we know

that it takes at least two years to get the final calculations. So they have made a misestimate in 1971-72 and paid us \$5 million too much and we regretfully have had to pay it back to them, So much for the estimates of tax equalization. No one can be sure whether the estimate is right or wrong but we have gone to the source, the only source we can go to, the officials at Ottawa. They say as far as they can tell now, because there are lots of things not settled yet, lots of things the Government of Canada is not clear on yet, but as far as they can tell now from the amount of oil and gas to be equalized, Saskatchewan and Alberta will give us \$9 million more this year. Hopefully it may be more, hopefully.

AN HON. MEMBER: It would be more if they were not fiddling with it.

MR. CROSBIE: It would be more if they were equalizing the whole kit and caboodle, as the formula calls for; we would be getting an additional \$30 million.

MR. ROBERTS: Inaudible.

MR. CROSBIE: That is an exaggeration and besides which I was at a Minister of Finance's meeting where the Minister of Finance for Ontario said they would not accept tax equalization even if they were entitled to it. He shot that kite down very quickly. John Turner flew the kite and was shot down immediately.

The honourable gentleman mentions; what are we doing with the gasoline tax? His gasoline tax, his twenty-five cents a gallon - the proud boast of the Liberal Party of Newfoundland is that they instituted the gasoline tax and that in 1969 they made it twenty-five cents a gallon. Now the honourable gentleman is across the floor there glaring at us and saying, "What are you going to do with the gasoline tax?" What is he going to do with the gasoline tax is the real question. The honourable gentleman's party instituted the gasoline tax. Let me give you the history of the gasoline tax now that the honourable gentleman brought it up, historical summary of motor fuels.

In 1963 it was nineteen cents a gallon and then in 1967 it

went to twenty cents a gallon and then in 1968 it went to twenty-five cents a gallon and it has been the same ever since with one exception, Mr. Chairman, that on January 1 of this year, in an attempt to do something to help relieve the high cost of fuel, we amended the S.S.A. tax regulations to exclude heating oils from the S.S.A. tax and thereby reduce the cost to the consumer by seven per cent. That would have brought us in, had we left it as it was this year, another three to four million. So if you want to just look at that \$9 million and say, "What are they doing to help the consumer," \$3 million to \$4 million of that \$9 million tax equalization is gone this year because we took off the S.S.A. tax from oil and gas. That is one thing we did.

What else did we do to help the cost of living and so on and so forth? We had 1600 pensioners out of which a great number of them were receiving pensions of \$2,000 a year or less. So we increased their pensions and that came to \$660,000. It is all in the Budget Speech there. That is to assist them because of the increase in the cost of living. So if you just want to look at that \$9 million there is something else that was done. You know, Mr. Chairman, that from 1961 when there was an increase in pensions to 1971 when there was another small increase, in the ten years in between the Liberal Administration never increased the pensions once for the civil servants, teachers and the rest of them, not once. But last year we increased them and this year we increased them again, \$480 a year if you are on a pension of less than \$2,000. So that is something else we have done to meet the cost of living. I could go through and point out another ten or twelve examples.

School boards; What will be done to help school boards? They were effected by the cost of living. We increased their grants by twenty-six per cent. That is not enough. The welkins will ring in this House, Mr. Chairman, before this session is over with protestations from the members opposite who out of one side of their mouth will be saying; "They could have cut this back and they could have cut

that back and they could have saved the \$10 million." And out of the other side they would attack us: "The teachers' salaries are not high enough, the school board, the payments are not high enough, the school construction amounts are not high enough. Nobody's pay is high enough except a few at the top. They should have cut the taxes!" How do they think that the people of Newfoundland are going to buy this kind of arrant dishonesty of purpose and dishonesty of expression that any government of this province can cut taxes and increase services and spend more? We are already spending more and borrowing more than we properly should. We are doing it because there is such a bad need for services in this province.

Any province the size of Newfoundland that is borrowing \$168 million this year and had to borrow \$157 million last year, My Golly! Mr. Chairman, have we not got to show some kind of restraint? What is going to happen to us



If we go out to try to borrow some year and they say: "No more! You are not even contributing from current operations to meeting your debt" or "Your interest charges are now twenty-five per cent of all your revenue." If we were as irresponsible as the honourable gentlemen opposite would be were they in power, (They may get into power in four or five years time and find themselves exactly in that position) had they been in where we are now. We are not going to do that.

MR. NEARY: How much is Nutbeem spending this year?

MR. CROSBIE: "Nutbeem, Nutbeem, Nutbaum." Who cares what Nutbaum or Nutbeem is spending this year. He is doing his best to celebrate twenty-five years of Confederation. If the honourable gentleman do not like what he is spending, fine. If the honourable gentleman do not like it, do not participate. Do not go to the bonfires and the bung fights. Veto them, hurt everyone's feelings by not going, ignore them, turn your back on them, ignore us.

AN HON. MEMBER: Insult the Governor General.

MR. CROSBIE: Yes continue to insult the Governor General and the Lieutenant Governor and the Queen and the Queen's representatives and Her Majesty's Loyal Government, insult them all. Go to Mr. Smallwood's dinner and be humiliated there with nobody paying any attention; not at the head table, not even mentioned in the speeches or toasts, Pick up the "Daily News" and see who is going to run against him in this year's leadership review. Now, I do not know how I got on that, Mr. Chairman. That is not relevant. I wish the honourable gentleman good luck.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Good luck! Good luck! I will be looking on, Sir, with great, amused detachment. I wish him good luck!

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: The Member for Bell Island is very coy this morning. He has not made his position clear yet. I think everybody in the province got a pretty clear idea where "Stevey Boy" is headed, old leather lungs. He is going right for the top, make no mistake.

MR. NEARY: (Inaudible).

MR. CROSBIE: Ah now! He was only kidding then. The honourable member just said that to get me all interested and to perk up my attention. Mr. Chairman, I am getting off the track.

Mr. Chairman, anyway these are a few of the things that we are doing. Well, really I just do not know what more to say on this so I will sit down.

MR. ROBERTS: Mr. Chairman, the minister's jollity is very good and his jollity seems to rise over the dinner hour I have noticed. It may be that the sun has gone over the yardarm on Circular Road a little later than it goes over the yardarm elsewhere. I appreciate his jollity. I am unhappy though that he is not going to come and run in the Liberal Leadership race. He will probably be about the only person in Newfoundland who is not and that maybe because the last time he ran he got buried eighteen feet under, as the famous phrase goes. I, for one, hope he will run. I think it would be just splendid. Your Honour indeed would be welcomed to run too and anybody else. I extend an open invitation. I hope my colleague from Bell Island runs.

MR. CROSBIE: The honourable gentleman is looking for space for his convention? There is a spare room in the Waterford Hall, Waterford Hospital.

MR. ROBERTS: What does one do? Is it bottled in proof?

AN HON. MEMBER: He is more of a sport now than he was in 1969.

MR. ROBERTS: There is no sport in him. To quote a colleague of his, without naming him, "He got a skin as thin as an onion skin." There is no good sport in him at all. We have seen that in the House. However, let them have their fun. They are welcome to it. I am a little more concerned about what is going to be done for the economic condition of this province.

Now first of all, Mr. Chairman, let me come back to the minister's tax revenues. The minister was his usual sarcastic self. He can be good at it. He is like the third act in a vaudeville show and very amusing

if he were not talking about the public revenues of this province and the public expenditures and talking about the one per cent and - talking about this and said: "How can we cut taxes?" They cut them before the election. The minister quite happily agreed to take the sales' tax off children's clothing, and they did. It was a good thing. The moment the election was over, the minister more gleefully if possible, agreed to cut the mothers' allowance. It was one of the most vindictive acts, one of the most hypocritical acts. Now we have seen it again. There are two or three millions or four millions dollars off the fuel oil tax the heating oil tax and no action to curb the price of oil. They will not do what Nova Scotia has done and is getting away with. What does the minister do now? Oh! He comes in and socks it to us. Let us just look at the minister's estimating to show how abysmally bad it is.

The 1973-1974 estimates estimated that on equalization we would receive an amount of money. The actual amount we got was \$2.4 million greater. The minister has explained that. It is all the fault of Ottawa. Did Your Honour ever notice how whenever anything goes wrong with the minister, it is Ottawa's fault. whenever anything goes right, it is his doing?

The Federal Post-Secondary Education, that can be blamed on Ottawa again, was \$1.4 million less. That is pretty good budgeting. What about when we come to the Provincial revenues. The minister made a slight misestimate in the gasoline tax, \$1.7 million down. In Newfoundland we burned 6.8 million gallons of gas more last year than the minister and his officials thought we would. S.S.A., we were dead on on S.S.A. We were \$8 million out, \$8 million down, Personal Income Tax was \$8 million underestimated last year. The minister comes in and whines about indexing. He misestimates it by \$8 million. Corporate tax, \$3.6 million; liquor sales and fees were \$3.5 million. The minister and his colleagues had obviously been at it - \$3.6 million underestimated.

MR. YOUNG: (Inaudible).

MR. ROBERTS: Maybe the Hon. Member for Harbour Grace was in on it.

MR. YOUNG: (Inaudible).

MR. ROBERTS: Yes, there was a lot at my wedding.

Now we add those, and that is \$1 million, \$2.7 million, \$10.6 million, \$18.4 million, \$22 million - \$25.5 million underestimated in taxes last year. The taxes levied by the government of this province, by the minister, the man whose salary we are now debating with such fervour, was \$25.5 million underestimated. Now, Sir, total revenue from provincial sources - well, we will take off the federal one, with \$24.5 from provincial sources, our total revenue estimated was only \$156 million. The man was out by one dollar and six. Now that, Sir, is either negligence or appalling incompetence. They estimated \$156 million and we got \$177 million. It is either negligence by the minister or appalling incompetence - appalling! He cannot blame it on his officials. There was not a tax source, Sir, where they were even close.

Take what the minister has done on the debt. He has been out every year on that. The figures are somewhere here, I will come back to them.

Now, Sir, this is the same minister who drags himself before the committee with all his wit and look. If it should make him feel happier, is he should want to come to the convention, we will take him in. We have a "Silly Willy" section. He can come and he would be right at home, and right at home with some of his other friends.

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: Yes, if the honourable member should like to come, he too can join the "Silly Willy" section.

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: No, because fortunately there are not many like the honourable gentleman and the man of whom he is the intellectual camp-follower, the Minister of Finance. They are welcome. High and low, rich and poor, minister and unminister are all welcome.

AN HON. MEMBER: The greasy pole.

MR. ROBERTS: Of course, it is what Disraeli said, Disraeli called it the "greasy pole." Of course, he did. Sure.

MR. BARRY: (Inaudible).

MR. ROBERTS: Of course I am shakey. One of these years I shall no longer be leader. Maybe it is next year or maybe it will be twenty-two years from now. I know one thing, I will be here longer than the honourable gentleman will be minister. That is fine. I won my seat by shall we say a substantial majority. The honourable gentleman won by thirty-seven votes.

MR. BARRY: A sweeping majority.

MR. ROBERTS: A sweeping majority, yes?

MR. BARRY: (Inaudible).

MR. ROBERTS: Forty-two votes. Ah, ha! One poll came in late and overwhelmed him forty-two votes. He would have less time this time, we would see.

Now, Sir, the Minister of Finance - \$24 million of a misestimate, appalling incompetence. This is the man who is coming before this committee now and asking for an extra \$14 million in taxes. How do we know the man is not \$34 million out this year? How do we know? We do not. He can blame Ottawa and he can get as pyrotechnical as he wants. He had a surplus last year of \$14 million, a surplus, beaten out of the backs of Your Honour's constituents, beaten out of their backs by the Minister of Finance, one penny at a time, and he enjoyed every minute of it.

The Member for Labrador West has had a resolution passed. There was a great meeting down there of the labour union.

Maybe the minister may not know about it yet, a resolution saying he is not to vote for the sales tax. That is the feeling of his constituents. People all over this island are saying that.

Here we are, facing the cost of living that is going up at 8.5 per cent a year, the estimate, 8.2 per cent last year, the Consumer Price Index 1970-1971, the last Liberal year 1.6 per cent. Now, what do they do? The income tax is bad enough but hopefully the rich will pay more than the poor.

So we get eleven per cent slapped on the income tax by the benevolent Minister of Finance, the Minister of Finance who make a \$24 million mistake in his estimates, \$24 millions underestimated, Sir, \$1.7 millions on the gasoline tax, \$7.9 million on the S.S.A., \$7.8 on the personal income tax, \$3.6 on the corporate tax, \$3.5 on liquor sales and fees. Who is he going to blame now? Ah! Maybe Ottawa for that, maybe Ottawa will get blamed. Do you know what they will do?

What the minister needs is like the kings of England used to have for the Prince of Wales. He could not hit the heir to the Throne, so a young nobleman was given the honour of being the substitute heir to the Throne. When it came time to discipline the Heir to the Throne, he got spanked. That is what the Minister of Finance needs some poor little civil servant in Ottawa who will be virtually dragged out and whipped and beaten, virtually dragged out and beaten verbally by the Minister of Finance for the Minister of Finance's errors.

He brought in a budget last year, boasted as only the Minister of Finance can boasted about how accurate he was and how perfect he was, \$25 million out, \$24.5 million out on his revenue estimates, \$24 millions out, \$24 million. How far will he be out this year? He has item after item in here, Sir, and these are his estimates that are flat mis-statements of fact. There are recoveries shown from Ottawa that do not exist. The Minister of Finance has put them in his estimates and he either knows that they are false, Sir, or is guilty of appalling neglect and incompetence. So much for the Minister of Finance and his revenue predictions. He can blame Ottawa. I know the equalization estimates come from Ottawa.

