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SPEAKER: THE HONOURABLE GERALD RYAN OTTENHEIMER

The House met at 2:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please! I am pleased to welcome to the galleries this afternoon, and to welcome on behalf of all hon. members, two groups of students who will be spending part of the afternoon here. One is a grade eight group from St. Regis School in Fox Harbour, Placentia Bay, and they are accompanied by their teacher, Mrs. Mary King; and the second is a grade six group from Vanier Elementary School in St. John's accompanied by their teacher Mrs. Betty Wells. I know all hon. members -

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: - and that is evidence that all hon. members welcome these young Newfoundlanders and hope that their visit here this afternoon will be interesting and informative.

STATEMENTS BY MINISTERS:

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, I am very pleased to announce to the House today that the government has approved a new programme of leasing fishing vessels to fishermen who lack the necessary financial resources and cannot otherwise obtain them.

We have become painfully aware, Mr. Speaker, that because of the high cost of newly constructed boats, and the corresponding high cost of used boats, it has become almost impossible for many of our fishermen to finance boats suitable to their needs.

There are many factors that have contributed to this situation; increased labour cost, building materials, electronic and hydraulic equipment and engines are among the most important factors. As fishing effort must increase to offset decreases in available resources, there must be more money spent on electronic and mechanical devices for detection of fish.

Perhaps the most serious blow was the reduction in the federal subsidy from fifty to thirty-five per cent. This resulted in fewer boats being built, which in turn resulted in a seller's market for those boats that were available. At present there is a rapidly increasing

MR. W. CARTER: demand for fishing boats and correspondingly high increases in sale prices.

My department, Mr. Speaker, and the government in general is aware that if the inshore and near offshore fishery was to continue, if fishermen were to operate their own vessels, that new methods would have to be found to finance suitable vessels. We also knew that the situation was critical enough to demand immediate attention.

In our Province today, Mr. Speaker, there are a great many fishermen with proven ability and interest and experience but who are denied a chance to enter the fishing industry because of the lack of the required down payment to purchase a fishing boat and the necessary working capital for its operation.

The fishing industry, indeed the Province as a whole, Mr. Speaker, can ill afford the loss of their potential productivity, and as Minister of Fisheries it is my intention to do everything possible to ensure that our fishermen are given the same opportunity to pursue their chosen vocation as that afforded other Newfoundlanders who have elected to pursue other professions or fields of endeavour. I can now give you the details of this new programme.

Basically the Fisheries Loan Board will lease a limited number of used fishing vessels to bona fide fishermen with proven ability and integrity. It will be the responsibility of the Fisheries Loan Board to ensure that all leased vessels are in good working order and title of the vessels will remain with the board during the term of the lease. The fee for leasing will be computed by a formula using the age of the vessel, its appraised value, and the estimated number of productive years remaining. Fees will be paid in advance on a semi-annual basis, and each lease will be for the term of three years with the option of renewing. These, Mr. Speaker, are longliners anywhere from thirty-five to sixty-five feet.

The fishermen will be responsible for maintenance and operating expenses as well as providing gear for the vessel. However, in the event

MR. W. CAPTER: of major repairs the fishermen will be responsible for an amount equal to seven per cent of his annual payments or \$500, whichever is more, with the board being responsible - and I mean the Fisheries Loan Board - being responsible for the remainder.

MR. SIMMONS: \$500 that is the remainder?

MR. W. CAPTER: Seven per cent of the annual payments or \$500, whichever is more, with the board being responsible for the remainder.

MR. SIMMONS: Would the minister also indicate whether -

MR. W. CAPTER: Could I finish, Mr. Speaker, maybe after.

MR. SIMMONS: Sure.

MR. W. CAPTER: Should any fisherman want to purchase a boat he is leasing, he may do so by arranging financing for the outstanding balance of the appraised value. And I should add, Mr. Speaker, that when I say he should arrange financing, that financing would, all things being equal, be available from the Fisheries Loan Board.

I would mention here that fishermen wishing to avail of this programme

MR. W. CAPTER:

will be encouraged - I think this is important, Mr. Speaker, and I will repeat - fishermen wishing to avail of this programme will be encouraged by the Fisheries Loan Board and by my department to set up limited liability companies rather than take the boats on as individuals. It is felt that this would be of advantage to the fishermen in that their tax burdens would be less and their personal liabilities would be diminished. I firmly believe that a lot of our fishermen could be availing of tax benefits that are now available to other corporate entities, but because they are not a limited liability company they are unable to avail of these benefits. That is why we are encouraging our fishermen to become involved in that sort of thing.

It is my intention as well, Mr. Speaker, to initiate a programme to provide instructions to our fishermen, or a member of his family, maybe his wife or his daughter or son, in the field of bookkeeping and accounting, because it has been shown that many of their financial difficulties in the past have stemmed directly from the need for a better understanding of business and financial matters. In short, we will try to help them set up a simple yet proper bookkeeping system. Mr. Speaker, I think it is true to say that we have the best fishermen in the world in Newfoundland.

SOME HON. MEMBERS: Hear, hear!

MR. W. CAPTER: This is not a reflection on them, but we probably have the worst bookkeepers in the fishing industry, and consequently I am afraid a lot of them are getting in trouble, are not making allowances for depreciation on gear and boats. They are not claiming tax credits for the use of vehicles involved in their business, and that is something that we have to hopefully correct.

I am happy to say, Mr. Speaker, that we will be able to start this new programme, boat leasing, without adding any additional staff to our department at this time. However should the programme become

MR. W. CARTER:

as popular as I feel it will be, we will be forced to add additional staff as necessary to administer the programme.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Fogo.

CAPT. WINSOR: Mr. Speaker, I am speaking on behalf of this side of the House. I am sure we are very pleased to hear the minister's announcement. But before I can really comment on it to to any extent, I would appreciate a copy of the minister's statement so that we can read it and study it.

MR. W. CARTER: I have tabled that copy.

CAPT. WINSOR: Fine. Thank you very much. However, Mr. Speaker, now with this programme; does this mean that the government will be hiring the fishermen and their crew? How are they going to do the hiring? Will it be done through the master of the boat, or a joint programme between the master and the crew who will operate that vessel?

Further, Mr. Speaker, does this mean now that one sector of the fishermen will be getting their boat at a very cheap cost, while the other man who is trying to exist and who now owns his boat is still going to have that problem of great expense, insurance and fuel, etc. etc.? Are we making a distinction now between the two types of fishermen, the fisherman who is trying to strive and keep afloat with what he owns, or is he going to be in competition with the fishermen who the government is going to hire a longliner to? This is along the lines which I advocated in this House last year, Mr. Speaker. I think not only the longliners, but the government should take serious thought of perhaps hiring some of the draggers we have along those lines.

I agree with the minister that taking away some of the bookkeeping, or training the fishermen to look after their books is a good idea, because it is the government who has made bookkeeping so complicated for the fishermen, and not only for fishermen but for people who, with average education, you know, just find it very difficult to keep

CAPT. WINSOR:

up-to-date with all of the bookkeeping they have to do. And most of the time they are doing it on government's behalf, whether it is federal or provincial.

So, Mr. Speaker, after reading the minister's statement later on I might be able to comment further. But we certainly appreciate that this is a step in the right direction. Perhaps, Mr. Speaker, the new minister after all has got some good programmes hidden somewhere, developed by other ministers, of course. But it just so happens that he falls into the position where he is in a position to adopt them. So we certainly appreciate and I am sure the fishermen - the fishermen who are involved or whom this will effect will be greatly surprised that the government has come up with this, and I am sure most of them will find it very helpful.

MR. SPEAKER: The hon. member for Twillingate.

MR. J. R. SMALLWOOD: Mr. Speaker, I congratulate the government in general, and the minister in particular, for this very fine announcement that the minister has just made. It so happens that I am the one person in this Chamber who introduced the longliner to this Province. There were no longliners before Confederation, they came after, and they came with very active and very energetic and, I may say, generous help from the Government of Newfoundland at that time. It is true that they were over done in the course of the years. It is true that longlining became more and more difficult to pay, to be profitable. That was not the fault of the longliners, that was not the fault of the skippers or the crews of the longliners, that was the fault of the dwindling stocks in the water. The same amount of time, the same distance, the same expense in a longlier brought half of the amount of fish because of the dwindling supply of fish as the years passed, but that is a horse of another colour. That is another subject.

The minister now tells the House that he is bringing in a scheme under which a company - and he suggests strongly that it should not be a purely personal effort by one man coming to the government as an individual. He does not exclude that, I gather, but he recommends that instead of one individual man coming and renting a longliner from the government, renting it so much rent payable in advance twice a year, with a certain proportion of the rental to go toward repairs and upkeep, and I suppose a certain proportion of it to go toward insurance and the like - that it should be companies, a man and two or three or four other fishermen form a company, and that it is the company that should rent the boat from the government. That is partly for tax purposes, it would ease the tax burden, the federal or any other tax burden, and also it would encourage the idea of the co-operative idea, not a skipper hiring - and in reply to my hon. friend, the Fisheries spokesman for the official Opposition, a man who has the respect of every hon. member of

Mr. Smallwood:

this House; I say in comment on what he said, that he is absolutely right, and I am sure the minister will appreciate this, we must not set up a scheme to rent longliners to groups of fishermen on better terms than those enjoyed by the men who have built those longliners through the Loan Board and so on, We must not put them in a competitive advantage over the others, but I am sure the minister has that very much in mind. And altogether I must say he has stolen my thunder. I have notes, and if the House doubts it, I will produce them, I have the notes for the remainder of my speech on the Address in Reply in which I am going to deal with this very matter, and carry it several steps further along than the minister as so far announced. But I will not be surprised if he has these same ideas in mind, that today's is only the first installment.

I have to say here in all honesty, I know I only have five minutes, I have to say in all honesty that I believe I tried to defeat the hon. gentleman in the general election. I put a very good man in that district, John Devereaux, an excellent man, a good Newfoundlander. He would have made a good member. But I am glad that the hon. minister did get elected, and I think he is going to give Newfoundland really good service.

SOME HON. MEMBERS: Hear, hear!

MR. SMALLWOOD: I would like to see John Devereaux here too, you know.

MR. SPEAKER: If the hon. gentleman is going to speak to the ministerial statement -

MR. J. WINSOR: If I may.

MR. SPEAKER: - that the right of the official Opposition has already been exercised by the hon. member for Fogo. It is the leader of any group in caucus or his designate.

AN HON. MEMBER: By leave?

MR. SPEAKER: By leave anybody and everybody may speak.

Are there any further statements by ministers?

PETITIONS:

MR. SPEAKER: The hon. member for St. George's.

MRS. MCISAAC: Mr. Speaker, I beg leave to present a petition on behalf of 750 residents of St. George's and Stephenville Crossing in the district of St. George's. The prayer of the petition is as follows: "We the undersigned do humbly petition the Government of Newfoundland and Labrador to request that public hearings be held throughout our Province to obtain information and hear briefs on the matters covered by the government's White Paper on the proposed snowmobile legislation, and further that no such legislation be enacted prior to the holding of such public hearings."

Mr. Speaker, in commenting, I fully support the prayer of the petition. I would say that any comments I may make at this time have already been made by members presenting petitions on the proposed snowmobile regulations, but I do believe that the general feeling of snowmobilers is that their rights and privileges are being jeopardized, possibly unnecessarily. I do hope that the government will consider this petition and consider holding public hearings throughout the Province to give the general public a chance to voice their opinions on it.

I ask that the petition be placed upon the table of the House and referred to the department to which it relates.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: The hon. member for Burgeo - Bay d'Espoir.

MR. SIMMONS: I would like to rise in support of the petition so ably presented by my friend and colleague, the member for St. George's (Mrs. McIsaac). The prayer of the petition is similar to that one which I presented here some time ago, and of other petitions which have been tabled here in the House, and I believe by now the Minister of Tourism and his colleagues are quite aware of the considerable concern that exists as a result of the White Paper.

I agree with a statement that the minister made some time ago, that a White Paper is just an indication of possible legislation put out, or possible regulation, in this case, put out for some dialogue. It is too bad that did not get said originally, because a lot of people had the very genuine impression that this was a clear indication not only of what legislation was being contemplated, but they felt, I believe with some good reason, as a result of some statements made by the minister initially - I am talking about two or three months ago - they felt that this in effect was the legislation in an informal draft form. Since then the minister has eased the concern somewhat by indicating that this is for dialogue purposes. I cannot think of a better way, Mr. Speaker, to foster that dialogue than the way which has been suggested in the petition; that the minister and his officials make available to the people of Newfoundland, all over the Province, here on the Island and in Labrador, make available a forum whereby they can express themselves, can through a hearing register not only their objections, Mr. Speaker, but more important their suggestions for the kind of legislation which will at once give the snowmobile owner the responsible freedom to use his equipment, and at the same time give protection to wildlife and to life generally, and bring some order to the use of the snow machines, particularly within municipalities.

MR. SIMMONS: I am delighted to rise and support the petition presented by my colleague, and to urge the minister and his officials to give the prayer of that petition much consideration, and as a result I hope that we will have the hearings that have been requested.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Are there any further petitions?

The hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, I rose yesterday to present this petition. However, I beg leave to present a petition on behalf of 109 residents of the community of Garden Cove, Placentia Bay. The prayer says: "We the undersigned residents of Garden Cove in the district of Bellevue petition the Government of Newfoundland to upgrade and pave the approximate three miles of road from the Burin Peninsular highway to and through the community of Garden Cove." Mr. Speaker, this petition, of course, is just one in the many in the continuing story of bad roads and the need for permanent repairs, and quite possibly, of course, pavement.

Mr. Speaker, I have five minutes that I could use to elaborate and talk about this petition. However, I think that is all that needs to be said. And after the terrible waste of time that took place in this House, especially yesterday afternoon, I would request that there is not much need for anybody to get up and support this petition. I would be just as happy if nobody supported it. The only person that I would like to see support this petition is the hon. Minister of Highways. He can do that without talking about it, and do it in another tangible way. So, Mr. Speaker, I thoroughly support the petition, of course, myself. If not, I would not be presenting it. And I ask that this petition be tabled and referred to the department to which it relates.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Are there any further petitions?

The hon. Leader of the Opposition.

MR. ROBERTS: At the risk of drawing the ire of the gentleman from Bellevue, (Mr. Callan) -

PREMIER MOORES: His ire is up.

MR. ROBERTS: Mr. Speaker, with respect, I am not terribly concerned whether his ire is up or down. That is his problem, Mr. Speaker. But I said at the risk of drawing his ire, I would like to say a word or two in support of the petition, a procedure which I understand is permitted under the rules of this House, the rules which have been in effect for so many years. The hon. gentleman, Sir, I thought presented it well, and I thought he said what needed to be said, and that is fine. But that does not mean, nor should it mean, - and I think it is very wrong of the hon. gentleman to try to pretend that it means that other members who wish to say a word or two may not say a word or two. The hon. gentleman represents the district of Bellevue. He represents the people of Garden Cove, who live in that district, and that is fine and dandy. But other people, Sir, are as concerned as is he with the needs of these people and with the general condition of roads throughout his district or throughout the Province. So I want to say a word or two in support of it. I think the people of Garden Cove, Sir, are entitled to better road facilities than they have, and I hope that the Minister of Transportation and Communications, if he chooses not to say a word in this debate or in this procedure, which is his right, I would hope, Sir, that when he comes to consider dividing up the \$58 million or \$59 million, which he is going to ask the Committee to vote to enable him to reconstruct and to build roads, I would hope, Sir, he finds the few hundred thousand dollars which will be needed for the work that should be done on that piece of road between the main highway down the Burin Peninsula, which by the way was paid for almost entirely by the Government of Canada, between that road and the community of Garden Cove.

Mr. Roberts.

And I would say as well to the gentleman from Bellevue (Mr. Callan), Sir, that we welcome his support, whenever he chooses to give it, and we intend, Sir, to support this constituents and the requests he makes in their behalf, whenever we think it is the right and proper thing to do. I would ask him to support our petitions or petitions we present, Sir, when he feels it is appropriate. If he does not feel it is appropriate, Sir, well that is another matter, and he can take it up at a different time. We support the petition, Sir, and I do hope the people of Garden Cove get the improved road conditions or the improved road services they request.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I support the petition presented by the hon. member for Bellevue (Mr. Callan).

MR. SPEAKER: Are there any further petitions?

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES:

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: At this time under Standing Order 84 (a) I would name the Committee to appoint the various committees under the rules of the House. To be Chairman of the Committee, the hon. member for Green Bay (Mr. Peckford); The hon. member for Mount Pearl (Mr. N. Windsor) to be a member of it, the hon. member for Pleasantville (Mr. Dinn), the hon. member for Trinity - Bay de Verde (Mr. Rowe), and the hon. member for Carbonear (Mr. R. Moores).

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

MR. ROBERTS: Mr. Speaker, a question: Heavens knows I do not object to naming the striking committee. But there is motion No. 3 on the Order Paper which has to be passed, as I understand it, before the committee be appointed. If it has not been passed, I would think, without debate we should pass it. But motion No. 3 which stands in the name of the gentleman, the Minister without Portfolio reads that the minister is to move that a Committee be appointed pursuant to Standing Order 24, to prepare and report Lists of Members. So should we not just put it to a vote, I would hope without debate although I think it is probably a debatable motion, but let us put it without debate and then name the committee and the quicker they bring in their report and the standing committees are appointed and get to work the better the House would be for it, Sir.

MR. WELLS: If that is the wish then, Mr. Speaker, we can wait until that period and I will move it again.

MR. ROBERTS: Call it first in the day and we will put it through.

MR. SPEAKER: That has been noted.

OPAL QUESTIONS:

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

MR. ROBERTS: Thank you, Mr. Speaker. My question, Sir, is for the acting Minister of Public Works and Services, the gentleman from Menihek (Mr. Rousseau) in Western Labrador. I would like to know, Sir, whether the government have adopted a new policy under which they have purchased the vehicles they need, you know, cars and trucks that are used in the public service, outside this Province.

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. ROUSSEAU: Mr. Speaker, I will have to take that question as notice. I appreciate the fact that the hon. member may have further questions that he would like to ask. I do not know of the specific instance he is talking about, but I will certainly check it out. But to my knowledge that policy is a policy of local purchase. But the situation, if the hon. member would like to give it to me, I will certainly check into it.

MR. ROBERTS: Well, Mr. Speaker, a supplementary. The hon. gentleman, I can understand, although I believe either he or his colleagues have enunciated the policy of purchasing locally as he just mentioned. Perhaps the minister could tell us why the government decided to buy ten trucks from an Ottawa dealer. I can give him the purchase order notice if he wants it, 615741 issued by Mr. W. Vail, who is one of the minister's officials, on January 6, 1976 requesting delivery of the trucks by January 15, 1976, ten 1975 Ford trucks brought from -

MR. ROWE: Why not give him a copy?

MR. ROBERTS: I will send it to him outside - McKenzie Mercury Limited, 1377 Richmond Road, Ontario for a total cost of \$169,620. These trucks, Sir, four of them were delivered to the Department of Transportation here in St. John's, six were delivered to the Department of Transportation in Grand Falls.

MR. ROUSSEAU: I will take that as notice.

MR. SPEAKER: The hon. member for LaPoile

MR. NEAPY: I would like to put a question to the hon. the Premier in the absence of the hon. Minister of Municipal Affairs and Housing. Would the hon. Premier tell the House about any agreement that has been made with a company in the Western part of Newfoundland in connection with the two buildings at the Harmon Corporation in Stephenville that are going to be converted into apartment buildings, what the arrangements are with this company? Would the hon. the Premier undertake to table the agreement with this company to turn these buildings over for one dollar a year?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I will take the question as notice. I will also get the minister, who probably knows the answer in detail to it, and advise him that the hon. member has asked the question and try to get the reply as quickly as possible.

MR. SPEAKER: The hon. member for Burgeo-Bay d'Espoir.