Anybody is entitled to them. They are public.

Let him answer for his own estimates, Sir. The high priced staff on the treasury board, wherever they are. What is it called? The Planning and Priorities Secretariat) laboured mightily and have produced not even a mouse. The Minister of Finance goes on, "\$24 millions out last year." He has increased our debt. He is the man who used to talk about our debt when he was over here. My! How he would wax eloquent by the hour, by the weary hour. We sat and took it. We did not change the rules and force the rules changed.

One time we tried. It was on the request of a quorum, on a quorum.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: On a quorum. We could have. We could have dragged in our sick and our lame.

AN HONOURABLE MEMBER: You are all sick and lame.

MR. ROBERTS: No, Sir. No, Sir! The honourable gentleman, the honourable gentleman has increased the debt of this Province by 22 per cent. The per capita debt has gone up by 18 per cent. The difference, for the school debater, in case he is writing it down, is our population has gone up somewhat in two or three years. That may be the creation of the Minister of Finance too. That I do not know.

Mr. Chairman, the Minister of Finance -

AN HONOURABLE MEMBER: He is blamed for a lot of things.

MR. ROBERTS: No, no, I do not blame the minister for that. He has done that to the whole Province but not to any individual that I know.

Mr. Chairman, the point is this, that the Minister of Finance is crying, once again out of both sides of his mouth. Once again he says, "Oh, gosh! We are spending so much. We cannot possibly cut." But, Sir, they will find money for what they want.

The Minister of Finance is permitting about \$3 millions to be lashed out for these Confederation Celebrations. That is some bonfire! That is some bonfire; about \$3 millions and he has listed \$800,000 from Ottawa and not a nickel has been agreed to by the Government of Canada, not one five cent piece. Yet in the estimates he tries to

pretend that he has a commitment. No, Sir, misleading.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: A man who knows told me that. Let the minister get up and show where the money is coming from. I say he is misleading, and I stand by that, negligently. Now, Sir, negligently misleading.

Mr. Chairman, I -

MR. CHAIRMAN (Stagg): Order, please! The honourable member, I think I heard him correctly, indicated that the Minister of Finance was misleading negligently.

MR. ROBERTS: Yes.

MR. CHAIRMAN: I suggest that that remark is unparliamentary and must be either rephrased or withdrawn.

MR. ROBERTS: Your Honour, I accept Your Honour's ruling but I may say that the remarks have been used in the House in this session and have not been ruled unparliamentary by the Speaker.

MR. CHAIRMAN: The remarks in the context made by the honourable Leader of the Opposition.

MR. ROBERTS: All right, he is not willfully misleading the committee but he is nonwillfully misleading the committee. I mean, all I wanted were the words to express the thought, Your Honour.

MR. CHAIRMAN: Probably, I think you should rephrase them.

MR. ROBERTS: All right! Thanks: You know, what we need is a compendium of phrases. We need two, one for the Speaker and one for the Chairman, because they differ. Now, Sir, the minister -

MR. CHAIRMAN: I hesitate to interrupt the honourable the Leader of the Opposition again but for his guidance during the remainder of the estimates and probably for the remainder of this session - the remarks such as he just made were to be intimated as that there are two sets of rules, one for the Speaker and another for myself. These remarks are derogatory to the Chair, to the individual and to the office and will not be tolerated.

MR. ROBERTS: Thank you, Your Honour. I stand by the - Oh! there they go. I stand by the legal maxim, Your Honour will agree,

"Res ipsa loquitur,"



the thing speaks for itself. I thank Your Honour.

Now, the Minister of Finance waxed fairly eloquently, again about the gasoline tax, and he is right. The last time that tax was increased was in 1968 and the time before that it was increased was 1967. In 1967 it went up twenty cents on the gallon and in 1968 it went up to twenty five cents on the gallon. I have not searched the records of the House but I would suggest that if the matter came to a vote in the House I voted in favour of each of those.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: No. I was an humble backbencher. I had not even reached the middling eminence of the Minister of Energy. I had not entered the cabinet.

AN HONOURABLE MEMBER: Followed along blindly.

MR. ROBERTS: No, I did not follow along blindly. I followed the magnificent and stirring leadership of the then Minister of Health, the then, immediately previous, Minister of Municipal Affairs, who was in the cabinet. Indeed, Sir, I venture to suggest, Mr. Chairman, that the Minister of Finance as he now is took a leading role. In fact I know he did because I was present at caucus meetings and so was the gentleman from Bell Island and the gentleman from Fogo at which we asked "Why?" and the answer came, "It has to be." And the Minister of Finance was as vocal and as outspoken, I will tell them. Let us see, the candy bar tax went up.

AN HONOURABLE MEMBER: That is right.

MR. ROBERTS: The candy bar tax went up. The S.S.A. went up and the exemption came down. Then the gasoline tax went up. There was a rebate

given of twenty per cent to the individual on water and sewerage - that went by the board. The student aid was cut. Crosbie was at it again.

MR. BARRY: He resigned.

MR. ROBERTS: I did not resign, not any more than the Minister of Energy has not resigned. I was not put out by my constituents and that is the difference between me and the gentleman for Placentia West.

But, Mr. Chairman, the Minister of Finance now, Ho! Ho! he tries to weasel out. That is not worthy even of him, Sir. Not only did he vote for those changes, presumably convinced, "He", Sir, spoke vehemently in their favour and flocked to get them through. Oh! He may, he can put up all sort of defences. I do not quarrel with those. I do not for one moment step down from my responsibility. What I did, but, Sir, I do not try to worm out.

What about the present Minister of Municipal Affairs, who not only was in the cabinet but was the Minister of Finance? I am not sure whether he brought in any of these in his budget, I have not checked back.

AN HON. MEMBER: No he did not.

MR. ROBERTS: He did not but he was the Minister of Finance and was in the cabinet throughout this piece until he was put out. Whether he should have or should not have been he was put out.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Mr. Chairman, let the honourable gentleman speak when his turn comes. What I say are the facts. The facts are the honourable gentleman was in the cabinet. The facts are the honourable gentleman was in the cabinet throughout this and the fact is the honourable gentleman was put out.

AN HON. MEMBER: Inaudible.

MR. CHAIRMAN (STAGG): Order, please! The Hon. Leader of the Opposition had, as all members have had, they have been able to range far and wide. However, I think the range is as far and as wide as the Chair can possibly permit. I suggest that the Hon. Leader of the Opposition get back to the points which are relevant.

MR. ROBERTS: Thank you, Sir, I regret the diversion into the Minister of Municipal Affairs but the point I am making is with respect to taxes and that is a matter administered by the Minister of Finance. The point is that he was in it, and so was the Minister of Justice for that matter. But the Minister of Finance was in the cabinet and did not leave on any financial issue. He left on an issue of a bridge financing over the Shaheen deal. The man who was then guilty of Shaheenery but is now the bosom buddy, the travelling companion, the citizen of the year or of the century. How things have changed! How things have changed! How men of principle have changed their principles.

But, Mr. Speaker - Mr. Chairman, I am sorry, Sir, we are so accustomed to the Speaker at this stage, I notice the Minister of Finance keeps referring to Your Honour as Mr. Speaker, and Your Honour is Mr. Speaker only when Your Honour is sitting on high, and Your Honour is sitting at low, as it were, now, on low, in the low. Anyway he is sitting in the Chair and not in the other Chair.

The Minister of Finance last year, Sir, misestimated taxes, tax revenues, not by a few dollars. On the provincial revenues he missed by twenty-odd million dollars, about one dollar out of every six dollars, in round figures. How can we know this year whether he is accurate or not? He is coming before us now seeking his salary. I predict he will get it. He may not get it with my support but he will get it. But I suggest, Sir, his performance does not show that he warrants it.

This government, Sir, have not done enough to meet the cost of living. I do not pretend they can solve it; I am not sure anybody can solve it. I realize, as does the minister, I think most honourable members, the government have no real control over monetary policy. They have a degree of control over fiscal policy, their own taxes, their own borrowing. I am not sure they have a great deal of control over their own borrowing, indeed perhaps the minister could tell us. I am told that the government have been told to stop borrowing. Indeed, I am told on what I consider to be rather good authority that the bond market, whatever the mechanism is, has sent word to slow down on the

borrowing, stop! That is the real reason we are having this tax increase this year. The financiers have asked for what amounts to a sacrificial lamb. The minister said I think, "We have to show some evidence that we were contributing towards capital account." I would venture to suggest, Sir, that is why every Newfoundlander is going to be asked to pay an extra cent on every dollar, subject to retail sales tax of fourteen point four per cent increase in the retail sales tax. That is why.

So, Mr. Chairman, I think the minister should address himself to these questions. These are the questions that count. Much of what we talk about in this House really is irrelevant not only to the House but to the people of Newfoundland but these questions are not, Sir.

It is all very well for us. Most of us in the House have incomes far above those generally obtaining throughout the province. There is nobody in the House making less than \$14,000 or \$15,000 a year because that is the basic amount that a member receives in his salary and in his emoluments. We have, in theory, some discretionary income, some places where we can cut. But, Sir, the average income in this province is considerably below that. There are many people in Newfoundland whom \$4,000 or \$5,000 a year is as much as they earn in a run of a year. There are many teachers to whom \$6,000, \$7,000, \$8,000 and \$9,000 is their income, is their salary. Sir, on those wage rates any increase in the cost of living can be a very crippling and a very hurtful blow.

I am not going to say the minister's job is easy, it is not - Webster's New World Dictionary. The trouble with using a dictionary is that the minister does not know how to spell. But I am not going to say that his job is easy. I do not envy him it. He has people like the gentleman for St. Georges announcing expenditures of \$1.1 millions, which are made up out of whole cloth. That makes the minister -

AN HON. MEMBER: Inaudible.

MR. ROBERTS: No, I am quoting the Minister of Transportation.

That makes the Minister of Finance's job that much harder when that sort of thing goes on. More irresponsible than anything any of us have said

even in our wilder flights of irresponsibility, more irresponsible than even Your Honour has been in Your Honour's wildest flights of partisan irresponsibility.

But the fact remains that it is the job of the government of this province to try and help people, to try and come to grips with these things. The Government of Canada have done something; they may not have done enough. They have increased the old age pension and they have indexed it to the cost of living; it goes up now automatically as the cost of living goes. They have indexed the family allowance, They have indexed the income tax, so deductions which, in theory at least, help people at the low end of the income scales, so that deductions go up as the cost of living goes up. All of those are efforts to try and cushion the impact of the cost of living on those who can at least afford the rise.

AN HON. MEMBER: Getting it in one hand and giving it back with the other.

MR. ROBERTS: Oh, yes, giving it with one hand and taking it away with another. Even for the schoolboy debater, Sir, that is an impenetrably dense comment.

MR. BARRY: Inaudible.

MR. ROBERTS: They have not reduced any taxes. They have increased their tax yield to Newfoundland, Sir, it is up by \$25 million or \$28 million over the year.

MR. BARRY: Inaudible.

MR. ROBERTS: Mr. Chairman, the Minister of Energy subscribes to a policy that would gut the Government of Canada's financial ability completely. Let him not say anything about the Government of Canada. His policy would destroy any ability that the Government of Canada have to do the things that they should be doing. I am not going to say equalization is high enough; it is not. But I would say the Minister of Energy's policy is selfish and shortsighted and not in the best interest of this province. I believe that now and I believed it since the minister announced it and I believed it since he explained it and I will go on believing it.

MR. BARRY: Inaudible.

MR. ROBERTS: Yes, Mr. Chairman, that shows my concept of federalism. I would like to see a strong federal government. That is why I get much less angry at the Minister of Finance for his pyrotechnics against Ottawa. That is just cheap political chicanery. He is welcome to that. But this childish, irresponsibility of the energy policy is really one of the - there is a Newfoundland word "stunned", it is one of the most stunned things that I have ever seen. "Stunned" is a good Newfoundland phrase. That policy is a stunned phase.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: No, I do not understand, Sir, I quite agree I do not understand. I only have normal comprehension abilities. I certainly do not understand it.

Now, Sir,

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Too busy doing what? I do not want to miss a gem.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Well no I am building them, Sir, building them, building them.

AN HON. MEMBER: Inaudible

MR. ROBERTS: Well sure

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Thh honourable gentleman seem obsessed by the fact that we are going to have a leadership convention. Do they all want to run? The Hon. Minister of Energy has never had the guts to run for anything in his life. In March 1972, he went down to Placentia West District -

MR. CHAIRMAN: Order, please!

MR. ROBERTS: Am I being out of order?

MR. BARRY: Inaudible.

MR. ROBERTS: Oh, well, another time, another time, Leo boy! another school!

MR. BARRY: Inaudible.

MR. ROBERTS: The honourable gentleman made no mistake, it was the people in Placentia West who made the mistake.

MR. BARRY: Inaudible.

MR. ROBERTS: Now, Sir, -

MR. BARRY: Inaudible.

MR. ROBERTS: Yes, if the honourable gentleman want to resign, anytime sure. Let him put his resignation on the Table of the House. The only problem I have in running in Placentia West is that there are about eight other people want to run there as well, in the Liberals. The row up there is going to be over the nomination fight. The row is going to be over the nomination fight.

Now, Sir, I suspect we have drifted somewhat from the heading here. This just shows how the heading here of 401-01 affects the committee, Sir.

Now, I wonder if the Minister of Finance could respond to

one or two of the points I have made. I would like him to speak if he would to the underestimating, deliberate or accidental, of the revenues last year, twenty odd millions, a quite substantial underestimate and how are we to know his estimating is any better this year?

He is asking. It is his policy, in his speech to increase taxes by \$14 million, is that less than he goofed by last year? How are we to know we will not do this or end up with a \$25 million or \$30 million surplus. On his record last year, they had much more in revenue, they had a little more expenditure and if they had not had the Hermitage District I suppose they would have had not a surplus of \$14 million but a surplus of about \$17 million.

AN HON. MEMBER: They are getting revenue on inflation dollars.

MR. ROBERTS: They are getting revenue on inflated dollars. Sure they are. The sales tax will be probably even higher than the minister estimates this year. Last year he underestimated, negligently or deliberately, I know not which. He can tell up perhaps. I would like him to tell us, I would like him to tell us as well what steps the government are going to take. He named two, the fuel oil tax, a bit of a concession, although I do not know what it has meant because the rapidly rising price of oil is eating up any benefits to the people there and every Newfoundlander even burning fuel oil will feel the sting of the one per cent increase.

He talked about the children's allowance, did he not? Did he drag that one in again? He did not talk about the mothers' allowance and the hypocrisy of an administration which in March took away a benefit and in April took away more than a benefit. The hypocrisy, well it is of a piece with the way they approached the Hermitage election, those great paladins, the great honest statesmen, the new politics, the new politicians down there, worse than anything that went on in the past, worst than the worst excesses. So let the minister tell us about that, Sir, and let the minister tell us what he is going to do about unemployment. His own figures are that unemployment will



rise next year. His Budget figures in his speech are that unemployment next year will be higher than this year, that the increase in employment through his policies and his administration's policies are not equal, will not equal the rise in our labour force and there is little change in our participation rate. Let the yahoos on the other side go to their constituents, the honourable yahoos, Sir, and explain that.

MR. CHAIRMAN: Order please! I do not think any amount of qualification will bring the word "yahoo" into that which is parliamentary and I ask the honourable member to rephrase his remarks.

MR. ROBERTS: Sir, I shall. Let the honourable nonyahoos on the other side, Sir -

MR. CHAIRMAN: Order please! Maybe the honourable member has done it. Go ahead, please!

MR. ROBERTS: Let the honourable nonyahoos on the other side, Sir, explain that to their constituents, that this government are predicting an increase in unemployment next year. That is buried in the Budget Speech the Minister of Finance brought in, but it is there. The growth in employment he is predicting will not equal the growth in the labour force he is predicting. Unemployment has been higher in these Tory years of grace than it has been since 1961 or 1967. Let him deal with these questions, Sir, if he wants to pour scorn on me, let him. If it makes him feel better I give him every permission to do so, at least I will not go weaseling around, whining around, about little advertisements in newspapers like some honourable gentlemen do, like some ministers do, crying for help, running for succor. Let the honourable gentleman pour what scorn he want. Let him.

AN HON MEMBER: You have enough suckers over there.

MR. ROBERTS: That is true. That is true. That is true. Nothing compared to the all-day suckers on the other side! There is the gentleman from Bonavista South -

MR. MORGAN: Inaudible.

MR. ROBERTS: Yes, yes and it happens to be true, if not where is the writ for libel? Where is the writ?

AN HON. MEMBER: Shame!

MR. ROBERTS: Shame be damned! It is true. Where is the writ for libel? There is no libel there, I say, that is why no writ has been out. Look at all the whining and the weeping and the crawling around. Now if he wants to pour scorn on me -

MR. CHAIRMAN: Order please! Order please! The honourable Leader of the Opposition I believe is digressing into a matter that is irrelevant. Certainly the matter to which he is referring, I presume it is the debate which we have already had on the Labatt affair is irrelevant to this debate and I suggest the honourable Leader of the Opposition can get back to it.

MR. ROBERTS: I believe Your Honour is probably right but the point I am making had nothing to do with the Labatt's affair, The point I am making is an invitation to the Minister of Finance who started this scornful bit but if he wants to carry on let him, if it makes him feel better let him but let him also deal with some of the real issues that I have raised. I am quite willing to take part in the banter and I can take it and I can give it and I hope I can take it as well as I can give it and I would like to be able to see the minister give it and take it. He is pretty good at giving, let him also take it. That is fine. If he should want to do that, that is fine but let him also deal with some of these issues because there are people in Newfoundland tonight, Sir, whom this one per cent, which is fourteen per cent in effective rates, will hurt. That is why the unionmen in Labrador City have been meeting in the recreational centre in Wabush, passed a motion unanimously saying that they did not think that their representative should vote in favour of it. That is why they did it because they know, it will hurt them and that is why people all over Newfoundland, Sir, are angry and upset and concerned over this. Not just liberals, you might expect them to be concerned, in the party game, but people who hitherto have voted Tory and were prepared to contemplate voting Tory again.

They do not understand this. They do not understand the sales tax. They do not understand the policy that does nothing about corporate profits, nothing about corporate profits but hits people; hits little people. They do not understand the minister whose administration increases social assistance but decreases it for people getting family allowance. Ottawa increases it so people with children can get some help out of it. What does the minister do, Sir? He brings in a policy in these estimates that says, "Ottawa gives, we are going to take away." Let them try explaining that. I have got hundreds of letters and phone calls from people whose cheque from the Government of the Province is cut by this great new welfare programme. Their net income may be up because they are getting \$20 a month on an average per child from the Government of Canada and although it is taxable and would effect any honourable member here who has got children and receiving the allowance, it does not effect these people and yet that is the Tory policy. What I am saying is correct and every honourable member in the House, Mr. Chairman, has had those representations. Maybe not the gentleman from Labrador West because his constituency economically is quite unique. I suspect the average income is very, very high - although people there are concerned because the cost of living is equally high. Let the Minister of Finance do something about the cost of living.

He cannot do everything; I know that. He does not have to whine and to complain and to say he can or he cannot. I do not expect him to work miracles but I do expect him to make an honest attempt to deal with the issues that affect people. That is why they were put into office, Sir, not for priorities and plannings; those are only the means to the end. The end is the welfare of the people of this province. That is why they were put in. If they have any hope of getting back that is how they will go back, not with newspaper advertising and Confederation Celebrations and that sort of trash. No, they will go back with some concern for the welfare of the province, and this Budget shows no concern. This Budget shows no concern for the

interests of the people.

Education, the minister referred to, up twenty-six per cent. That sort of statistics, Sir, reminds me of the logging camp where fifty per cent of the women married two per cent of the men. Unless Your Honour think that polygamy on a high order were being practiced, let me tell you that there were two women and fifty men and that is how fifty per cent of the women married two per cent of the men - and the minister's twenty-six per cent is much like that. His twenty-six per cent is much that sort of thing.

Sure \$3 million up on the grants to the school board but that is not enough to meet their costs even at current levels. There was a \$3.5 million deficit now; the Reverend Mr. Harvey has said, What is it going to be next year? There is nothing to take care of that \$3.5 million so that is there and they are already spending at a rate in excess of that. Now where does the minister get the money? Well he can save \$2.8 million to begin with. We have gone through the estimates. Every department has nestled in it, in the estimates the Minister of Finance, the President of the Treasury Board, has brought before us, nestled in little nuggets, \$14,000 here, \$15,000 there for the Silver Anniversary Celebrations. Well fine, let him end that \$2.8 millions. I would far rather see that go to the school boards than I would to where it is going and I think so would the people of Newfoundland. It is not my job to make a budget for them. I will stand by the budgets I had a hand in making. I am prouder of them than I am of this one. I am prouder of them than I am of any the minister has had a hand in making, this one or the one before or the one before or 1967 or 1968. The minister, before an election in 1966, was in the Cabinet. He took part in policies and help to shape policies and was part of them and went to the country on them and returned on them. Then he got into office and in the Cabinet; I do not know what happened to him. He may say he came to his senses, I do not know. But then, he more than any other man sponsored those slinging budgets in 1967 and 1968 and he is doing it again now.

MR. NEARY: He altered the chocolate bars.

MR. ROBERTS: Yes, of course, he was. How he stood in the House and he talked about fiscal responsibility.

Well, that is fine. Now, he is slinging it again except where he got \$2.8 million for the Confederation Celebrations, underestimates of revenue. Mr. Chairman, even as the colleagues are asking him to resign, I do not think they are being serious, Sir. I hope they are not. It would deprive the administration of what little strength they have if the honourable gentleman resigned.

If the honourable gentleman were to get out, we might end up with the member from Harbour Grace as Minister of Finance. Now, Your Honour that brings to mind Disraeli's famous quip about Gladstone. Somebody said, "And what would have happened? What is the difference between a catastrophe and a disaster?"

"Well," said Disraeli, "if Gladstone were to fall into the pond, that, Sir, would be a disaster. If somebody were to pull him out, that would be a catastrophe."

Well, if the Minister of Finance be a disaster, the member from Harbour Grace as any kind of minister would be a catastrophe.

MR. YOUNG: Well, we could have the Leader of the Opposition as Premier.

MR. ROBERTS: Well, if I were Premier, Sir, the honourable gentleman would not be a minister. I can assure him of that, lest he be under any doubts at all.

MR. NEARY: On a point of order, Sir. My understanding of the rules of this House is one can only speak in this House from one's own seat. As a matter of fact, one is not supposed to speak at all when a member has the floor and is speaking, Sir. He should be heard in silence. Would Your Honour enforce that rule, please?

MR. CHAIRMAN (MR. STAGG): Well, of course the honourable member's point is well taken. If the Chair were to rigidly enforce that rule, I would suggest that there would be very few members in this Chamber. Each member of course is called upon to treat the rule with discretion. I would suggest that the honourable member for Harbour Grace, while he may have spoken, he was certainly being spoken to. I would suggest too maybe that if he wanted to reply, he might have returned to his seat.

MR. NEARY: Do I understand Your Honour's ruling is that if one be provoked, it is okay to speak from another seat or not?

AN HONOURABLE MEMBER: Be careful. Be careful.

MR. NEARY: Is this another precedent?

MR. CHAIRMAN (MR. STAGG): Hypothetical. The honourable member's question is hypothetical.

MR. ROBERTS: Oh no, no. Your Honour has already assured us that the rules are the same for everybody and we know that. So, if a vicious personal attack is made upon my friend and colleague from Bell Island, he is able to respond. Well, we live and learn!

Now, the member for Harbour Grace is back in his seat and everybody is happy about that except his constituents.

Now, Mr. Chairman, I have largely finished my few remarks at this point and I do wish, Sir, they would not force me to spin out like that. I only have forty-five minutes, do I not? It must be up. How many hours left, Your Honour? How many hours left?

MR. CHAIRMAN (MR. STAGG): Seventy-one hours and forty-five minutes.

MR. ROBERTS: Seventy-one hours and forty-five minutes. We may finish Finance, do you think?

AN HONOURABLE MEMBER: We may finish the minister.

MR. ROBERTS: Oh, the minister is finished already.

Now, Mr. Chairman, to be serious about it, I do hope the minister will deal with some of these points. He can deal with them in whatever frame of mind he happens to be at present, whatever his disposition happens to be. I do wish he would deal with them. I shall listen to him with care. I serve notice on him now I am going to nip out for a cup of tea and tea only but I intend to nip out for a cup of tea. I shall listen to him in the common room and I shall listen to him carefully and then perhaps we shall go on from there.

HON. W. MARSHALL (MINISTER WITHOUT PORTFOLIO): I would like to say a few words but, I mean, it is ridiculous to hear the pratings from the chairman of the Billion Dollar Club that put this country in debt \$5 billion, heaping us with all sorts of advice as we wallow

under the morass of the debts which they encumbered the people of Newfoundland with. We will get on to that later. I will probably wait until the member for Bell Island is Leader of the Opposition and then perhaps I can give him a little bit more instruction than the present Leader of the Opposition is able to take.

At the present time, Mr. Chairman, I move that the committee rise, report progress and ask leave to sit again.

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

MR. ROBERTS: Interrupting my tea break.

MR. SPEAKER: Order, please!

MR. MARSHALL: Mr. Speaker, if the honourable members would only contain their impatience. I moved, Mr. Speaker -

AN HONOURABLE MEMBER: Inaudible.

MR. MARSHALL: Oh, I am sorry. All right.

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

On motion report received and adopted.

MR. MARSHALL: Now we will tell them what we are up for.

I move that the House when it rises this evening stand adjourned until ten o'clock tomorrow morning. That is the motion, Mr. Speaker.

MR. SPEAKER: It has been moved and seconded that when this House do adjourn it will adjourn until ten o'clock tomorrow morning. Those in favour "Aye". Those against "Nay". Carried.

On motion that the House go into Committee of Supply. Mr. Speaker left the Chair.

COMMITTEE OF SUPPLY:

MR. CROSBIE: Mr. Chairman, certainly the last few minutes of the honourable Leader of the Opposition's remarks certainly remind us once again of the fact that this is how he endears himself to all honourable members. That is why he is only going to be an interim leader of the



party that he heads and why he can feel the hot breath of about a dozen people down his neck as he heads towards that leadership meeting next September. Whenever he smiles he reminds me of Torquemada of the Inquisition.