MR. SIMONS: Mr. Speaker, in the absence of the Minister of Finance and the President of Treasury Board, I would like to direct a question

MR. SIMMONS:

to the hon. the Premier. I wonder if the Premier in the absence of the President of Treasury Board could indicate to the House whether Treasury Board, or government itself, has authorized or instructed the hospital administration, the boards and corporations and so on, to discontinue honouring any clause or clauses of the Newfoundland Nurses' Union Collective Agreement. Just a word of explanation if I may. I ask this in light of the government's fiscal restraint programme.

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Mr. Speaker, I think it would have been most unlikely, but once again I will have to take notice of the question. But I think it would be unlikely.

MR. SIMMONS: A supplementary.

MR. SPEAKER: I recognize the hon. gentleman for a supplementary.

MR. SIMMONS: The Premier has indicated that

Mr. Simmons:

he will take that as notice, Perhaps he may want to do the same with this supplementary which relates to it. I would like to know if the fiscal restraints imposed by the government on the hospital administration boards and so on, are these restraints, I ought to say, resulting in the boards now being unable to honour the terms of the collective agreement?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: The answer, Mr. Speaker, unequivocally, is, no.

MR. SIMMONS: Mr. Speaker, a supplementary.

MR. SPEAKER: I assent to the hon. gentleman for one additional supplementary.

MR. SIMMONS: Mr. Speaker, I refer, in preambling my question, I refer to the Newfoundland Nurses' agreement, which came into effect April 1975, and to the best of my knowledge it is still in effect, I refer the Premier to Article 905, entitled "Change of Days Off", and I would ask the Premier -

MR. WELLS: To a point of order, Mr. Speaker.

MR. SPEAKER: Order, please!

MR. WELLS: To a point of order, Mr. Speaker. I refer Your Honour to page 147 of Beauchesne when it says, "A question oral or written must not ask solution of a legal proposition such as interpretation of a Statute etc." I would submit, Your Honour, that interpretation of a collective agreement would fall within the same bounds, and therefore would not be a proper question.

MR. SIMMONS: To the point of order, Mr. Speaker. The Minister without Portfolio anticipates my question, and anticipates it wrongly. I had no intention of putting a question which would require a legal interpretation of a clause. That was not my question. I was giving the Premier a brief preamble, giving him a reference, I was about to put the question. It had nothing to do with any legal interpretations of clauses.

MR. SPEAKER: On that point of order. Certainly the points made by the hon. minister that no one may ask for the solution of a legal proposition is certainly a valid point. The hon. gentleman says it was not his intention in completing his question to ask for such a legal interpretation, so I shall recognize the hon. gentleman. I should add as well that in asking questions hon. members may only give such information as is necessary for the understanding of the question. The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Thank you, Mr. Speaker. In reference to Article 905 of the Collective Agreement to which I referred, I would like the Premier to indicate to the House now or subsequently whether he is aware of any breach of this clause by any of the participating hospital boards?

PREMIER MOORES: I will take it under advisement.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: I would like to direct a question to the hon. Premier, Sir. Would the hon. Premier tell the House what has happened to the task force that was looking into the possibility of providing assistance to the employees of the Come By Chance Oil Refinery? Has the Premier received the task force report? If so, would the Premier indicate if the recommendations of the report will be implemented?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, no I have not had a report on it. The only information I have on it - I think probably the Minister of Manpower and Industrial Relations could speak better to it than I can - the last I heard is that fifty-four of the people who had been laid off have been placed in employment elsewhere or at other jobs, and that there may have been more who got employment on their own.

Now as far as the official reporting of the task force is concerned, I think, possibly the Minister of Manpower and Industrial Development can answer that.

MR. NEARY: A supplementary question to the hon. Premier, Sir.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the hon. Premier tell the House if the government have taken the decision on whether or not they are going to assist the former employees of the oil refinery with their mortgages and so on, the results of the meetings that have been held with the union and other people in the area?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: The answer is that the government will not be assiting the people directly, but we will be assiting them, Mr. Speaker, through making people available to help them get their mortgage conditions straightened out and also possibly there will be other avenues as well. But before saying anything in the House I think it is better that I talk to the employees, which was our undertaking.

MR. SPEAKER: The hon. member for Fogo.

CAPT. E. WINSOR: Mr. Speaker, a question to the hon. Minister of Fisheries. In the statement which the minister read a few minutes ago can he inform the House whether those boats are repossessed boats? And how many of them are there?

MR. SPEAKER: The hon. Minister of Fisheries.

HON. W. CARTER: Mr. Speaker, it is quite often that we have occasion to repossess boats, boats that are not fishing, boats owned and at least operated by people who want to get out of the industry for different reasons. And these boats will be ones that will come in our possession one way or another in the next few months, we hope, and they will be, as I said in my statement, put in good shape before they are leased to any potential fishermen.

CAPT. WINSOR: What is the number?

MR. SIMMONS: Mr. Speaker, a supplementary.

MR. SPEAKER: The hon. gentleman for Burgeo-Bay d' Espoir, a supplementary.

MR. SIMMONS: A supplementary to my colleague's question. I wonder would the minister indicate how many boats are presently available for the purpose he outlined in his ministerial statement earlier this afternoon, and if he would just give us a detail or two about the method of payment. I was not clear whether the fishermen would pay a once annual, or twice annual or a monthly payment or whether it would be an installment. Would the minister just elaborate for a moment?

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

MR. W. CARTER: Mr. Speaker, the information requested is contained in the statement. It is a pilot project. We will be, this year, hopefully, leasing eight or ten longliners. The method that will be employed with respect to the payment is outlined in the statement. It will be computed having regard for the age of the vessel, how many years it has left, its appraised value and the payments will be made on a semi-annual, twice a year basis, in advance.

MR. SPEAKER: The hon. the member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, this question to the Minister of Health, and I might say, Sir, that this question was prompted by a great deal of concern and a great deal of debate in Buchans this past few days. Would the Minister of Health please advise the House and me as to whether or not the decision has been made to close the Buchans Hospital?

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

MR. H. COLLINS: Mr. Speaker, we have not received a request to close the hospital, to my knowledge, and we certainly have not given any consideration on our own initiative. It is all news to me.

MR. FLIGHT: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. FLIGHT: Mr. Speaker, would the minister advise the House if there is any consideration or any discussions going on

MR. FLIGHT: at this time with a view to closing the Buchans Hospital?

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

MR. H. COLLINS: No, Mr. Speaker.

MR. SPEAKER: The hon. the member for Lewisporte and then the hon. the member for LaPoile.

MR. WHITE: Mr. Speaker, my question is directed to the hon. the Minister of Transportation and Communications. Would the minister indicate to the House whether or not the government has formulated any plans with respect to the road from Churchill Falls to Goose Bay, to make it passable for automobiles, particularly cars, this coming summer?

MR. SPEAKER: The hon. the Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, the formulation of any plans or policy with regard to roads in Labrador, and indeed the rest of the Province, will be duly announced in the House of Assembly.

MR. SPEAKER: I recognize the hon. the member for a supplementary.

MR. WHITE: Mr. Speaker, would the minister tell the House whether or not he realizes the significance of this road now that a roll-on roll-off car ferry service will be operating this year between Lewisporte and Goose Bay, and that people from the Churchill Falls area will want to go -

MR. SPEAKER: Order, please! Order, please!

I would consider that the question is argumentative.

The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to put a question to the Minister of Mines and Energy. Would the minister inform the House if he has any advance notice on increases in gasoline prices in this Province?

MR. SPEAKER: The hon. the Minister of Mines and Energy.

MR. CROSBIE: I have no advance notice, Mr. Speaker. What increases are you talking about? Mr. Speaker, I should say that we have advance notice from Prime Minister Trudeau and the Minister of Energy in Canada, Mr. Gillespie, that there is going to be an

MR. CROSBIE: increase in the price of oil on July 1. They have made that plain to all of Canada and they have made it plain to us, and we as a Province are urging that it be kept as low as humanly possible. But they have the final hand in the matter so they certainly announced it well in advance that there will be an increase on July 1 in the price of crude oil. Other than that I have no notice of anything.

MR. NEARY: Well, Mr. Speaker, a supplementary question to the minister, Sir.

MR. SPEAKER: A supplementary.

MR. NEARY: Has the minister made any representation to the Government of Canada to have the subsidies on heating fuel and crude oil in Eastern Canada increased and if so, would the minister give the House the information?

MR. SPEAKER: The hon. the Minister of Mines and Energy.

MR. CROSBIE: Mr. Speaker, I have made representations to the Government of Canada that the prices should decrease. Decrease!

MR. NEARY: No, the subsidies increase.

MR. CROSBIE: What?

MR. NEARY: The subsidies on oil in Eastern Canada.

MR. CROSBIE: The subsidies on oil increase?

MR. NEARY: Increase, yes.

MR. CROSBIE: Mr. Speaker, we have taken the position, a responsible position as we always take at these meetings, and we recognize that there may be reasons why the price of oil may increase on July 1, and the subsidy decrease. That is a decision wholly within the power and the responsibility of the Government of Canada. We have put to the Government of Canada our position that we have just as good a case as Nova Scotia or P.E.I., in fact, a better case than them for relief from high prices of oil or energy. We have just as good a case as they have. Our per capita income and our cost of living and the rest of it would indicate that our case for any special consideration is just as great as Nova Scotia's or Prince Edward Island's. So

MR. CROSBIE:

I have made these representations on behalf of the consumers of Newfoundland.

MR. NEARY: When, when did the minister make these?

MR. CROSBIE: Made at the last energy ministers' conference -

MR. NEARY: How long ago was that?

MR. CROSBIE: - made by my officials at a meeting since this and made at the Minister's of Finance Conference last week. We are fighting constantly and valiantly to establish our special status in this respect.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: I recognize the hon. gentleman for a supplementary.

MR. NEARY: Mr. Speaker, would the minister tell the House whether the minister has made representation since the increases have been announced a few days ago, a couple of days ago, or were the representations made before the increases were announced?

MR. CROSBIE: Mr. Speaker, I do not know what increases the hon. gentleman is talking about. These are representations that have been made since December, 1975.

MR. SPEAKER: The hon. member for Trinity-Bay de Verde.

MR. F. ROWE: Mr. Speaker, a question for the Minister of Fisheries. It relates to his ministerial statement, Sir. In order for fishermen to participate in this new programme he suggested that they would be encouraged to set up limited liability companies. Does he mean just that, encourage, or will it be mandatory?

MR. SPEAKER: The hon. Minister of Fisheries.

HON. W. CARTER: No, Mr. Speaker. The fishermen will be encouraged. It will not be mandatory to set up a limited liability company. Certainly it would be desirable, we think, for them to do that because of the advantages that I have pointed out; tax benefits, maybe sharing the liability amongst a number of fishermen on that boat. But certainly it is not our intention to force them to do that, but certainly encourage them.

MR. SPEAKER: A supplementary. The hon. member for Trinity-Bay de Verde.

MR. F. ROWE: A supplementary, Mr. Speaker. Will these fishermen who form such companies, form limited liability companies, will they get preference

MR. ROWE:

over fishermen who are acting solely as individuals?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Not necessarily, Mr. Speaker. This programme, by the way, will have to be on a very selective basis. We will have to be sure, first of all, that the people who lease the boats are good fishermen, qualified, interested. Certainly I do not think there will be any priority given fishermen that are organized into a company. But certainly we will be very selective in the people that get these boats under that arrangement.

MR. F. ROWE: One further supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary. Then the hon. member for Burgeo-Bay d'Espoir.

MR. ROWE: Yes, this will be the last one, Mr. Speaker. Sir, in view of the fact that many of our fishermen live in remote areas of the Province, and it would be very expensive for them to get the assistance of a lawyer in order to incorporate a company -

MR. CROSBIE: That is nonsense.

MR. ROWE: It is not nonsense, Mr. Speaker.

AN HON. MEMBER: Order, please!

MR. ROWE: I could give the hon. Minister of Mines and Energy some examples. But is the minister giving any consideration to giving such fishermen some assistance in the way of having them incorporated? Probably the Minister of Justice could answer the question. But I think it is a problem that will exist. Fishermen in the immediate area, no problem; people up in the Northern Peninsula, lawyers have to travel or the individual fishermen have to travel.

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, we realize the problem and the fact that there will be a cost involved. We have been exploring ways whereby that cost can be reduced. But certainly it is worth thinking about and we will be giving some consideration to how we can assist the fishermen who

MR. CARTER:

want to form a limited liability company and who maybe do not have the necessary wherewithall to do it. But we are certainly thinking about that one.

MR. SPEAKER: The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, I have a question for the Minister of Industrial Development. About three years ago, 1973, the land around Bay Bulls was frozen under the Development Area Lands Act. I am wondering now if the minister could indicate whether that freeze is still in effect at this time?

MR. SPEAKER: The hon. Minister of Industrial Development.

MR. LUNDRIGAN: Mr. Speaker, I have to take the question as notice. I am assuming that it is under my jurisdiction. The member obviously has researched the status. I am not familiar with the answer. I have to plead that I am not familiar with it. So I will look into the question. Perhaps my colleague in Forestry and Agriculture might-

MR. ROUSSEAU: We had a land freeze on. Is that what you are talking about?

MR. SIMMONS: Mr. Speaker, for clarification, it comes under the development area and I believe it is administered by the minister's department, That is my understanding.

MR. LUNDRIGAN: Which one?

MR. SIMMONS: The Bay Bulls area.

MR. LUNDRIGAN: No, but which department?

MR. SIMMONS: The minister's department, the Minister of Industrial Development. Does the minister take it as notice?

MR. LUNDRIGAN: Yes.

MR. SPEAKER: The hon. Leader of the Opposition, then the hon. member for LaPocile.

MR. ROBERTS: A question again, Sir, for the Minister of Fisheries and again arising out of his statement today; could the minister tell the House please, Sir, just how the tax liabilities, tax burdens, to use his phrase in the statement, Sir, would be less for fishermen participating under this lease scheme if they were to incorporate themselves as a limited liability company, and then that company were to enter into a lease with the government and the fishermen and his family or his associates were to be the shareholders in that company?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, I think that we all have to agree that the fishermen of our Province are not bookkeepers, they are not accountants, and that is why we are suggesting that maybe we should find a way to instruct the fisherman, or maybe the fisherman's wife or some member of his family, into a very basic and simple system of bookkeeping. And I am sure that once they become a limited liability company, and I am not too familiar with all the legal involvements, but certainly to me it makes sense that maybe if they were, and if they did have some basic instructions on what expenses, for example, are exempt; for example, to what extent can they claim the cost of operating their pick-ups, or their cars,

MR. W. CAPTER: Or would his wife be eligible for a salary up to an amount whereby she would not be lost as a deduction for the fishermen. These are things that I am sure are worthy of consideration and exploration, because I think again it is quite obvious that a lot of our fishermen are not operating their businesses in a businesslike way, and today the maintenance and the operation and the ownership of a longliner, which could involve as much as \$250,000 for ship, boat and gear and working capital, that is a big business. And I am convinced on the basis of what I have seen and the fishermen I have talked with that a lot of them are not operating on a businesslike basis, and I think consequently are maybe forfeiting some of the tax exemptions and benefits that could be derived were a limited liability company organized and if they were maybe given some basic and fundamental instructions on the keeping of a set of books.

MR. ROBERTS: Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary.

MR. ROBERTS: I agree with what the minister has to say about (a) the fact that many of our fishermen are not versed in accounting and, you know, this type of thing, nor would we expect them to be. Secondly, I agree that we should try to get every benefit that is possible under the tax laws, which heavens knows are onerous enough.

But, Sir, would the minister, and this is the question, Mr. Speaker, tell us how the formation of a limited liability company will effect the special provisions which are in the Income Tax Act now and which, as I understand operate very greatly to the benefit of fishermen and farmers. but we have no farmers in this sense. Would the minister tell us how it will effect that. These farmer, fishermen general averaging provisions operate very greatly to the benefit of our fishermen and would the minister tell us just exactly what effect it will have?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, I would like just very quickly speak to the point raised by the Leader of the Opposition. We are talking about a limited liability company. We are talking about the potential of maybe three or four people being shareholders in that company. If you like it, it is almost a formulization of the share system that may presently exist when it comes to attaining credit through the normal institutions, such as banks and what have you. That sort of approach on a businesslike basis will have a better opportunity and be more formalized than the present ad hoc, individual case which seems to be the case now. It is not an end-all situation or solution to any problem, but it may be the way of getting fishermen or groups of fishermen together in a very businesslike atmosphere with the normal channels to approach. I do not expect everyone to be that way overnight, but I would think in time possibly examples could be shown where it could be beneficial.

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, I would like to -

MR. ROBERTS: A point of order, Mr. Speaker -

MR. SPEAKER: A point of order.

MR. ROBERTS: - to a point of order. I listened with interest to what the Premier had to say, but I do not think the minister has the additional right, Sir. We do not answer questions serially. One question is asked and either the minister answers or one of his colleagues answers in his behalf, and surely the Premier has answered this question, Sir, and unless I am allowed a further supplementary, and I think the gentleman for LaPoile is trying to get a question in, I submit the minister should not be allowed a supplementary answer, Sir.

MP. SPEAKER: On that point of order. When a question has been asked and it has been answered by a minister, the Premier or any other minister -

MR. W. CAMPEP: On that point of order. It seems to me rather strange, Mr. Speaker, that ministers are quite willing and quite anxious and obviously quite able to enlighten the Opposition and the people of Newfoundland but quite often I have noticed the Leader of the Opposition has exercised and no doubt it is his right to do this and he is acting within the rules of the House, but he seems to be quite anxious to prevent ministers from elaborating on statements or on questions. It was only last week when I endeavoured to answer -

MP. SPEAKER: Order, please!

MR. W. CAMPEP: - a question from the member for Fogo (Capt. Winsor) -

MP. SPEAKER: Order, please!

The hon. gentleman would only be entitled to speak on the point of order which has actually been raised. That was whether when a question has been asked and an answer given by any minister, the Premier or any other minister, whether another minister may then give an additional answer or supplement the answer already given. I think one question requires - or does not require - but if there is an answer to be given it would be an answer from one member of the cabinet and it would only be by leave that an additional minister could give an additional answer.

The hon. member for LaPoile.

MR. NEAPY: Mr. Speaker, I would like to know from the Minister of Health why his officials went to Happy Valley-Goose Bay, teed up a meeting in connection with the Paddon Memorial Hospital, the closing of the Paddon Memorial Hospital to move it on the base, and not invite representatives of the Town Council, the Chamber of Commerce and the Community Health Council in the area, why the minister's officials representing the government teed up a meeting without inviting these representatives of these three important bodies.

MR. SPEAKER: The hon. Minister of Health.

MR. COLLINS: Mr. Speaker, I had a meeting with the Health Council

MR. COLLINS:

in Happy Valley-Goose Bay prior to this meeting which the hon. member refers to. The meeting to which he refers was arranged to have the input of the Department of National Defense, the Department of External Affairs, the Department of Health, federal and provincial. The meetings were of such a nature that we had to keep it to that level - when I say to that level, to a federal-provincial level - because of the international implications since we were dealing with a United States Military Hospital. There has been consultation with all the groups since and there is no problem as far as we are concerned.

MR. NEAPY: Well the mayor does not think so, the mayor of Happy Valley.

MR. SPEAKER: The hon. member for Terra Nova.

MR. LUSH: I have a question for the Minister of Education. The teachers of this Province, and indirectly the students, are now without the services, the very valuable services, I might say, of three consultants. For the benefit of hon. members, consultants are subject area specialists who work in the department of curriculum and instruction and they provide a tremendous service for the teachers of this Province, a tremendous service. So we are now without three, reading, math and social studies, very major areas. So my question to the minister is when does his department plan to fill these most important and valuable positions?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, these have been vacant for some time. As hon. members know in most of the subject areas we did have consultants and we have been having a tremendous job keeping them. They have been coming into the department and working for five or six months or a year in some cases and moving out. Last Fall when the restraint period came on we tried to freeze as many positions as we could for a period of time. But this is under review. While we have not advertised for all the positions, it is under review, and we will be

MR. HOUSE:

looking at it for the next school year.