Now, that is all I am going to say about the gentleman and the poisonous content of some of his remarks. It does not surprise us. We have heard it often.

Now, Mr. Speaker, just look at some of the points the Leader of the Opposition put forward. I am supposed to stand here now in sackcloth and ashes and be extremely contrite, very contrite and say that I have made terrible, terrible, terrible mistakes and errors in the estimates for last year. The honourable gentleman opposite says that our revenue was underestimated by \$24 million. Imagine, Mr. Chairman, by \$24 million. It was underestimated by \$24 million, the honourable gentleman says. This was supposed to be a tremendous error.

Now, Mr. Chairman, estimates are just what they say, estimates. The dictionary defines estimate and I will read it so the honourable Tea Drinker' can hear me and he will know what an estimate is and what an estimate has always been. "An estimate is to calculate approximately size, cost, etc., a general calculation." That is what the estimates are.

The estimates of last year's revenue were extremely accurate. They were underestimated by \$24 million because no one could forecast at the beginning of last year, Mr. Chairman, what was going to happen to the economy. The mandarins at Ottawa could not forecast it. The Economic Council of Canada could not forecast it. No one could forecast the inflation that we have been involved in in the last year-and-a-half. So, naturally the estimates were underestimated. They were the best estimates at the time, and were out \$24 million. Last year's current account revenues were \$361 million and the underestimate was \$24 million; very, very small.

What was the supplementary supply? The lowest in our history, 1.7 per cent, this year, the year just ended, and 1.3 per cent the year before.

The honourable gentleman opposite has the gall and the nerve to

talk about estimates and inaccurate estimates when the government of which he was a part from 1968 to 1971 brought in estimates to this House that were a disgrace. Every year they had supplementary supply of \$55 million and \$60 million. They were not even estimates at all. Now he has the gall to get up and pretend that there was some monumental error last year in the estimates of revenue because they were \$24 million under.

Well, just look at some of the reasons. The gasoline tax, he said, was underestimated by \$1 million or \$2 million. What is the reason, Mr. Chairman? Did anybody in this House a year ago know that in the fall of last year the Arabs were going to pull their boycott, that the Arabs and the Israelis were going to go to war, the Arabs would pull their boycott and that oil and gas prices would skyrocket in the fall? Did anyone in this House last year mention it? The honourable Leader of the Opposition did not tip us off.

If he be so clairvoyant, if he be such a tremendous estimator, why did he not tell us last year in this House: "Gentlemen, the gasoline tax is underestimated because the Arabs are going to fight with the Israelis next October and

then Saudi Arabia is going to put the cork in the oil well and force the prices up and you are going to pay one hundred per cent more for oil and gas in nine months time than you are now." If he had done that, if he were as thoroughgoing as I was, then we might have had a bigger estimate for gasoline tax. As it was we were out \$2 million dollars, \$2 million. The honourable gentleman thinks that that is something to talk about.

The retail sales tax, I forget the exact figure, our estimate was perhaps \$7 million less than it actually turned out to be. So? So what? We had no idea that there was going to be so an galloping inflation all of last year including the effect of oil and gas prices and the rest of it. That is how you estimate the retail sales tax. You estimate it as a percentage of what retail sales are likely to be during the year. What they are likely to be depends on what happens to prices and what happens to the gross national product and the rest of it. So that underestimate was a very small underestimate.

I do not know what other he mentioned. Personal Income Tax he mentioned. The same thing exactly applies to personal income tax. It will not any longer, now it is indexed but before that it applied. If you had inflation then you collected more personal income tax because people had larger incomes.

So this great sin, this great error I committed last year, according to the Leader of the Opposition, turns out on any kind of examination at all not to be an error at all. It turns out to be an extremely accurate estimate and there is no way honourable gentlemen opposite can say that our record as compared to theirs is not ten thousand better in the estimates that are being presented to the House, when one looks at the supplementary supply bills for the last twenty-five years. So much for that point.

Now, the honourable Leader of the Opposition says, Mr. Speaker, that we are not going to get, that we have not gotten any money from Ottawa, for the Silver Anniversary Celebrations and we show an appropriation-in-aid in the estimates and he alleges that this is misleading.

Well, I will tell the honourable gentleman that that is not the only thing that is there on speculation because we have been unable to get his great friends in Ottawa to tell us what they are going to give us for the Silver Anniversary. For eight or nine weeks now his great bosom buddy in Ottawa who gives him his information presumably has had in his office a submission for the treasury board as to what Newfoundland is supposed to get for the Silver Anniversary and we cannot find out what it is, but Ottawa has told us that we are going to get a contribution, that they are going to give us a contribution towards the cost of the Silver Anniversary, but they have not told us yet how much.

It does not matter how many times we ask them for an answer, how many times the Minister of Tourism calls them, they have not yet told us how much but we know that they have said they are going to give us a grant.

We have done our best to estimate. If we did not put in something, Mr. Chairman, we would be grossly underestimating our revenue. We know that Ottawa is going to give us a certain number of hundreds of thousands of dollars towards the Silver Anniversary Celebration. As yet they have not told us how much.

AN HONOURABLE MEMBER: Do not hold your breath.

MR. CROSBIE: So that is an estimate. If they do not, well then, why do not they be men enough to say that we are not getting anything. They have not said that. The secretary of State's Department and our minister in the Canadian Government, the honourable Don Jamieson, have said that we are going to get a contribution to the Silver Anniversary. That is what we have been told. We do not know yet exactly how much it is.

That is not all that is in there that is a guesstimate. As I mentioned in the budget speech, in the DREE programme we are still waiting for Ottawa to start signing subsidiary agreements. So the amounts in forestry, as appropriations in aid in forestry, are guesstimates because we are not sure yet how much Ottawa is going to contribute to these programmes although we have a pretty shrewd idea. The agreement

is not yet signed. That is only one subsidiary agreement that we are waiting to hear from Ottawa about. There is one under the Labrador Linerboard Mill and another two or three that have been up there for months and that we are still waiting to hear about.

So perhaps the Leader of the Opposition has a better pipeline to Ottawa than we do but there is nothing misleading in those estimates. Those are estimates, the best we can do based on the information we have now as to what the Federal Government is going to do and if they are not more accurate it will not be our fault, it is the fault of the other party we are waiting to hear from.

Now, Mr. Chairman, there was a new theory suggested here tonight, Newfoundland history tonight was being rewritten. The Leader of the Opposition was rewriting Newfoundland history. I thought that this was the third budget that I had brought down in this House but it turned out it was not the third, it is the sixth because, according to the Leader of the Opposition, I brought the budget down in 1967 and I brought it down in 1968. So apparently this is my fifth budget. I had two before and he says tonight I had a hand in making the budget. Even Wayfarer, Albert Perlin, tells it as it is that no one but Mr. Joseph R. Smallwood himself had a hand in the budget in Newfoundland from 1949 till he departed from our midst at the end of 1971, screaming, roaring, being dragged from our midst after he lost an election.

AN HONOURABLE MEMBER: That is not true.

MR. CROSBIE: That is true. Mr. Joseph R. Smallwood prepared all the budgets himself and I once watched him walk back and forth his living room as he dictated it. To suggest, what a cowardly suggestion the honourable Leader of the Opposition to make that I did the budget in 1967 or 1968 or that I had a hand in making the budget or that I argued for this or that I authored that, a cowardly and despicable and untrue statement. No one authored the budget in those years but Mr. Joseph R. Smallwood himself.

AN HONOURABLE MEMBER: The minister knows that is not true.

MR. CROSBIE: I know of what I speak. I was in the cabinet for two

years and two years was long enough. When I got out of the cabinet the honourable gentlemen opposite "snuck" in. Mr. Smallwood felt unsafe and he had to get all those who might cause him some trouble into the cabinet quickly and brother from Bell Island got into the cabinet and the honourable gentleman from White Bay North got into the cabinet and White Bay South and Fogo got into the cabinet. Four or five of them stepped into the cabinet over our backs, poor Wells and I, when we got out. It took five of them to replace Wells and I, five of them, the member for Bell Island, Fogo, White Bay South, White Bay North and there was one other. I do not know who the other was and I cannot remember at the moment.

AN HONOURABLE MEMBER: Labrador North.

MR. CROSBIE: No, Labrador North came later. He came after. He came after.

AN HONOURABLE MEMBER: Port au Port.

MR. CROSBIE: Port au Port. Yes, Port au Port, Port au Port, "Silica Bill", five of them. It took five of them to replace Clyde Wells and I. Imagine that.

Now, Mr. Chairman, I am told tonight, the Committee is told that I authored the budget in 1967-68. Well, Mr. Chairman, I was a member of the government at those times and I am just as responsible as all the other members of the government.

AN HONOURABLE MEMBER: Hear! Hear!

MR. CROSBIE: Honourable gentlemen opposite want to pretend that they are against taxes and never had anything to do with them and try to disclaim taxes. The honourable gentleman was a backbencher, afraid to speak in those days. Mr. Smallwood would go, "Uh! Uh! Uh!" and he would tremble and he would shut his mouth.

We liberated the gentleman from Bell Island at the end of January, 1972 and he has not shut his mouth since but as long as Mr. Smallwood was there he was afraid to open his mouth and that is the truth of it. He supported the 1967 increases and the 1968 increases and the 1969 increases, never spoke out in this House against them nor did the member for White Bay North who tonight asks the

honourable gentlemen of this committee to believe that I told Smallwood what to put in his budget. I said, "Now, look here, Smallwood, you up that sales tax, old man, and whop up that gasoline tax five cents and you jolly well cut down on their candy bars and their soft drinks! Now you just do that, dictate it while I am here watching over you!"

That is what we are asked to believe tonight. Now what tripe, what tripe, what tripe that I was able to dictate to the great dictator. Well, I do not think anyone is going to swallow that. They have to swallow quite a lot, they will not swallow that.

Now, in 1969, just to clear the record, Mr. Chairman, I was not in the cabinet. I was a humble backbencher in 1969 when the chocky bars and the soft drinks got stomped on. In 1969 I was a backbencher when the income tax went up five points, five points; not four points, five points. The honourable Robin Hoods opposite put them up five points in 1969, and I was a backbencher.

Apparently as a backbencher, Mr. Chairman, I went to Smallwood and I said, "You put up that income tax five points or you are going to get it!" He did it and he had to do it. Well, boy, this is a new picture. That is a new picture of "I Join Canada" or "I Chose Canada", that is a new picture. I was laying down the law to him. Boy! I was putting it right into him. "You do that or this backbencher here will run against you!"

Well, he already knew I was running against him but he did it anyway.

Now this is a new version of history. I do not know whether I am against it, I sort of like the idea. I sort of like it. Yes. "You taxed those chocolate bars here Smallwood or I am telling you, Sir, I am going to cause you some trouble! I do not care about Steve Neary and the rest of that caucus who are against it." He said, "Steve is not against it. Steve is not against it. Steve is not against anything that I am for."

I do not think, Mr. Chairman, anyone is going to swallow that. All right!

Now the honourable gentleman opposite, the Leader of the Opposition, said that we were asked to stop borrowing by some financial people or concerns thereof. We have not been asked to stop borrowing. No one has asked us to stop borrowing. We do not have to be asked to stop borrowing because we cannot stop it even if we are asked to stop it; there is too much to do in Newfoundland. We are not asked to stop borrowing but we know ourselves from analyzing what is happening and looking at what borrowing has been done in the past and what borrowing we have to do for essential things now, that we just cannot go to wing with it, that we are borrowing all we should be now and all we can safely do, that we want to secure our future, we want to be able to borrow next year or the year after and so on. No one is asking us to stop borrowing. When we go to borrow for some good purpose such as the purchase of the Churchill Falls shares and the water rights and so on, \$160 million, it took the Bank of Nova Scotia two and a-half seconds to say yes. That is all. They never said, "No, do not do this." We dropped in on them on the way, on our way back from Vancouver, dropped in, and said, "We want \$160 million boys; we are buying BRINCO." "There you are lads we do not care if you buy lollipops." That is all. Our credit is good.

Well we are buying an asset there that will repay the loan eventually. You know if we were just borrowing the money it might be different. Our credit is not in trouble but it would be if we showed absolutely no sense of restraint at all. We are borrowing more now than any of the other Maritime provinces, far more in proportion to our population resources.



Well we have more to do, so we had to risk it. So no financial institution and no financiers - I would not like to see the press tomorrow quoting the Leader of the Opposition that we have been asked to stop borrowing. We have not been asked to stop borrowing. Nobody needs to ask us to stop borrowing, it is not necessary.

Now what are we doing about unemployment? You know, what steps are we taking? The Leader of the Opposition asked: "What steps are we taking to combat unemployment?" Well we are giving employment directly from the budget to 27,700 people, \$250 million of our budget is to give employment to those people and they are all spending and employing other people. On our capital account, we are spending \$197 odd million on capital account. That is going to construct buildings and that is going to construct roads and hospitals and schools and the rest of it. That is going to give employment. We are the biggest factor in the construction industry of Newfoundland, the government spending is. That is giving employment.

We are spending \$400 million on forest access roads so that people in Newfoundland, the loggers can get at the wood to cut it for the mills. We are putting \$17 million into the Labrador Linerboard, which this year will be employing 1,100 people in the woods and at the mill. That is just some of the things, a few of the things. Rural Development have got \$2.5 million that they are lending small businessmen in the rural areas so that they can employ a few people. The Newfoundland and Labrador Development Corporation which we have now \$800,000 in the estimates for is making loans to companies who are employing people. What are we doing about unemployment? These are some of the things we are doing. Well we are not miracle makers. We do not have a budget of \$2 billion or \$1.5 billion. We do not control the Bank of Canada. We cannot print money. Those are some of the things that we are doing about unemployment.