MR. SPEAKER: I recognize the hon. gentleman for a supplementary.

MR. LUSH: A supplementary, Mr. Speaker. I am sorry to hear that there was a freeze put on the positions. But the minister mentioned there was some difficulty in keeping people on there. Could the minister explain why this might be so because, again, they are most important positions and the minister realizes this, too, I think? Was there any apparent reason why these people would not stay?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Well I do not know. I could only hazard a guess at that particular thing. Perhaps one of the basic reasons is that they can get more attractive positions with school boards because school boards are looking for supervisory personnel and the holiday schedule for supervisors is better with school boards than it is with the Department of Education. A lot of people of that nature would rather work, not as civil servants. That is one of the reasons. There may be others.

MR. SPEAKER: The hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, I have a question for the Minister of Transportation and Communications. In view of the fact that the intersection at the Come By Chance Hospital, the intersection to Come By Chance and also to Sunnyside, in view of the fact that it is rather foggy in that area most of the time, and the area is not marked very well, has any consideration been given by the minister's department to the idea of probably installing lights, guardrails, some sort of markings there to indicate where these intersections are and, of course, in that way hopefully cut down on possibly serious accidents?

MR. SPEAKER: The hon. Minister of Transportation and Communications.

MR. MORGAN: I will take that question under advisement.

MR. SPEAKER: Actually the time has now transpired. The thirty minutes have now transpired so I cannot recognize anybody else.

ORDERS OF THE DAY:

MR. SPEAKER: Order No. 2 - Committee of Supply. On motion that the House resolve itself into Committee of Supply, Mr. Speaker left the Chair.

COMMITTEE OF SUPPLY:

MR. CHAIRMAN: The hon. Minister of Mines and Energy.

MR. CROSBIE: Mr. Speaker, when the Committee concluded its discussions last Tuesday night, the hon. gentleman from LaPoile (Mr. Neary) was on his feet with his usual kind of piffling nonsense that wastes so much of the time of this House. Mr. Speaker, let me say this, that I like being in here on the estimates, and I like having my department's estimates being discussed, and I like the give and take of debate, and as long as hon. gentlemen opposite keep raising issues, I will keep replying to them. And I do not want anybody to blame me if it takes a long time to do the estimates of Mines and Energy, because I am quite prepared to go the seventy-five hours on the estimates of Mines and Energy if gentlemen and ladies opposite want to do that.

SOME HON. MEMBERS: Hear, hear!

MR. CROSBIE: I also have a lot of information that I would like to give the House, but I cannot get a chance, Mr. Chairman, to answer a question. I have had two, I think it is, forty-five minute speeches or replies since this started on Monday afternoon, and that is all I have been able to get in, and I have had to use that time then to answer outrageous and pusillanimous profusions and pieces of puffery from some hon. gentlemen opposite, and I have not been able to get into the information I would like to give to the House.

Now I want to deal first with the member for LaPoile (Mr. Neary), because he is a gentleman who has to be dealt with. He seems to have the power of getting his effusions covered, and has to be answered for that reason. Now it is a waste of the time of the House. I know that, Mr. Chairman. It is a waste of the time of this House to answer this ridiculous twirperry that we hear from the member for LaPoile (Mr. Neary), but it has to be answered.

MR. NEARY: When the House is being misled it is not a waste of time.

MR. CROSBIE: It has to be answered, Mr. Chairman, for that reason. You see, we just heard the hon. gentleman trying to get my goat in saying that the House is being misled, but he is not going to get my goat. I said the other night what I thought of the hon. gentleman, that he is hircine, goat like, especially in smell, and he is not going to get my goat. I do not have a goat to be gotten. But he was up the other night. He asked me - he thinks that he is the Clarence Darrow of Newfoundland. He thinks that he is the mighty Clarence Darrow come back in a reincarnation as Steve Neary, the fighting member for LaPoile, and he thinks that he is trapping the hon. gentleman. So the other night he asked some questions, leading me down the garden path, down I went, brash as good be, just being led down, with a siren-like figure, the svelte like

Mr. Crosbie.

figure of the member for LaPoile (Mr. Neary) seducing me forward over the thin ice, and then when he got his chance up he jumped to his feet and broke the ice and I went down through, and he thought he really had me by the whatnots.

MR. MURPHY: I hope he did not.

MR. CROSBIE: Well, he did not. He did not and he does not.

MR. CROSBIE: I am not going to enlighten the House on what I have got, Mr. Chairman, Any hon. member wants to chance it will find out.

The hon. gentleman asked me about the Julienne Lake concession and Canadian Javelin Limited. And I had explained what happened to Canadian Javelin Limited, and I said that the Julienne concession had been reclaimed by this House because the original agreement was one that was barbaric, it was atrocious, it was an atrocity, that it was against the interest of the Province; that they had held the concession for fifteen years and they had not been able to develop the known iron ore deposits there. This government had been in office for three years, they were still making no progress, so we decided it had to be terminated and the magic date was June 11, 1974, that under their original arrangement they had had fifteen years before time even started to run. It was not clear how long after June 11, 1974 they could still hold on to the concession doing nothing, and the government brought in legislation to terminate it. And I said there was no ulterior motive, and I said we had no one else in mind to develop the concession. We just wanted to get it back so that if there were any other interested groups they can make proposals. That in substance is what I have said.

MR. NEARY: There are no proposals?

MR. CROSBIE: I am not going to bandy words with the hon. gentleman, exactly what the semantics used was. That is what I said, and that is what I meant, and that was the essence of it, and there was no ulterior motive, We had nobody in mind. In fact, I have got the transcript. The hon. gentleman thinks he is such now, such a powerful lawyer that he asked for the transcript from Hansard, and I got a copy naturally, also. And the hon. gent said, you have nobody in mind? I said, no. There was no one, there was no ulterior motive. And I said, right. You know, that is the point.

MR. NEARY: Mr. Chairman, on a point of personal privilege, Sir.

MR. CROSBIE: On a point of nothing, Mr. Chairman.

MR. NEARY: Mr. Chairman, on a point of personal privilege.

MR. CROSBIE: Stop interrupting me.

MR. NEARY: On a point of personal privilege, Mr. Chairman.

MR. CROSBIE: Stop wasting time.

MR. NEARY: Sit down and learn the rules! When a point of personal privilege is raised the hon. member immediately takes his seat.

MR. CHAIRMAN: Order, please!

MR. NEARY: Mr. Chairman, the hon. member said that I asked for a copy of Hansard.

MR. CROSBIE: Yes, that is right.

MR. NEARY: That essentially, Sir, is correct. But what I want to know, Mr. Chairman, is who told the hon. minister that I asked for a copy of Hansard? Any discussions between me and the Editor of Debates, the Legislative Librarian, or any other employee of this House, Sir, is private and confidential. And what I want to know, Sir, and I think the minister should tell the House, told him that I asked for a copy of Hansard? That is a private and confidential matter, Sir.

MR. MURPHY: He has to get permission to release it. He is not allowed to just hand them out.

MR. NEARY: And whoever told the minister has to get my permission before they can tell the -

MR. CROSBIE: Nonsense!

MR. NEARY: Yes, Mr. Chairman.

MR. MURPHY: He has to get permission to release the Hansard.

MR. NEARY: The Editor of Debates has to get permission from nobody to release Hansard, Sir, except the Speaker maybe.

MR. MURPHY: Right.

MR. NEARY: But not the Minister of Mines and Energy, and that is a violation, Sir, of the privilege of this House, in my opinion.

MR. CROSBIE: Mr. Chairman, my -

MR. CHAIRMAN: Order, please! Let me deal with the hon. member's point of personal privilege first.

MR. CROSBIE: All right!

MR. CHAIRMAN: In regard to what constitutes a breach of privilege of an hon. member, I have had an opportunity to glance, I am afraid rather briefly, but nevertheless reasonably fully through Section 111 of Beauchesne, and it outlines what constitutes a breach of privilege. I will not read it out, it is too long but I do not see really anything there that would apply to members requesting information from employees or officers of the House as to the activities of other hon. members. But I do not understand that a question of personal privilege is involved here.

MR. CROSBIE: Thank you, Mr. Chairman.

Mr. Chairman, let us just say that it is extrasensory perception that one knows when a slieven is slieveening around, that one hears, that one senses that the hon. gentleman was going to ask for Hansard, and that is exactly what happened.

MR. NEARY: To a point of order, Mr. Chairman.

MR. CROSBIE: The hon. Slieven -

MR. NEARY: A point of order, Mr. Chairman. A point of order. I would like to ask Your Honour if the phrase, the term slieven just used by the hon. Minister of Mines and Energy, who seems to be in a rather foul mood today, if that is parliamentary, Your Honour? And if it is unparliamentary, would Your Honour ask the minister to retract?

MR. CHAIRMAN: Order, please!

MR. CROSBIE: Mr. Chairman, to save you the embarrassment, I withdraw the word, the hon. gentleman is not a slieven at this moment.

MR. NEARY: I would like to hear the ruling from Your Honour.

MR. CHAIRMAN: I will rule -

MR. CROSBIE: I will withdraw it. You do not need to rule.

I will withdraw it, Mr. Chairman. I do not want to upset the gentleman.

MR. CHAIRMAN: Order, please! The phrase the hon. member objected to

MR. CHAIRMAN: has been withdrawn, so I think that the point or order is disposed of.

MR. CROSBIE: Thank you, Mr. Chairman. I do not want to upset the hon. gentleman.

MR. NEARY: You are not upsetting me, You are just making a fool of yourself.

MR. CROSBIE: I do not want to upset the hon. gentleman. So the hon. gentleman when he spoke on Tuesday night brought up, Mr. Speaker, and tried to pretend that there was something wrong in what I had said, that it was incorrect. He was almost gentlemanly in his approach. He did not say it was untrue, he just said it was incorrect. Now it is not incorrect. I can be incorrect as well as anyone else, Mr. Speaker, but it is not incorrect and it is certainly not untrue. This House was given the full reasons for the withdrawal of the Julienne concession when the legislation was passed in June of 1975, and everyone in the House voted for it. Passed unanimously! There was no ulterior motive and there was no one else in mind.