There is \$750 million being spent this year by this government, now what else can we do about employment? Are there any good suggestions opposite, you know, for things that can be done apart from make-work schemes? We are doing all kinds of things. Now I will tell you what we

are really doing for employment though, Mr. Chairman. It is this: We are building for a future in Newfoundland where there need be no unemployed. That is not going to be this year and it is not going to be next year be the year after, but it may be in five or ten years time if the things that we are doing now plan out, the gambles that we are taking work, if we get hydro power from Gull Island to Newfoundland, so it is here in 1979 or 1980 and gives us some foundation for commercial and industrial activity. That will be one great thing that we will have done for employment in this Island because if we do not succeed with it, you can forget employment on this Island, There will not be enough employment on this Island to keep half of the population here, if we cannot get that hydro power to Newfoundland and that is why \$160 million is going on that and \$14 million to start the Lower Churchill this year, why we are straining ourselves to the limit. That is why because if we do not we can forget this Island of Newfoundland, we can forget it. It will be nothing but a home for the aged and the young in ten years time if we do not get hydro power here from Labrador.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: What is the other?

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Yes, that is the philosophy.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: That is the philosophy. You are darn right it is Tory! Not to forget, not forget the short term but to keep our eye on the long term. We have to put our money in and develop this island, not do any of these things that will be impressive this year and next year and get us a few votes. We have to think: Is this place going to have a future? Our other main opportunity is going to be the oil and gas off the shore there, which if the Liberal Government at Ottawa have its way, they will control the administration of it and it will all bypass us and the development will go to Halifax and it will go to Quebec and we will have nothing but a few lousy dollars which will come off our tax equalization anyway. Because if Newfoundland do not control, do not have jurisdiction over the oil and gas off

these shores, the benefits flowing to us will be just about nil.

Those are some of the things that we are doing for employment, not the short-term political things that the honourable gentlemen opposite would do if they were in power. Luckily they are not in power. They are in no danger of getting in power. The only power they are in, is in a power struggle. A power struggle! That Knight of the long knives next fall, the Knight of the long knives, and the longest knife of them all and the biggest gun of them all may be in the melee. That is going to be an interesting spectacle. I hope it is televised, Mr. Chairman. We will be watching with interest. But while we are watching this amusing entertainment this spectacle of passion and power and the struggle and perturbation and the back-sticking and pig-sticking and gutting and the wallowing in error, the sanctimonious sum and the torturous tripe that we will see in that shemozzle next fall, while that is going on, while that side-show, that adjunct to the Silver Anniversary Celebrations which will not cost us anything but it is going to be a big attraction, it all adds to the flavour of the whole thing. You know Mr. Nutboom could not think up anything better than that really, as a finale to our Silver Anniversary.

AN HON. MEMBER: A puppet show.

MR. CROSBIE: While that is going on we will be governing the country. We will be laying the foundation for the development of this province. We will be laying the foundation for the next election, when the people of Newfoundland are going to return us here, fifty-one strong and when we will have to appoint two or three from our ranks to go over so we will have an opposition over there because the people of Newfoundland are tired and fed up with these voices, slandering, rumouring, malicious, gossiping, always negative, always attacking, they are tired of that. They want us to be left alone to get on with government.

I therefore move, Mr. Chairman, that all the estimates be approved immediately.

MR. CHAIRMAN: (MR. DUNPHY): The honourable Member for Hermitage.

MR. R. SIMMONS: Thank God somebody believed it.

MR. MORGAN: Inaudible.

MR. CHAIRMAN: (MR. DUNPHY): Order, please!

MR. SIMMONS: Mr. Chairman, as soon as the Member for Bonavista South shuts up I am going to say what I have to say.

AN HON. MEMBER: Inaudible.

MR. CHAIRMAN(MR. DUNPHY): The honourable Member for Hermitage will be heard in silence, please.

MR. SIMMONS: Let the record show that this is Mr. Dignity himself speaking over there, Mr. Chairman, the fellow who promised us that he would leave and then spoiled it by coming back.

MR. MORGAN: (Inaudible)

MR. SIMMONS: Mr. Chairman! I have all the time in the world, Mr. Chairman, all the time in the world. Perhaps we could have a quorum call first of all.

MR. CHAIRMAN (Dunphy): I would please ask honourable gentlemen on the other side if they would show the honourable gentleman the courtesy of hearing him out.

MR. SIMMONS: Thank you, Mr. Chairman. First of all I should say what a pleasure it has been to sit here and listen to the ravings of the Minister of Finance in his version of the truth. I could not help, having not been in the House during the period to which he referred, I could not help but feel a part of history as he told us about the times in which the former Premier has succeeded in shouting down the present Member for Bell Island. I thought that he had rather conveniently forgotten that spectacle on opening day of this session when the Premier, right in front of the cameras, T.V. cameras and all, had occasion to shout him down and even tell him to shut up. It is the kind of thing that we shall see gets recorded properly.

In case you did not understand me, Mr. Chairman, I sat here and watched as the Premier had to turn around on opening day, in front of all the cameras, and tell brother, you know what, to shut up!

SOME HON. MEMBERS: (Inaudible)

MR. SIMMONS: Are the honourable members finished entertaining themselves now? God Almighty!

Once more, Mr. Chairman, on opening day I was rather amused to watch the Premier have to tell the Minister of Finance to shut up. It was at once the most important contribution the Premier has made here and the most sensible action required of the Minister of Finance at any time in this particular House. I hope to see more of it.

He talks about power-struggles and tries to divert attention away from the real power-struggle that is going on in this House and this province at the present time. Or is he conceding that he has lost that particular power-struggle already?

He tells us what he has done for unemployment and he mentions as one example the 20,000 Civil Service jobs.

AN HON. MEMBER: 27,000

MR. SIMMONS: All the 27,000 Civil Service jobs. I suppose the people throughout the country are supposed to believe that all of these jobs were created in the last two years, perhaps, that the entire Civil Service too was created by this administration on top of all the other things it has done. He tells us that another of his government's contributions to doing something about unemployment is the great capital expenditure programme, estimated this year at \$197,867,000. He does not bother to mention that the estimate for last year was \$227 million and that he was over \$40 million off on his estimate. At the end of the fiscal year he had nearly \$41 million, \$40,874,000, which he did not even spend - or something like twenty or so per cent of his total estimate of a year previous.

I will be the judge, and let every Newfoundlander, Mr. Chairman, be the judge of how effective the proposed capital expenditures will be after we have seen the year through. If last year is any indication, I would not boast if I were the Minister of Finance, I would not at all boast about the track record insofar as the effectiveness of capital expenditures and job creation are concerned.

Then he tells us, of course, about his Utopian ideas for no unemployment at all. None! Five or ten years from now no unemployment whatsoever!

MR. ROBERTS: I thought the announcement was going to be next year.

MR. SIMMONS: These fellows have not gotten together for a while. It has been a long time since the Premier and the Minister of Finance have compared notes. That is obvious from the public statements we hear from each of them. One says next year and the other: "What is five or ten years if we can have no unemployment at all in five to ten years from now?" But there is a catch, Mr. Chairman. He says: "If things pan out." There is the bug. There is the catch. "If things pan out!" This administration is fast becoming known, Mr. Chairman,

around this province as the "If" administration. What could be? What would be? "If." The "If" administration.

Perhaps the most amusing thing of the whole business today and tonight has been the mood of the Minister of Finance in his delivery. Usually such a sober man, it is a very unusual mood for him. I suppose he is trying, as best he can, Mr. Chairman, to take on a new style. He has had five years practicing being bitter, since that bad event down at the stadium that he will not let us forget, and perhaps the man is trying to take on a new image. Who can blame him?

He goes on to point out that only one-eighth of the tax increases, one percentage point of the eighth percentage points of the present sales tax, only one-eighth of the total is a Progressive Conservative tax increase. Mr. Chairman, except for the fact that I do not at all take him seriously, (I am sure he does not even believe what he is saying) if I did, or thought for one second he believed then I would launch into an explanation of the matter. Really, of course, not even he, the Minister of Finance, believes what he is advocating on that point.

The mischievousness, the deceit involved in suggesting that somehow we can take an eight per cent tax and break it down into a Liberal part and a P.C. part. Whoever brought in the first seven percentage points, the fact is that we have them today and I would suggest, Mr. Chairman, that the legitimate question, the operative question for the administration to have asked themselves is not whether we ought to have eight points, all together made up of seven and one, Liberal and P.C., but whether this was the opportune time to introduce an increase in the S.S.A.?

I agree with the minister that if we are to have adequate revenues, at some point the administration has to look for ways

to find additional revenues. One of those ways may be tax increases. Nobody begs that rather elementary principle of proper government. That is the issue I am sure.

I say that the issue on this extra percentage point is one of timing. It is not an issue whether at some time we should have more taxes than at another time, it is rather as to whether at this point in our development in Newfoundland, a point at which the people of Newfoundland have never been before so preoccupied with the matter of cost of living, I suppose, Mr. Chairman, not since the great depression of forty years ago has there been such a conscious preoccupation, such a panicky preoccupation with the unrestrained rise in the cost of living, almost on a day to day basis. People see it every time they go to the store, every time they pull up to a gas station, Everywhere there are evidences of the skyrocketing cost of living and at that particular time when other provinces throughout the country are either restraining themselves or else actually introducing methods or tax decreases in most cases across the nation, the one exception has to be Newfoundland. The one government across the whole nation, at a time when, as I say, the public preoccupation with cost of living is almost panicky, at that particular time this government, which does not have any great track record anyway for being humanitarian, this government picks this most inopportune time to introduce another tax increase making our sales tax the highest in the whole nation. While the Minister of Finance may suggest there are all kinds of accolades and commendation for his action, while he may suggest that tongue-in-cheek, he knows very well, Mr. Chairman, that what he and his administration have done by introducing this tax at this time is to further aggravate an already panicky situation, a cost of living situation which is affecting every low and middle income earner throughout this province. If he think that is a matter to joke about, once again he and I disagree and are worlds and worlds apart.

I have a question or two for the minister, I hope he is within



hearing although he is not present. I will put them for the record and I hope he gets to answer them either tonight or sometime subsequent. Just before I do I cannot help but notice the enthusiasm of the Minister of Mines and Energy for this tax increase, this extra per cent, the eight per cent sales tax. He tried some of my colleagues on this side, who were part of the Liberal Administration of two, three or four years ago, and asked them if they were forced to vote for the tax increase and that kind of thing. Well, since he is asking the questions, perhaps I could ask one of him, Mr. Chairman. What does he intend to do on this one? Is he being dragged along by the administration or will he indeed vote against the eight per cent? If not, in voting for it will he go public?

MR. BARRY: My vote will be made public in the House, yes.

MR. SIMMONS: Will he go public and defend it?

MR. BARRY: My vote will be here.

MR. SIMMONS: Quite hidden I am sure. Will he go on an open-line show and tell his constituents where he stands on it and why he thinks it is necessary, Mr. Chairman?

MR. BARRY: Inaudible.

MR. SIMMONS: Feel strongly for it? He feels strongly for the eight per cent?

MR. BARRY: Strongly for proper budgeting, yes.

MR. SIMMONS: No weasel words, Mr. Chairman.

MR. BARRY: These are no weasel words.

MR. SIMMONS: Is he for the eight per cent? Are you in favour of it?

MR. BARRY: Inaudible.

MR. SIMMONS: Very much.

MR. BARRY: Is he? Does he support what they did to get it up seven per cent?

MR. SIMMONS: It depends on what they did.

MR. BARRY: Does he support the seven per cent?

MR. SIMMONS: Does he want the floor?

MR. BARRY: If we start at zero, our one per cent would mean one per cent sales tax.

MR. SIMMONS: Mr. Chairman, is the member, what is he the temporary what? The Minister of Mines and Energy, is he suggesting that the one percentage point is enough, they do not need the other seven? Is that what he is telling us?

MR. BARRY: I am saying that it would not have been necessary at this time.

MR. SIMMONS: I asked the minister a question which he has weaseled out of, Mr. Chairman, I asked him if he is prepared, without using weaseling words, to defend this thing publicly and to tell his constituents and the people of Newfoundland why he is in favour of it?

MR. BARRY: Inaudible.

MR. SIMMONS: Thank God! Thank God! Mr. Chairman, something to look forward to.

MR. BARRY: Inaudible.

MR. SIMMONS: Even some blind men, Mr. Chairman, are defending it, even some blind men are defending it. Mr. Chairman, the saddest thing of all is that he believes it, Mr. Chairman. He actually believes that. Mr. Chairman, now that the minister is back in his seat I just wanted to get back, before sitting down, to a matter relating to the northern allowance, The Leader of the Opposition raised the matter earlier. I have what I believe is another aspect of it and this is northern allowance as it relates to Labrador itself, the allowance presently being paid in Labrador.

There is a discrepancy there at the minute, a discrepancy that certainly cannot be justified on the grounds of rationale. If an individual who is entitled to this northern allowance, if the spouse of that individual is also employed by the provincial government and that individual receives \$600 northern allowance, qualifies I suppose as a single person if you like but anyway, without complicating it, qualifies

for \$600. If however, it is an individual whose spouse is not employed by the provincial government, that individual is entitled to an allowance, that individual receives an allowance of \$1200.