Now, Mr. Speaker, quite obviously during the period that Javelin were not developing the Julienne concession, other people expressed some interest. Other people said that if this concession was available they might be interested, they might want to make a proposal, certainly. But the obvious proof that no one was in mind, that the government had no one in mind when the Julienne legislation was passed, nobody specifically in mind, and no agreement with anyone, is the fact that no one yet, a year later, has got the Julienne concession; and no one yet, almost a year later, has put in any detailed proposal to obtain the Julienne concession. So that should be proof enough that this foolishness of his is completely foolish.

MR. NEARY: You got no proof for it.

MR. CROSBIE: No, nothing in it except general expressions of interest. Now, Mr. Speaker, the hon. gentleman got up and he started to quote from documents. The documents he quoted from had - I am not sure how he got them. I think he got them from

MR. CROSBIE: another member of the House, a close friend of his who sits not far from him supplied him with these documents. And how would that hon. gentleman, if my supposition is right have supplied these documents?

MR. SMALLWOOD: To a point of personal privilege. I am quite close to the hon. member but I did not give him any documents. I have not seen any documents, I have not got any documents. If the hon. gentleman, Sir, meant me, take a flat and categorical denial.

MR. CROSBIE: Now, Mr. Speaker, I never said anything about who I suspected. If the hon. gentleman says it was not him -

MR. SMALLWOOD: No, you said sitting quite close.

MR. CROSBIE: Right! Very close! But if the hon. gentleman says it was not him, I accept that.

MR. NEARY: To that point of order, Mr. Chairman.

MR. CROSBIE: Can I get my speech out at all without this silly confusion and points of order.

MR. NEARY: To the point of order raised by my friend the member for Twillingate (Mr. Smallwood).

MR. MURPHY: The hon. member rose on a point of personal privilege and that is not debatable.

MR. CHAIRMAN: That was a point of personal privilege, I believe. I do not think it was a point of order and on the point of personal privilege the hon. the member for Twillingate (Mr. Smallwood) has offered information to the House which I would think satisfies the situation, unless he wishes to go further.

MR. NEARY: Mr. Chairman, could I raise a point of order, Your Honour?

MR. CHAIRMAN: A point of order.

MR. NEARY: My point of order is this, Sir, that the Minister of Mines and Energy a few moments ago made a statement that I received these documents from a member who sits very close to me. Well, I want to categorically deny, Sir, that statement, that I did

MR. NEARY: not receive these documents from the gentleman who sits very near me in this House, namely the member for Twillingate (Mr. Smallwood).

MR. CROSBIE: Mr. Chairman, denial accepted. I do not care where he got the documents. The hon. gentleman got very tender sensibilities on this. Now, Mr. Chairman, if the hon. Mouth will just listen to someone else! He gets up in this House and makes charges and when somebody tries to reply they get this continual harassment. The hon. gentleman is good at the McCarthyite stuff, making the charges and attacking people, but when somebody tries to reply he is up constantly on points of order and nonsense.

MR. NEARY: Do it within the rules of the House.

MR. CROSBIE: Now, the hon. Lip just be quiet.

MR. NEARY: Do it within the rules of the House.

MR. CROSBIE: Now, Mr. Chairman, these documents the hon. gentleman quotes from were filed down in New York, the self-serving material between Mr. Shaheen and Mr. Takagi of Ataka were filed down in New York in a case down there.

MR. NEARY: Right!

MR. CROSBIE: Shaheen Natural Resources against everybody under the sun, only this time it was Ataka America, Ataka and Company, Atlantic Trading and Sumitoma Bank. And there was an affidavit filed and a great big - this big document here was filed with the affidavit. And these letters, these self-serving letters passing between those parties were filed down in New York in this suit against Sumitoma and Ataka. And the hon. gentleman, I suppose, sensed this somehow, went to New York and got a copy.

MR. NEARY: No. No I did not.

MR. CROSBIE: No, you are darn right you did not. So, Mr. Chairman, that is where this correspondence appears. And what this correspondence indicates is that apparently Mr. Shaheen was leading Ataka up the garden path in 1974, pretending that he had

MR. CROSBIE: some kind of concession in connection with the Julienne iron ore deposit, and corresponded with Ataka, and that Ataka at one time had a meeting with Premier Moores and said that they were interested in the Julienne iron ore deposits and the Premier told them - he can say himself what he told them - that we would be interested in receiving any kind of proposals, just a general interest. But that is all that

MR. CROSBIE:

these documents indicate. But the hon. gentleman, seizing on these few squimpy little documents that were filed down in New York in a case taken by Mr. Shaheen against Ataka to try to prove that they were partners in a series of jointed ventures, is then brought up in the House to try to give the lie to me that presumably that there was somebody we had in mind when the Julianne legislation was passed, which is just not true. We had no one in mind, and certainly not Ataka and certainly not John M. Shaheen. There was no one in mind and there is still no one, Mr. Chairman, who has any commitment from the Newfoundland Government in connection with the Julianne iron ore deposits. As I said before, there are three or four groups who have indicated some general interest. There are several groups who have asked for more information. There is not one group that has put in any kind of a proposal. The document that is attached here indicates that a proposal was never received by the government. The government had nothing to do with Ataka except for the Premier having a conversation with Mr. Takagi in September of 1974 and again in September, 1975. It was never before the Cabinet. There was never an Order in Council. There was never anything before the Department of Mines and Energy. There was never anything before the Department of Industrial Development. No proposal was ever received or considered by the government from Ataka or Mr. Shaheen, other than a couple of casual conversations they had with the Premier, and this foolish material back and forth between Shaheen and Ataka in 1974 where Mr. Shaheen pretends that he has got some concession, and he is going to get a concession on the iron ore deposits, and that he is going to get financial help from the Newfoundland Government and the rest of it. Complete and utter fiction, fantasy! He may have hoped he was going to get that, but it never came before the government.

Now that is the position on the hon. gentleman's great coup on Tuesday night, which he would not let me explain before eleven o'clock because obviously he wanted to get covered in the papers so that people would think there was something to it before it could be replied to. That is what there is to that.

MR. CROSBIE:

Now, Mr. Speaker, an interesting coincidence - how these coincidences continue! - there is an action down in New York by one Greenspan and Blitzner against Crosbie and everybody, practically, in the Government of Newfoundland and so on instigated by Canadian Javelin behind the scenes. by Mr. Doyle, and suing the government down there in connection with the sale of shares of Canadian Javelin, which the government sold in 1974 and which was validated by the Newfoundland Supreme Court in a case here in Newfoundland. There had been 84,000-odd shares of Canadian Javelin that were owned by the government of Newfoundland when we came to power. We sold them in 1973. It is called a shareholder's derivative action - that is the pretence. By the way, the Government of Newfoundland and the Premier and myself and other Cabinet ministers have now received a declaration of immunity from the United States State Department, and we are out of the matter. The action still continues against the government and one or two others in certain connections, but not of any importance. Now it is a tremendous coincidence, this is the Doyle group now, not the Shaheen group, that in that action of March 26 a notice was filed by Greenspan and Blitzner calling on the defendants and calling on the Provincial Refining to attend so they could take a deposition on any documents exchanged between the parties from 1972 to 1975 relating to the Julianne concession. Then the hon. gentleman from LaPoile (Mr. Neary) brings it up in the House on Monday. There is not any connection that anyone knows of between this action by Newfoundland Refining, Provincial Refining, the New York court where these documents are filed, and the action taken by Greenspan and so on, except that there is some connecting link between those parties. There is a connecting link between those parties who is a determined enemy of the Province of Newfoundland, or a determined enemy of this government, and who feeds one information he gets from the other and so on. There is a conduit pipe. There is someone in the conspiracy to link these two, to do as much damage to the Province as they can.

Then we had Semonian, who is the other supposed shareholder of

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MR. CROSSIE:

Canadian Javelin taken in action in Massachusetts, who wrote the S.E.C. and attempted to interfere and destroy and make impossible a bond issue of the Newfoundland Government; a sinister conspiracy between the shareholders of Canadian Javelin who were incited and organized by John C. Doyle.

Mr. Crosbie.

and then this other action filed in New York. Well this government, Mr. Chairman, is not going to be deterred from doing what we think is best for this Province by any actions taken by Semonian, Greenspan, Blitzner, Doyle, Shaheen or whoever. And, Mr. Chairman, my reputation for truthfulness is unsullied. And if I stand in this House and I give my version of events, you can depend on it that it is true, unless I have forgotten some detail or made some mistake. No one can be perfect in his recollection of everything.

MR. NEARY: Or you were not told.

MR. CROSBIE: Or I was not told or did not know, yes, right.

Now I dealt with that point, and I do not think it is a very serious matter that should disturb affairs. It is only relevant to the action being taken by Greenspan and Blitzner. Greenspan and Blitzner, if they could get evidence that the Newfoundland Government had already arranged with some other party to give them the Julianne deposit before the legislation was passed in June 1975, they might help their case. That is the only relevance that this whole issue has. It has no other relevance to anything. So that these people could go on with their case down in New York, it has no other relevance than that. Mr. Shaheen apparently expressed some interest with the Premier, with Ataka, that they were interested in the Julianne deposits. Other people during the last couple of years have indicated to the government that they might be interested in the Julianne iron ore if it became free, if there was no longer a concession on it. Since the legislation was passed certain parties have expressed an interest. In every case, Sir, they are told, "Fine. Put in proposals as to how you want to proceed."

MR. NEARY: You never heard of Ataka until 1975.

MR. CROSBIE: The hon. gentleman knows all about Ataka. I heard of Ataka before 1975.

MR. NEARY: That is not what you said the other night.

MR. CROSBIE: I said that I had no knowledge that Ataka was so deeply involved and indebted to the refinery until July, 1975.

MR. NEARY: You got Hansard in front of you.

MR. CROSBIE: And if I said anything different it was wrong. And I have not got Hansard, and I am not going to bother checking it. I met Mr. Takagi first in 1973 aboard a tanker at Come By Chance, and I met him again in April, 1975 in Tokyo, and I knew the name Ataka, and I had heard of it; but never did I know they were so deeply and financially involved in the oil refinery, or that they were financing the crude oil until July, 1975. And that is the situation.