Now just to make the point another way I could quote examples too that come to mind; two ladies who teach in the Happy Valley - Goose Bay Area. In one case her husband receives money from the provincial treasury so she gets \$600. Another case the husband is employed and receives money from the federal treasury, she gets \$1200. I would like to ask the minister if he is aware of that discrepancy and if there is any intention to clear it up so that there is not that kind of discrimination involved?

MR. BARRY: Inaudible.

MR. SIMMONS: No, Mr. Chairman, in answer to the comment from the member for Placentia West, I am not concerned whether it is the same as the federal or not, that is not my point right now. There may be some virtue in looking at it from that standpoint but I am saying that if two people are in the same kind of circumstances, indeed in the case I am quoting two schools within a couple of miles of each other and the only difference is that one sleeps with a provincial employee and the other sleeps with a federal employee and yet one is getting \$600 allowance versus \$1200, I would say that is unwarranted discrepancy and something ought to be done about it so that the regulations do not permit that kind of discrimination. I would like the minister when he comments later to react to that point.

MR. NEARY: Mr. Speaker, I did not intend to speak any more in this debate but I am afraid the Minister of Finance in his remarks mentioned a couple of points that I thought I better comment on and perhaps in the process let the minister have a broadside.

MR. BARRY: Is he going to make your announcement now?

MR. NEARY: No, I am not going to make any announcement now. I am going to be coy, as the Minister of Finance says. The Minister of Finance, Sir, is terribly worried about the Silver Anniversary contribution from Ottawa. Well, Mr. Chairman, I say thank God that somebody

has a grain of sense in this whole matter of the Silver Anniversary Celebrations! Thank God, Sir, that somebody up in Ottawa has sense enough to see what extravagance and waste this whole Silver Anniversary Celebration has turned out to be. But I hope, Mr. Chairman, that Ottawa will not pass over the seven hundred and some odd thousand dollars, appropriations-in-aid in the estimate

estimates for Mr. Nutbeem to go off and have a big party, to go off, Sir, and have bonfires, bicycle contests, beauty pageants, bridge tournaments, bonfires, fireworks, booze parties.

AN HON. MEMBER: Bung fights.

MR. NEARY: What kind of fights? Bung fights.

I hope, Mr. Chairman, that Ottawa will have better sense. If Ottawa are going to make a contribution to our Twenty-Fifth Anniversary as a part of this great nation, Sir, my suggestion to Ottawa would be that they build a home for retarded children in Newfoundland that is so badly needed, that they build a new school for the deaf.

MR. BARRY: (Inaudible).

MR. NEARY: Three times as much for what?

Mr. Chairman, I do not know what the honourable members are talking about. They must know more than I do about what the former Premier is doing. They keep a closer watch on his activities, Sir, than I do.

AN HON. MEMBER: The honourable member has lost contact with him.

MR. NEARY: No, I have not lost contact with him.

MR. CHAIRMAN (Mr. Stagg): Order please!

MR. NEARY: But, Sir, there has been a movement on foot for a long time in this province to try to get a new school for the deaf because the school down at Torbay is an old building. It is one of the buildings that were passed over to the province after the war, by the R.C.A.F., I think it was. It is a bit of a fire hazard, as the Minister of Transportation is well aware.

Now, I think, Mr. Chairman, that if Ottawa wanted to do something in these Silver Anniversary Celebrations that I could not think of a better project for Ottawa to undertake, instead of giving this honourable crowd \$700,000 or \$800,000 to lash out in foolishness, than to build a new school for the deaf. Why not build a new school for the deaf? I would say Ottawa would be doing the right thing. Build a school for the retarded children, which is so badly needed in this province.

Build a home for unwed mothers, for that matter, or build a home for alcoholics. Do anything, Mr. Chairman, but do not give the Minister of Finance another \$800,000 that he can pass over to Mr. Nutbeem, the Premier's brother-in-law, who is getting paid about \$25,000 salary to go out and have a big party, a big blow up, like the one we are having in Corner Brook this weekend, in recognition of Prince Edward Island. Now if they were having a party out in Corner Brook in recognition of Bell Island, I could understand it, Sir, or Fogo Island but having a big party in recognition of Prince Edward Island and then the following month there is going to be one in recognition of New Brunswick and then Nova Scotia. What kind of foolishness is this, Sir? They are going to change the name of a park out in Corner Brook.

AN HON. MEMBER: Gros Morne Park.

MR. NEARY: No, it is not Gros Morne Park. What is the name of that park out in Corner Brook, they are going to rename Prince Edward Island Park? Imagine.

Mr. Chairman, as far as this \$700,000 or \$800,000 from Ottawa is concerned, I hope that anybody in this province who has any influence over Ottawa at all, will try to persuade them: "Yes, do something for the Twenty-Fifth Anniversary of Confederation, do something but do something substantial, do something constructive. Do not pour the money down the drain." Why, Mr. Chairman, if the taxpayers of Canada ever heard that their government, the national government, the federal government, gave the Minister of Finance in this province \$700,000 or \$800,000 so he could pass it over to Nutbeem to have a big booze party, what would the taxpayers of Canada think? What would David Lewis say if he ever found out that the government that he is supporting at the present time, the minority government, were spending the taxpayers money in that way, Sir? What would Mr. James McGrath say, Mr. James McGrath, M. P., who is abdicating free milk for school children? What would he think of it? If the Government of Canada want to initiate a project in Newfoundland, there is one they can do in this Silver Anniversary of Confederation, give all the school children free milk. Do not give

it to the Minister of Finance so he can give all the adults free booze. That is what he is asking for, Sir. I say thank God there is a little bit of sanity in this whole matter of the Silver Anniversary.

Mr. Chairman, do you know what we are spending in Newfoundland this year on the Silver Anniversary Celebrations? It is a total of about \$2,100,000. Last year, in the 1973-1974 fiscal year, the amount was \$660,800. So far the taxpayers of this province have coughed up, Sir, about \$2,800,000. Does the Minister of Mines and Energy believe what I am saying? It is true. He cannot believe it; the Minister of Mines and Energy is supporting this kind of policy, this Silver Anniversary nonsense.

Mr. Chairman, we are not celebrating our one hundredth anniversary, it is only a made job for Nutbeem, the brother-in-law of the Premier, that is all it is. It started off, Mr. Chairman, as political appointments, Mr. Nutbeem and Mrs. Williams.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Ah yes, Sir.

MR. BARRY: (Inaudible).

MR. NEARY: Ah, Mr. Chairman, what nonsense, what utter tripe and nonsense. Now we are up to \$2,760,800 and the end is not in sight yet. It will probably go somewhere between \$3,000,000 or \$4,000,000 before we are finished, Mr. Chairman. I have nothing against celebrating the anniversary -

MR. BARRY: (Inaudible).

MR. NEARY: Mr. Chairman, here is the kind of information we are giving the people about the province: We are having, Sir, Confederation banquets where the minister and his colleagues go over a list with a fine-tooth comb, only supporters of the party, only the elite, the businessmen, the well-to-do, the well-heeled will be invited. How many welfare recipients will be at these banquets? How many people in the low income bracket, Sir, will be at these banquets? How many minors, Mr. Chairman, in this province will be invited to these banquets? How many bus drivers, truck drivers and fishermen will be invited? How many

fishermen, Mr. Chairman, will be at these Confederation banquets? No, Sir, they are only for the well-heeled, another little bit of patronage for friends of the administration. It is a great thing, they are going around showing the poor people on welfare, the people in the low income brackets and the people who are struggling for homes and waving the invitations in front of them: "Look, I am going to a Confederation Banquet for Prince Edward Island" and probably the ones they are showing it to do not have enough bread on the table for breakfast the next day. No wonder the world is going Communist, Sir, or Socialist, make no wonder with this kind of nonsense going around. The Minister of Finance comes in then putting on a show in the Legislature.

MR. CROSBIE: The honourable member was a socialist once.

MR. NEARY: I still am. I guarantee the honourable minister that I still am, especially when I see - where are the socialists over there? Where are they?

MR. ROBERTS: Socialites, not socialists.

MR. NEARY: Social climbers, Sir.

MR. BARRY: (Inaudible) - social party.

MR. NEARY: I would like to know, Mr. Chairman, how many of the ordinary people, how many of the working class people will be invited to these banquets: How many?

MR. BARRY: If I am not in Marystown in September, we will show the honourable member.

MR. NEARY: Then they have bridge tournaments.

MR. ROBERTS: An old Newfoundland game.

MR. NEARY: Yes, bridge tournaments, Sir. It is like curling in Newfoundland, one associates it with the rich, the wealthy, the elite.

MR. BARRY: Workmen's Compensation Board.

MR. NEARY: What about the Workmen's Compensation Board.

MR. BARRY: (Inaudible).

MR. NEARY: There are silver coins, song contests, beauty pageants, Sir, and so on.



Mr. Chairman, worst of all, the Minister of Mines and Energy asks; "Well, does not the honourable member agree with us spending this money in Newfoundland on Newfoundlanders and informing Newfoundlanders?" Do you know where most of this money is going, Mr. Chairman? It is going up to

Ontario, with George MacLean making films like "Where It's At."

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, I did not see the exhibit. Let me see how much, Mines and Energy, \$12,000. What is that for?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: For what?

AN HONOURABLE MEMBER: ..... information on geology..... (Inaudible).. That has been done before.

MR. NEARY: God help us! Mr. Chairman, God Help us! That is all I can say. Sir, most of the money we are talking about is going to be flushed down the drain by these participants who will probably have kidney trouble before the year is over. They will be invited to so many banquets and they will be drinking so much refreshments, Sir, that their kidneys will not be able to hold it, will not be able to stand it. We will have more cirrhosis of the liver before October, Sir, the poor old Minister of Health is worried now about the increase cost of medicare. Before this year is over either the minister will have the business or his colleague from Harbour Grace, the undertaker will have the business.

They have been living it up, living so high and you know, Mr. Chairman, while they are living high on the hog, the rest of the Province is struggling for survival.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: The rest of the Province, Sir, struggling, cannot cope with the cost of living and there they are over there joking about it, making a joke out of it.

The Minister of Finance, this afternoon in the House, when I was talking about common sense economies, decided to poke a little fun at that.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Yes. Sure.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Oh! Yes. Cold blooded! Yes.

Mr. Chairman, the minister in one of his statements tonight, talked about rural development, the amount of money that was going to be spent on rural development this year, \$2.6 million. What for? What for, Mr. Chairman? In my opinion, Sir, the time has come to call a halt to this sort of spending. It is nothing. It has turned out to be nothing, Mr. Chairman, but a give away scheme. It is a complete give away.

MR. CHAIRMAN (Mr. Stagg): Order, please! The honourable member appears to be irrelevant at this point, certainly appears to be irrelevant. He may attempt to establish relevance if he wish.

MR. NEARY: On the point, Sir, raised by the Minister of Finance, Sir. It was the Minister of Finance who brought it up, not I and all I am doing is just replying to what the minister said but Sir, I will try to be as relevant as I can.

I think, Mr. Chairman, that it is time to call a halt to this kind of extravagance and waste because we have discovered, much to our dismay, Sir, that the money is being spent on funeral homes, beauty salons and rusty sawmills, sawmills, Mr. Chairman, that stand no chance whatsoever of survival.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Mr. Chairman, I have, I will not name them but I can name them. I can name them, Sir. I can tell this honourable House that a lot of these loans were previously rejected by the chartered banks and by the Industrial Development Bank, Sir, and by finance companies.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, Sir. No, no, Mr. Chairman. Let me finish making my point. Just relax. Take it easy. The new glasses must be making him dizzy.

AN HONOURABLE MEMBER: They are my old ones.

MR. NEARY: The old ones. Now, Sir, there would be nothing wrong with making loans, Sir, even if the chartered banks did reject these people or the Industrial Development Bank but Mr. Chairman -

AN HONOURABLE MEMBER: On thin ice now.

MR. NEARY: No, I am not on thin ice, I am on solid ground. The loans are being made, Sir, with the full knowledge by the government that not one cent will ever be recovered and that the industry has no chance of survival, none whatsoever, Sir. It is lack of judgment.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, Mr. Chairman, you should not take the people's word. The Minister of Finance tells us that we are only going to recover six per cent I think it is. Is it six per cent?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: It certainly is, Sir. It is a riddle and I would say that the Minister of Finance would be well advised to eliminate this expenditure from his budget.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: When we get on to the old conflict of interest estimates.

MR. NEARY: When we get around, Mr. Chairman, I cannot get into this, I have to be relevant. I cannot get too deeply into it, Sir.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: I will answer the question when we are dealing with the minister's department.

MR. ROBERTS: Mr. Chairman, to a point of order. Will the schoolboy debater please attempt to follow the rules. If he should want to enter into the debate when my colleague finishes in an hour or three, the honourable gentleman is at liberty to get up into it but instead of this constant puerile harassment when we get the conflict of interest, to the gentleman from Trinity South, we will deal with these statements and deal with them by showing in the minister's own words that the thing is rife with patronage and partisanship. That is simple.

MR. L. BARRY: Mr. Speaker, if I could speak to that point of order. I can understand the strain that the temporary interim, unstable Leader of the Opposition is undergoing these days especially since the statement of the honourable member for Bell Island today that he is not running or he is not saying that he is running yet but he may be.