Now in these actions down in the United States, Mr. Speaker, just to complete the record: Semonian versus Crosbie, Hickman, Moores, Doody, the Province of Newfoundland, Labrador Linerboard, Canadian Javelin, International Forest Products, Kraft, Rand-Whitney and Mead, nearly all of those parties have now been excluded from the action, either by actions that they took themselves to get themselves excluded, or by action of the Department of State of the United States of America, who have declared that we have immunity in connection with those actions, and properly so. There are still some part of those actions to be dealt with down in Massachusetts in the United States but not much, so that the persons involved in these actions are no longer involved as persons. They will be struck out altogether if they ever get the trial which is unlikely, and that is true about the case in Massachusetts, Semonian, and the case in New York, Greenspan versus Crosbie and the others. And there is a declaration down there of immunity. So much for those actions. The New York case was Greenspan and Blitzner against Crosbie, Moores, Doody, Burns Brothers, Burns Brothers and Timmins, the Government of Newfoundland, Richard Rowe and John Doe. So there is not much left of that case either.

MR. HICKMAN: John Doe and Richard Rowe are still there.

MR. CROSBIE: It is part of the pattern by Mr. John C. Doyle to attempt to harass this government and to frighten the government into giving him back his former position of eminence and power in this Province, and that will never happen, never! And now, as I said the other day, he is challenged in Canadian Javelin Limited. Shareholders of Canadian Javelin Limited are trying to get him, in fact they appear to be successful, They have gotten Mr. Doyle and his associates off the Board of Directors and a new group has taken over control of the Board of Directors. Mr. Doyle and his group are challenging that. It is a matter that has been in court in Quebec. The dissidents, the new group, the non-Doyle group, have been successful to date, and it may well be that Canadian Javelin Limited will get a good Board of Directors that want to do a good job for that company, and we hope that is so, but that is a matter for the courts to decide between these dissident groups. And as I said the other night, Canadian Javelin is as welcome in this Province as any other person or company as long as they are good corporate citizens. So that is my answer to the hon. gentleman's effusions the other night. There is nothing to it, and nothing that I said incorrectly.

MR. CROSBIE:

Now to give some information that has been asked, Mr. Speaker. I already gave, in answer to a petition yesterday, the answer to a question asked by the hon. member for Twillingate (Mr. Smallwood) as to how the costs have gone on up on the operational subsidies for PEA from 1971-1972 when they were \$4.3 million to \$11.1 million in the estimates this year. With respect to the rates for power in Rural Electrification areas, they increased with the regular power rates. If the hydro rates increase, they increase in the same ratio.

There was a question asked by the member for LaPoile (Mr. Neary) about research in LaPoile Bay.

MR. SMALLWOOD: Would the hon. gentleman yield the floor? I wanted to get a detailed explanation of the tremendous increase, an increase which is admittedly, undeniably a tremendous increase. Last night when he was speaking I asked him, and he said that of course it was caused, and obviously this is so, mainly by the increase in the cost of oil. That would of course be especially in the oil-fired generators, not the hydro. Then secondly in the cost of labour. I was hoping that he would give us a little detail on that. Or is it already contained in the printed documents?

MR. CROSBIE: Mr. Speaker, I have not got the figures for the previous years. But the budget for the power distribution district in Newfoundland and Labrador for the year that we are in now is a total of \$16.9 million. The salary and fringe benefits are \$7.2 million; office expenses, \$2.35 million; travelling expenses, \$4.6 million; diesel fuel and lubricant, \$3.5 million; power purchase, \$2.5 million, because they purchase power from the hydro system; vehicle expense and rental, \$558,000; maintenance material, \$1.6 million; other expenses, \$427,000; management fee, that is paid to Hydro for operating and running it, \$1.1 million.

MR. SMALLWOOD: Has that amount gone up?

MR. CROSBIE: One million one.

MR. SMALLWOOD: Is that an increase?

MR. CROSBIE: I have not got the comparison for last year, Mr. Speaker. That makes a total of -

MR. SMALLWOOD: I do not want to be a nuisance but would the minister tell me of the total sale of power in Newfoundland and Labrador by the PEA how much of it is diesel and how much of it is hydro? And in purchasing both from the Newfoundland Hydro does Hydro automatically charge the PEA the automatic increases in the price of hydro-electricity and secondly, do they just pass on to the PEA the rising cost of electricity produced by increasing the cost of oil? In other words, are the Hydro making profit out of the PEA?

MR. CROSBIE: No, Mr. Speaker. If there is an increase in the hydro rates then the increase is also applied in PEA, so that the same increases apply there. The Hydro is making no money off the PEA. The total operating expense of the PEA is \$18.5 million and a collect revenue of \$7,092,000. That is why the grant-in-aid has got to be \$11.1 million this year. But if the rates change in the hydro areas, the rates change also in the diesel area. For comparisons for next year and so on, when we get down to the detailed heads I will have Mr. Garland in here. He

MR. CROSBIE:

should be able to give me that information.

MR. SMALLWOOD: Would the minister comment on this? This charge for administration made by Newfoundland Hydro against REA is a charge which, if it were not made and REA had to carry it itself, it would be just as big anyway, if not bigger.

MR. CROSBIE: That is right. It is a charge for their own time, and the management people and so on who run it.

MR. SMALLWOOD: What I mean, what I am getting at if REA did that for themselves it would probably cost them more to do it than it now costs them by having it done by Newfoundland Hydro.

MR. CROSBIE: That is right, Mr. Chairman.

We have nothing recent on exploration in LaPoile Bay, but Noranda did geology, geochemistry, and geophysics searches in Northern LaPoile Bay in 1970 to 1972 but found nothing of significance, and my department has not heard of anything recently. There was work done there in 1936 also, 1937, 1965, 1967, 1968, but nothing has been found.

MR. NEARY: Nothing?

MR. CROSBIE: No.

I have information here on offshore gas permits and licences, but it is probably better to wait until we get down to the energy vote, and we can concentrate on that.

On Edmund de Rothschild and the generating turbine called Straflaw. The officials of Newfoundland Hydro met twice with Mr. de Rothschild and his engineer. The system provides interesting features which could be beneficial in the Province. However, they were not in a position then to quote costs, and until they get to the point where they can quote costs Hydro is not in a position to proceed since they cannot make comparative studies without having the cost factors.

MR. SMALLWOOD: What are they doing to get the costs?

MR. CROSBIE: Well, when the de Rothschild Company has their cost figures and so on, they will send us the information. In the meantime

Mr. Crosbie:

if I am in Europe I said I will stop in there and see this, whatever they got in Zurich, which is where they built their first one.

Now the offices, Mr. Chairman, of the Newfoundland and Labrador Hydro, the Montreal office of Gull Island Power is being closed and they are moving to St. John's by June. There will be no offices in Montreal for Gull Island Power. The office of CFLCo is still in Montreal, but you know that office is going to be moved to Newfoundland. That may take a year or so yet. It has to be phased in gradually, and there will always have to be some kind of an office in Montreal because of their close relations with Quebec-Hydro and the fact that they have to be in touch with them. But the head office of CFLCo will be moved to Newfoundland, That will not be tomorrow or next week or next month, but it will be within the next year or certainly within the next two years.

I do not know, there are some other general points, Mr. Chairman, but it may be better when we get down going through the detailed heads of these votes to answer them, because I understand the official Opposition wants to get off this general topic. So I will wait until we go down through before answering some of these other questions.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. NEARY: Mr. Chairman, the hon. minister in going over his list of questions skipped over a few of the very urgent and important questions that I put to the minister. And I would like to remind him of two questions, two very key questions that I put to the minister that he conveniently skipped over when he was replying to his list of questions. Number one, the salary being paid to Mr. Denis Groom: I asked the minister to provide the House with that information and the minister has deliberately or otherwise dropped that question from his list, At least he has not given the House the answer, and the House is entitled to the information. The people of Newfoundland are paying Mr. Groom's salary, and they are entitled to know how much that gentleman is receiving

Mr. Neary:

in pay. We want to know if we are paying him sufficiently well. Is he being underpaid? Over worked? Or is he getting a half decent salary? We have the right, Sir, we as members of the House, and the people of this Province have a right to this information. And the minister did not answer that question, and I am putting the question to the minister again.

The other key question, a very, very important question that I put to the minister that he conveniently dropped from his list,

MR. NEARY: was the question concerning revenue from Quebec Hydro on the sale of power from the Upper Churchill. I ask the minister if in the next few years we would receive sufficient revenue from Quebec-Hydro through the sale of power to meet the government's obligation in paying the interest and the principle of around \$180 million that was borrowed to kick BRINCO out of Newfoundland.

Page 15, Sir, in the prospectus, that is the revised prospectus, the one that was sent to New York recently in connection with the \$50 million bond issue, the revised one, I notice on page 15 it says that the Province expects to receive from Churchill Falls Corporation, CFLCo, annual royalty in rental payments of approximately \$5.6 million, in addition to any dividends which CFLCo, after providing for certain of its obligations, it may declare in the future.

On the money that was borrowed to nationalize Churchill Falls Corporation, to kick out BRINCO, the interest on that money alone, Sir, is going to cost the people of this Province about \$18 million or \$20 million a year. Yet the revenue, the income from Quebec-Hydro, according to the prospectus, is a paltry \$5.6 million, in addition, it says, to any dividends after certain obligations, and I am told that there will be no dividends declared for the next five years anyway.

So what I want to know from the minister, Sir, and the members of this House want to know, and the people of this Province will want to know, where is the extra \$13 million to \$15 million coming from to meet just the interest on this money that was borrowed to kick BRINCO out of Newfoundland and to nationalize the Churchill Falls Corporation? Where is the difference? Where is the money coming from? The minister will get up no doubt and tell me we are going to borrow it, but you cannot keep going and borrowing and borrowing to pay your interest. There has to be sufficient revenue. That is right. There has to be. Well, where is the revenue coming from? Where is the money coming from just to pay the interest?