The point of order is just simply that the honourable member for Bell Island was making certain statements and he was prepared to hallucinate on them in response to questions from this side of the House.

Now, if he were getting on thin ice and his leader felt that he should step in and save him, I do not think the honourable member, I think that is an insult to the honourable member for Bell Island to have the Leader of the Opposition treat him like a lap dog. I would not take it at all, Mr. Chairman.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Yes, give him his credit that is due. He has a certain stature as a leader.

MR. NEARY: Are you going to rule on the point of order, Mr. Chairman.

MR. CHAIRMAN (Mr. Stagg): All members know they do not need a ruling on this point. Technically speaking, any honourable member who has the floor has the right to be heard in silence. It is a long standing custom that if an honourable member chose to entertain questions from a member who does not have the floor that if this is tolerated by the member and he does not raise an objection to the questions being asked, it is tolerated by the Chair as well. The point that was raised by the honourable the Leader of the Opposition; I did not hear the point raised by the member for Bell Island so I consider that the questions were being tolerated by him. So I suggest that we can continue in the manner in which we were proceeding before the point of order was raised.

The honourable member for Bell Island.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Now, Mr. Chairman, the Minister of Finance talked about all his administration have done in connection with unemployment and then he went on to boast at some length about their attempt at a forced takeover of BRINCO and how the Bank of Nova Scotia became involved and what they were going to do with regard to the development of the Lower Churchill this year. They are going to spend \$14 million down at Gull Island this year.

Well, Sir, if my judgment is worth anything at all, I would say,

Mr. Chairman, I would say that the government's spending of \$14 million on the development of the Lower Churchill this year, Sir, is like a flea on an elephant's back. It is not enough, Mr. Chairman, to build a bridge down at Gull Island. The only ones who are going to benefit by this \$14 million they are talking about, Sir, are the engineering consultants. It will not create any employment. It will merely

look after some of their buddies who are in the engineering business. Nothing will be accomplished, Sir, by this \$14 million that they are going to throw away. Not a thing will be accomplished, Sir, nothing.

Mr. Chairman, one of the greatest blunders, one of the greatest blunders of the century as far as Newfoundland is concerned was there confrontation, the confrontation of the administration with BRINCO.

MR. BARRY: The honourable member told us to do it.

MR. NEARY: Oh, I told him to do it. I know what I told him to do, Sir. They moved in, brought a bill into the House threatened to nationalize BRINCO and then backed away, after they had done the damage, After they had knifed all and sundry in the back, then they backed away.

AN HON. MEMBER: Inaudible.

MR. NEARY: They backed away, Sir, and they made no mention, Mr. Chairman, they made no mention of nationalizing the other power companies in Newfoundland, just BRINCO. Why not Newfoundland Light and Power?

Now Newfoundland Light and Power, Sir, are asking permission from the Public Utilitizes Commission to increase the number of shares in the company. If they ever decide to take that over, it will cost the taxpayers of this province more than if they had done it in 1974.

What I am saying is this, Sir, that they did the damage, they took on BRINCO, head on, in a confrontation that was unnecessary. They could have negotiated the take-over by going manfashion to BRINCO and saying - and this was the proposal that I put forward in the House last year, Sir, to the Premier: "Get the Minister of Finance out of the negotiations. All he is doing is aggravating the situation. He is not a negotiator. He can only see one side. He does not give and take. Get him out of the negotiation," as I said, "and you might make some progress."

What I said was this, that if BRINCO were not prepared to develop the Lower Churchill this year then let the government move in and do it. The Minister of Mines and Energy is over nodding his approval but that is not the way it worked out, Sir. That is not the way it happened. Any shrewd government, Sir, any clear thinking individual would have let BRINCO go ahead and develop the Lower Churchill.

There was plenty of time, we could have moved in a year or two, three, four, five years from now and taken over the whole works when it was developed. What kind of a deal did we end up with? The minister is over there tonight boasting about it. First of all, we destroyed the credit of the province with some of the most reputable financial people in the world. They will never trust this administration again, Sir, they will never. The Minister of Finance had prior to this turned off industrialists and entrepreneurs who were thinking about coming into Newfoundland, by taking over the Linerboard Mill out in Stephenville. That was his first move. He seems to have a vendetta against anything that the previous Liberal Administration had anything to do with.

Then he lashed out \$2.6 million for the Burgeo fish plant. Then he goes after BRINCO. They did not finish the job, they only half did it. They got cold feet. They chickened out. After they had made a mess of things then they backed out of it and went in and did what they should have done in the first place. They should have done it in the honourable way, negotiated a settlement with BRINCO.

No, Mr. Chairman, the Hon. Minister of Mines and Energy knows the difference of that, Sir.

MR. BARRY: Inaudible.

MR. NEARY: Well what other way could he do it? Blackmail them? It is the worst form of blackmail, Sir, I suppose that has ever been known in the business world. But the Minister of Finance has a reputation for that. I am afraid, Mr. Chairman, that we are not going to see very much employment created on the Lower Churchill in the next year or two. The minister tonight, by his own admission, says, "All these are all long-range plans. Our programmes will not start to take effect maybe until two or three or four or five years from now," That is what the minister said.

Well, Sir, that is not what the Hon. Premier has been telling us all along. The Hon. Premier said, "Oh, next year our unemployment figures will be better. We will have jobs running out of our ears." We heard the Hon. Premier there some time ago inviting the former Newfoundlanders up on the mainland, "Come on back home! Come on down here and work."



The Hon. Minister of Finance is forecasting in his budget that unemployment, the number of Newfoundlanders unemployed will increase next year. In 1973 the average unemployment rate was 12.8 per cent. The Minister of Finance tells us in his budget that this year 1974 it is going to climb to an average of 13.4 per cent. Yet we have the government, the head of the government, the Leader, inviting all the former Newfoundlanders to come back home. What for? To go on dole?

Maybe they will get them back to attend these Silver Anniversary banquets they are having.

I would say, Mr. Chairman, that we are not going to see any substantial development of the Lower Churchill during the life of this administration.

AN HON. MEMBER: Why not?

MR. NEARY: Why not? For various and sundry reasons that is why not.

AN HON. MEMBER: Give us one now.

MR. NEARY: Yes, I can give him one. In the first place we have to start off from scratch. Mr. Chairman, I do not suppose there is a man on that side of the House who is naive enough to think that BRINCO are going to bend over backwards to help out this crowd that knifed them in the back.

But, Mr. Chairman, I said to nationalize it. That is not what the minister's administration did.

AN HON. MEMBER: They did.

MR. NEARY: No, they did not, Sir.

What I said two years ago, a year ago in this honourable House, and the Minister of Finance remembers what I said, was that if BRINCO were not prepared to develop the Lower Churchill, then let the government take it over and do it themselves. But, Mr. Chairman, BRINCO were prepared to do it. BRINCO were prepared to do it, Sir. The minister cannot deny that.

Mr. Chairman, their terms, as far as I can learn, as far as I can ascertain, were fairly reasonable. Mr. Chairman, there would be no development of the Lower Churchill but for the development of the

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Upper Churchill. I explained that in this honourable House before,  
Sir.

I heard the Minister of

Finance the other day say on radio, hindsight is foresight. At the time, Sir, it was the best deal Newfoundland could get and Mr. Chairman, everybody, even a kindergarten student knows that if there were no development of the Upper Churchill it would not be possible to develop the Lower Churchill because you would not have the volume of water going downstream. It is because of the creation of the dams and the dykes upstream, Sir, that you have the volume of water going downstream that makes the Lower Churchill feasible. That is right. Of course it is right.

MR. BARRY: Inaudible.

MR. NEARY: Mr. Chairman, I will predict that there will be a lot more water from the Lower Churchill run out into the sea before the development takes place. Mr. Chairman, the same administration that developed the Upper Churchill will be the one to develop the Lower Churchill. The administration that put themselves behind the eighth ball, Sir, they have backed themselves up in a corner and they have made bad friends. Word does not be long getting around in the international business world, Sir. The word is out, "Do not trust that honourable crowd; they will knife you every time." It is not the first time the administration and the Minister of Finance have done just that, Sir. They started with the linerboard mill. They almost, Mr. Chairman, did the job on Come By Chance, almost. They got chicken, they got cold feet there and thank God they did or we would not have that great development in Come By Chance today. If the Minister of Finance had his way there would be no development, no oil refinery, no possibility of a petrochemical complex in Come By Chance. He tried to do the job on that too, Sir.

I do not know what is wrong with the man. He goes berserk when you mention a project that the former administration had anything at all to do with. He seems to lose his senses. He goes right off his head. Then he wants to move in and take it over.

MR. BARRY: Inaudible.

MR. NEARY: Socialist tendencies, my eyeball! He is not a Cyrus Eaton. So, Mr. Chairman, I would not boast if I were the Minister of Finance about the things that they have done for the unemployed of this province, because they have not done anything, Sir. The Rural Development Authority, the Rural Development Programme has not created one additional job in this province.

MR. BARRY: Untrue.

MR. NEARY: It is true.

MR. BARRY: Untrue.

MR. NEARY: Sir, it has not created jobs that were not already there. The only difference now, Sir, is that the sawmill operators and the other people who are getting these loans and grants are using the taxpayers' money to expand or to buy a new piece of equipment whereas before they had to use their own money. That is true.

MR. BARRY: Not true.

MR. NEARY: Well, Sir, they will have to go some to prove otherwise to me. What about the beauty salons and the funeral parlors and the newspapers they have been financing?

AN HON. MEMBER: People are dying to get into it.

MR. NEARY: Dying to get into it.

AN HON. MEMBER: Inaudible.

MR. NEARY: What is this?

AN HON. MEMBER: Inaudible.

MR. NEARY: I wish the Minister of Finance would convince his colleague, the Minister of Rural Development to open up a few more barber shops around so we can get a good hair style, Sir.

But, Mr. Chairman, what about the extravagance on air services? This year I would say the public treasury, the Minister of Finance, will dole out to his colleague, the Minister of Transportation and Communications, at least, Sir, a half to three-quarters of a million dollars to provide a jet aircraft to take ministers around the province.

AN HON. MEMBER: Not so.

MR. NEARY: That is so, Sir. I checked the estimates today, Mr. Chairman. Mr. Chairman, page 96, (707) Air Services, and I have a little note made

here."An unnecessary burden on the taxpayers of our province. The saving this year could be a half million dollars." The saving, Sir, could be a half a million dollars. Look it up, Your Honour. Your Honour is looking it up, page 96.

AN HON. MEMBER: I am going to have a jet.

MR. NEARY: He will have an executive jet. What do you call it?

AN HON. MEMBER: Inaudible.

MR. NEARY: I do not care what she is.

AN HON. MEMBER: An air-ambulance service.

MR. NEARY: Do they have any stewardesses aboard her with hot pants? No. Well you will not get the Premier to go aboard of her then. He would rather travel Air Canada.

MR. CHAIRMAN: Order please!

MR. NEARY: Page 96, Sir. Fighting forest fires -fighting forest fires are under different subheads. Yes, they are Mr. Chairman.

AN HON. MEMBER: Inaudible.

MR. BARRY: We had better call out the water bombers.

MR. CHAIRMAN: Order please! The honourable member is dealing with air services. He has referred to another part of the estimates. I am sure he realized that he is not being relevant.

MR. NEARY: I just went through the estimates in a hurry and I came up today with \$8 million. I can tell the Minister of Finance where he can find \$8 million that is being spent on things that are not in the best interest of the people of this province. He only needs \$10 million, Sir, for his one per cent increase in the retail sales tax. I can tell him right now where he can get eight and he will not do any damage at all to public services, no way, shape or form. If I wanted to, Sir, I could go through the estimates, sharpen my pencil a little more and before the night is over I could find twice \$10 million if he wanted it. I have not even touched capital at all. What I have been talking about, Sir, is all current. Then the Minister of Finance has the gall to come in here

and impose another hardship on the already struggling people of this province by tacking a cent on to the retail sales tax, immaterial of their ability to pay. He did not come in here and wack a tax on his buddies. All he needed was \$14 million. He did not wack a tax on the land exploiters, the absentee land owners, and the real estate people and the wholesalers who will get the rip off for doing nothing, nor the big corporations nor the big business people nor the wealthy. No, Sir, he lashed it out of the poor people of this province, and the minister should be ashamed of himself.

I would not mind, Sir, if we did not have this kind of thing we got in the estimates like Silver Anniversary Celebrations and money we are wasting on royal commissions; \$200,000 this year on royal commissions, last year \$425,000 wacked out of the public treasury, the taxpayers money. What for? What did we accomplish by these royal commissions? The one that was supposed to be investigating the disposal of the DOSCO assets has not even reported yet. It has been on the go for over two years. Chic O'Neil down there will clean her. It is a real bonanza for the lawyers, Sir, that is what it is.

Mr. Chairman, here is a dandy, the Minister of Justice is asking this year for a couple of hundred thousand dollars for the Private Investigators and Security Guards Act.

MR. MORGAN: He is not.

MR. NEARY: Mr. Chairman, he is. He had better check it again.

AN HON. MEMBER: \$5,000. \$5,000.

MR. NEARY: \$5,000?

MR. HICKMAN: \$5,000. There is a slight difference between \$200,000 and \$5,000.

MR. NEARY: I had better check to see what that \$200,000 is all about.

Page 41. Corrections, \$200,000.

AN HON. MEMBER: Does he approve of that?

MR. NEARY: Yes I approve of that. I have no argument with that at all.

Royal commissions - \$200,000, Mr. Chairman.

Here is a beaut, consolidated statutes, 1974-1975 estimates. The Minister of Finance is going to have to cough up \$150,000.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: I better check that again. Lend me (those old glasses) please!

MR. CHAIRMAN (MR. STAGG): Order, please!

The member for Bell Island is being irrelevant in referring to other parts of the estimates. In view of his inaccuracy, I suggest that he properly stick to things that are relevant.

AN HONOURABLE MEMBER: Legal aid.

MR. NEARY: Oh, legal aid, \$150,000. Right? Okay, that is the one I am getting at, legal aid.

There was a time in Newfoundland, Mr. Chairman, when -

MR. CHAIRMAN (MR. STAGG): I do not know if the honourable member has heard me on three occasions that I have interrupted him within the last ten minutes suggesting that he was being irrelevant. On each occasion, while he changes the subject, he just changes the irrelevancy.

So, I suggest that the honourable member get back to the point under discussion, 401-01.

MR. NEARY: Well, Mr. Chairman, the Minister of Finance was really funny and amusing when he was talking about the previous administration and his relationship with Mr. Smallwood and the previous Liberal Government. Then the minister went on to poke a little fun across the House at me when Joey would say, "Oh, come on Stevie. Come on Stevie."

Well, Mr. Chairman, I want to say this for the information of honourable members who were not in this House at that time, that former Premier Smallwood, Sir, took great pride in telling the caucus and as a matter of fact stated publicly in this honourable House that he was so proud of the Minister of Finance, the member for St. John's West, he was so proud to have him in his cabinet.

Do they know, Mr. Chairman, why he was proud to have him in his cabinet? Because one of the things that the minister specialized in when he was in law school was leasebacks and income tax.

He specialized in taxes. When the various budgets were being brought into the House, Sir, when I was sitting down there, just managed to get inside the rail down there, when all these fellows with their briefcases, these fellows that looked like graduates of Harvard, swinging their brief cases, \$150 suits, came in right over our heads and were put into the cabinet, my colleague here, who is eighteen years in this honourable House, had to wait until they all went in and then they were thrown out before he finally got in. Before I made it I was six and a half years a backbencher on that side.

I saw them all come and go. I heard Joey boasting about my honourable sparringpartner over there. "What a genius he is," he said, "on taxation. Oh, the most brilliant Newfoundlander on leasebacks." I was sitting down there, Sir, and the Minister of Finance would not even speak to me in those days. If I were coming down the corridor and he were coming up, he would turn up his nose. I was only scruff, dirt under his feet. He would pass me by.

We were colleagues. Mr. Chairman, we were colleagues on that side of the House and he would not even make a grunt at me. Now he is getting a little more respect for me. He makes the odd grunt at me now.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Yes, it certainly was a friendly party.

AN HONOURABLE MEMBER: How did he stick it for six years?

MR. NEARY: That is what I would like to know, how I stuck that sort of thing for six years, but I did. When these budgets were being brought into the House that we have heard so much about tonight, the chocolate bar budget or the chocolate bar tax and the tax on soft drinks and so forth and so on, Sir, we were told in no uncertain terms that these were the recommendations of the geniuses.

Mr. Chairman, it is a false statement for any member of this House to say that Joey Smallwood made up every budget in this province when he was Premier because he did not, Sir. He might have written every Budget Speech, Mr. Chairman. I think he did. He probably wrote every Throne Speech.

AN HONOURABLE MEMBER: I wrote sixteen words.



MR. NEARY: The minister wrote sixteen words. Well, he was lucky. He was the only one that got his two cents worth in because, Sir, all Joey ever did was to write the Budget Speech, and the Premier of the day has the right to do that. Any Premier has the right to do it. But, Sir, he did not draw up the estimates of a single department. As a matter of fact the man could not stand, did not have the patience to sit down and work out the estimates of a department. The minister knows that. It was too tedious for him. He did not have the patience to do it. He had no respect for money anyway.

Money did not mean anything to him, Sir. Money did not mean a thing. The man had no patience with figures. All the estimates - the minister knows that - were done by the officials of the various departments.

MR. CROSBIE: And ignored by Joey.

MR. NEARY: And they were what?

MR. CROSBIE: Ignored by him that he could go do his budget.

MR. NEARY: Oh, Mr. Chairman, what utter nonsense. The minister knows the difference of that. The minister was one of his chief advisers. When the chocolate bar tax and all the other taxes that he is talking about were brought into this honourable House, I did not hear the minister get up and speak against them or vote against them.

MR. CROSBIE: I was a backbencher.

MR. NEARY: The minister was a cabinet minister. Oh yes, Sir. The minister may have been a backbencher when the chocolate bar tax came in but the other taxes, the other increases that the minister referred to tonight -

MR. CROSBIE: Inaudible.

MR. NEARY: Oh, Mr. Chairman, now we are hearing it. Never fought against it, did not resign from the party.

AN HONOURABLE MEMBER: Neither did he.

MR. NEARY: I was lucky to be inside the rail at the time, Sir. I just managed to scrape my rear end inside the rail down there. Looking up bowing and scraping to these brilliant Newfoundlanders, these great geniuses -

AN HONOURABLE MEMBER: Genii.

MR. NEARY: Genii? These graduates of law school, these experts in taxation and leasebacks -

MR. CROSBIE: Inaudible.

MR. ROBERTS: I do not know anything about leasebacks. I did not invent them.

MR. NEARY: Mr. Chairman, I have heard that minister say that Joey is the father of leasebacks in this province. Well, he is not. He can be accused of anything else but he is not the father of the leaseback programme in this province.

AN HONOURABLE MEMBER: Who is?

MR. NEARY: I could point my finger but I will not, Sir. There is the daddy of the leasebacks. The member for Labrador South has asked to have all copies of the leaseback contracts tabled in this House.

MR. CROSBIE: He can have them any day he wants them.

MR. NEARY: Well, he has already asked but I have not seen them appear on the table of the House yet.

Mr. Chairman, the honourable Minister of Finance agreed to undertake to table all these documents.

MR. ROBERTS: There was no leaseback done after we entered the cabinet.

MR. CROSBIE: Inaudible.

MR. ROBERTS: Of course, they were all done when we were out of the cabinet.

MR. CROSBIE: Give me a list of what ones they want; they can have them all.

MR. ROBERTS: I have not asked for any. The member for Labrador South asked and did not get them.

MR. CROSBIE: The member for Labrador South and I spoke about this and we agreed it was useless to have them.

MR. NEARY: Mr. Chairman, I do not know whether the Minister of Finance talked about it or not but I do know that the member for Labrador South asked to have these documents tabled in the House and they have not been produced yet.

MR. CROSBIE: Well, if he requested again, they would be produced.

MR. NEARY: Mr. Chairman, I will say this to the members on the government

benches, every time this afternoon and tonight that the Minister of Finance said, "Oh, who put the gasoline tax on? Who put it up to twenty-five cents? Who put the sales tax up to eight cents?" Well, Sir, I say to the members who are laughing at that sort of thing, that sort of charade in the Committee, if they do not like the twenty-five cent gasoline tax or they do not like the eight per cent sales tax, they could have eliminated it when they came into power, could they not? They could have started off from scratch, could they not, Sir?

MR. CROSBIE: Not with their debt.... (Inaudible).

MR. NEARY: I beg your pardon!

MR. CROSBIE: Not with the debt they left behind to be met.

MR. ROBERTS: Yes, it increases twenty-two per cent in two years.

MR. CROSBIE: The billion dollar debt that we had to take over.

MR. ROBERTS: It increases twenty-two per cent in two years,..(Inaudible)

MR. NEARY: Mr. Chairman, you know we have heard a lot of prate and a lot of chaw about the immunity of the House and I have challenged the honourable members anytime they want to to change it. Well, I challenge them now, Sir. Anytime they do not like the eight per cent sales tax or the seven or five, whatever it was when they came in, or they do not like the tax on gasoline, why did they not change it?

MR. CROSBIE: Oh, my! We made exemptions. We have reduced the -

MR. NEARY: Sir, I say this for the benefit of the honourable Minsiter of Finance. I will tell him right here and now that if I ever decided, Sir, if I ever decided to throw my hat in the ring and I happened to be fortunate enough to become the leader of the Liberal Party and become Premier of Newfoundland, which I have no intention of doing

AN HONOURABLE MEMBER: We are rooting for it.

MR. NEARY: But if I did, Sir, I tell you this that I would not get the one per cent or the \$10 million out of the hides of the working-class people of this Province. I can tell the Minister of Finance where I would get it.

MR. CROSBIE: Where would he get it?

MR. NEARY: I would get it out of the corporations and the big businesses and the wholesalers and the land speculators and the people that are getting the rip-offs in the real estate transactions. There is where I would get it. I would not take it out of the hides of the working-class people.

That will be to the minister's detriment and to the detriment of that administration. I can tell you that, Your Honour.

MR. CROSBIE: Seven points of it are theirs.

MR. NEARY: Seven what?

MR. CROSBIE: Let see what you do when you get into power.

MR. ROBERTS: .... Trans Canada Highway -

MR. CROSBIE: Around the year 1990 when they get in, let us what they can do.

MR. NEARY: I would get rid of all this trash that is in the estimates, Sir, Nutbeam and Silver Anniversary Celebrations and Royal Commissions and all of that garbage. I would get rid of all that.

MR. CROSBIE: Not one dollar next year, not one dollar is going to go on that.

MR. NEARY: Not a dollar.

MR. CROSBIE: No.

MR. NEARY: What is he going to do with Nutbeam?

MR. CROSBIE: He has got lots to do. He is only sparing some of his time now.

MR. ROBERTS: It is only part-time for his \$25,000.

MR. CROSBIE: Twelve hours a day is part-time for us. We are working seriously .

MR. NEARY: What is he going to do with poor, old George MacLean next year? Is he going to go on dole or what?

AN HONOURABLE MEMBER: On a diet.

MR. NEARY: On a diet. He will need to go on a diet after all of these banquets are over. All of the ministers will need to go on a diet.

AN HONOURABLE MEMBER: The Premier here .

MR. NEARY: The Minister of Finance is getting a little bit overweight again.

MR. CROSBIE: Yes, I know.

MR. NEARY: He had better watch it going around to these Silver Anniversary banquets, Sir.

Ah! Mr. Chairman, I think the government could do much better, Sir. I think they could and the minister should not be so quick to stand in this honourable House and boast about all they have done for unemployment when numerically, Mr. Chairman, numerically there are more people unemployed in Newfoundland at this very moment than in our whole history and there is no indication that it is going to improve,

Sir, because we are right on the verge now of the graduates coming out of the College of Trades and Technology, out of the Fisheries College, out of the vocational training schools, out of the University, out of the high schools, and numerically we have the highest unemployment we have ever had in our whole history.

Where are these people going to find jobs, Mr. Chairman? Where? I wish the Minister of Finance would tell us. They are not going to find jobs down on the Lower Churchill this year, I can tell you that. They are not going to find jobs down at the second oil refinery because they are only just starting to do the engineering layout now, Sir. The site preparation is not even done down there yet.

It is all laughable, Sir. It is a farce. It is a fraud. It is hard to understand it all, Mr. Chairman, that this is the same government in two provincial general elections that built up the hopes and expectations of the people of this Province and then turned around and let them down.

Mr. Chairman, I do not know what it is. I cannot put my finger on it at the moment but the people of this Province seem to have given up in despair. They have thrown up their arms in defeat. They cannot cope. No wonder people are opting out every day, Sir. No wonder we have so many people on tranquilizers and so many people with nervous conditions. They just -

MR. CHAIRMAN (Mr. Stagg): I wonder if the honourable member can show how this is relevant to head 401 (01).

MR. NEARY: It has to do with the cost of living, Sir, the cost of living and I presume that -

AN HONOURABLE MEMBER: The minister's tax policy.

MR. NEARY: And the minister's tax - and you know something else, Mr. Chairman, I am going to make this statement that it is the minister's tax policy in my opinion that is causing some of the labour strife in this Province at the present time.

MR. CROSBIE: Causing the population to increase.....(Inaudible)

MR. NEARY: Ah! The minister may try to brush it off, Sir, but people have just about reached a breaking point as far as taxation is concerned,

as far as the high cost of living is concerned and the minister with his increase has pushed them over the hill. Now they could not care less, a lot of them, if they work or not. There is no way they can cope with it anyway. They feel like giving up and saying, "Oh! the government will look after me anyway." There is this feeling about, Sir, all because of the government's fiscal policy and their attitude generally, Sir.

There is a feeling of pessimism in this Province at the present time, Sir, right at a time when we see hundreds of thousands and millions of dollars being lashed out to celebrate the Silver Anniversary of Confederation. I never saw the morale of our people as bad as it is at the present time. Every member on the government benches knows that. How can they, Mr. Chairman, how can they put on their morning suits, put on their little bow ties and their morning suits, dressed up like penguins and go off to these banquets and booze her up when they know that ninety per cent of the population are struggling to keep body and soul together? Mr. Chairman, I am just getting warmed up.

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

MR. CHAIRMAN (Mr. Stagg): Mr. Speaker, the Committee of Supply have considered the matters to them referred and have instructed me to report having passed certain items of expenditure under Head (1), Consolidated Fund Service, and have made further progress and ask leave to sit again.

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

On motion the House at its rising adjourned until tomorrow morning, Friday, April 19, 1974 at ten of the clock.