MR. CROSBIE: I am not providing it.

MR. NEARY: No, that is for sure, Mr. Chairman, the minister is not providing it. All the minister's revenue is in trust for the future.

MR. CROSBIE: I suppose you're right.

MR. NEARY: I know I am right. But, Mr. Chairman, I think this is a very, very important question. It is the most important question in my opinion to come up under the minister's estimates. The minister is going to get \$5.6 million. It cost in interest alone about \$18 million or \$20 million to borrow \$180 million to nationalize Churchill Falls and to kick BRINCO out of Newfoundland. The difference in the interest alone, forget the principal, the difference is going to be \$13 million, \$14 million or \$15 million that has to be found from general revenue or from Newfoundland Hydro or from the consumers of Newfoundland Light and Power Company.

Now will the minister please tell me, tell the House - yes I am going to sit down, I am not finished yet. The minister has had his say now I will have mine.

MR. W. CARTER: To a point of order, Mr. Chairman.

MR. CHAIRMAN: A point of order.

MR. J. CARTER: Mr. Chairman, I realize that the hon. member for LaPoile, or wherever it is, has forty-five minutes in which to say his piece and he can then sit down, and have another forty-five minutes and so on. But Mr. Chairman, once and for all I would like to have it settled; if a member is repeating himself on and on and on again - he has asked the same question over and over and over, has rephrased it at least five times in the last five minutes - I request Mr. Chairman, that you direct him to sit down and allow someone else to speak, preferably the minister in this case, because there are other members in this committee who before the seventy-five hours have elapsed might want to have a word to say and I think it is a breach of the rules and a breach of the privileges of this committee to have one or two members hogging the entire proceedings.

I want a ruling on it.

MR. NEARY: Mr. Chairman, to that point of order, as usual the hon. member for St. John's North (Mr. J. Carter) is just clowning around, Sir. That is not a point of order, Mr. Chairman.

MR. CHAIRMAN: Order, please!

MR. NEARY: I ask to be allowed to continue my remarks without being harassed by the hon. member.

MR. CHAIRMAN: Order, please!

It is out of order to be unduly repetitious and the Chair therefore will take some action in this regard if the rules are obviously broken. Up to the present time I would take the view that the hon. member for LaPoile (Mr. Neary) was bringing to mind certain questions that previously were asked but have not yet been answered, and I think it is within the rules to remind the hon. minister of those questions. But having said that I think that his remarks in that regard should go to the extent of making a reminder without actually opening up the whole area again which has already been gone over on one occasion previously.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. NEAPY: Thank you, Mr. Chairman, that is a very good ruling and I hope, Sir, that I will not be further harassed by the hon. member for St. John's North (Mr. J. Carter) who persists in doing it. Sir, under page 15, as I indicated to the minister - and this is new evidence, Mr. Chairman - CFLCo has contracted to sell to Hydro-Quebec for an initial period of forty years, with an option to renew for a further twenty-five years, virtually all the power generated at the project subject to the right of the Province to recall up to 300,000 kilowatts of such power. Hydro-Quebec controls approximately thirty-four per cent of the outstanding shares of CFLCo, the balance being controlled by the Province.

So, Mr. Chairman, this is probably the most important question of all to be put to the hon. minister, Sir, and I would hope that when he gets back on his feet again the hon. minister will provide the Committee with the information. Because it would seem to me, Sir, that is the motive behind increasing electricity rates to consumers in this Province. That is the real reason, Sir. The minister is going in the back door to get this money, to get some of the money from the consumers of Newfoundland Light and Power Company. I think, Sir, that is wrong.

Now, Mr. Chairman, in connection with the minister's rebuttal, if you like, to the remarks that I made the other night in connection with certain statements made in the House by the hon. minister on Tuesday night, that in my opinion were misleading, whether it was deliberate or innocent, Sir, the statements were misleading, and the minister this afternoon attempted to refute and to rebut some of the statements that I had made quoting, Mr. Chairman, directly from correspondence, from evidence that I had in front of me, to prove to the House that there had been proposals made to the government in connection with the Julienne Lake property.

The minister, Sir, when he started off in typical fashion - and I predicted last night to my friends, and I predicted before the House opened this afternoon that the Minister of Mines and Energy

MP. NEAPY:

would get up and he would start his usual little name calling game, start his typical character assassination, he would get personal with me. I predicted that, Sir and I was absolutely correct. The minister was true to form. When you have the minister on the ropes, when you have checkmate with the minister - not only that minister; there are two or three ministers on the government benches who resort to the same tactics, to try to destroy the credibility of a member of the Opposition who is making a very valid point, they will resort to character assassination, personalities and name calling.

Well, Sir, the minister did not let me down this afternoon. He was true to form. But I am going to turn the other cheek, Sir. I am not going to start calling the minister names. I am just going to deal with the facts of this case. He said it was piffling and nonsense. "What happened to Canadian Javelin", he said, "was the fact that they had such an atrocious deal and they were unable to develop the iron ore, that the government had no choice but to take back the concessions."

He said that it was obvious. "Obviously", he said, "nobody has gotten a deal since." So the minister argues on that basis they did not have anybody in mind. Now I

Mr. Neary.

have no doubt, Mr. Chairman, at all, but the minister is telling the House the truth to the best of his knowledge. But I somehow or other, Sir, am getting the strange feeling that there were a lot of negotiations, a lot of things going on that the minister may not have known about, that the right hand of the government did not let his right hand know what it was doing. And the minister definitely stated, Sir, a few moments ago, as he did the other night, and I gave the minister - I certainly did not try to trap the minister - I gave him every opportunity, and he would want to be awfully stunned, and the man had a legal mind, he would want to be awfully stunned if he did not know what I was doing when I was getting the hon. minister on the public record as making certain statements. I wanted it recorded in Hansard, because I have some other documents that I am going to produce at a later date that is going to make the minister look awfully foolish in some of the statements that he made. But, Sir, in actual fact, Mr. Chairman, the government did have a proposal.

Now the Premier sort of made an off-the-cuff remark the other night that the proposal was never delivered to the government, and the minister kind of confirmed that this afternoon by saying, or by implying, anyway, that Mr. Shaheen had conned Ataka, the Japanese, into thinking that there was some kind of an agreement. And now, Mr. Chairman, we are coming to the root of the whole matter. We are coming to the crux of the problem, because the people of Newfoundland could not understand why Ataka, why the Japanese, who are such shrewd businessmen, why they should put \$300 million in the oil refinery at Come By Chance unsecured? Well, Sir, now we know. Now we know, Mr. Chairman. They thought they were going to get a large chunk of Labrador. The thought they were going to get

Mr. Neary.

an opportunity to develop the Julienne Lake iron ore deposits in Labrador. That is what they thought they were going to get. And in thinking that they had met with the hon. the Premier in August, 1974, up in Montreal, in Hotel Champlain. And I want the hon. Premier - I do not want him to divulge the discussions that took place - but I want the hon. Premier to tell the House who attended this meeting in Montreal. Was it Mr. Takagi of Ataka and Company? Mr. Takagi obviously says that he attended it. Who else attended that meeting? I think the Premier has an obligation to the House to tell the members, and probably some of his Cabinet ministers will be hearing it for the first time. Who attended this meeting? What was discussed? Was there any commitment? Did the Premier ask Ataka to make a submission? Because, Sir, on August 29, 1974, Ataka - that the government had not heard tell of until 1975, so they tell us - Ataka on August 29, 1974 addressed a letter to Mr. Frank D. Moores, Premier of the Province of Newfoundland, St. John's, Newfoundland, "Your Excellency Premier Moores; I would like to take the liberty of submitting to you a general proposal of the development of the iron ore resources of the Julienne Lake deposit as attached herewith." And I am going to table now, Sir, for the benefit of this hon. House, I am going to table that proposal, and I will table the accompanying letter to the hon. the Premier, and I then would like to hear the Premier's comments. The Minister of Mines and Energy says there was no proposal before the government. Well, Sir, I am going to table a proposal when I have finished reading that letter.

MR. ROBERTS: A proposal?

MR. NEARY: A proposal. That is right, I am going to. And it is in greater detail than the Minister of Mines says, "Oh, we just had some general offers." Well, Sir, here in front of me

Mr. Neary.

is a concrete proposal consisting of ten pages and a map, Mr. Chairman, and an accompanying letter saying, "I would like to take the liberty - telling the Premier - of submitting to you a general proposal for the development of iron ore resources of the Julienne Lake deposit as attached herewith."

Mr. Neary:

"Since this proposal is based on information gathered from the steel mills of Japan who have studied the Julienne Lake deposit from the general information which they have gathered from the reports of the Wabush Lake project, of Wabush Iron Company, and Carol Lake project of the Iron Ore Company of Canada whose operations are adjacent to Julienne Lake deposit, and because the geographical, physical and climatical conditions are similar, we feel that the layouts, equipments and the estimated costs are very realistic except for the fact that it must be understood that all estimates are subject for review and adjustments when an actual feasibility study has been completed. I would appreciate it very much if you will kindly study the proposal and give me your candid opinion and comments so that this proposal could be refined further."

" Thanking you for your study of our proposal I am yours truly, S. Takagi, Managing Director, Ataka and Company Limited of New York."

And the minister calls this - what is it he calls this? - fiction! He says all this, all the requests that they have had so far, the proposals, he said, are fiction. Ah well, Mr. Chairman, I am going to table one now that I do not consider to be fiction, and one that I am sure some of the minister's colleagues gave very, very careful consideration to. "The schedule of this proposal has been based on information that has been previously published which are noted herein below; (1) the Julienne Lake deposit, a geological summary report; (2) geology, metalology study of the Julienne Lake deposit; (3) estimated tonnage of the potential open pit mining; (4) bulk sample project; (5) report on the grinding and concentration test of Julienne Lake iron ore; (6) report of the grinding data; (7) Humphrey spiral test; (8) pelletizing test at Julienne Lake iron ore; (9) pilot plant test report." It is all fiction, the minister tells us!

PREMIER MOORES: A pity I never got them.

MR. NEARY: I beg your pardon?

PREMIER MOORES: It is a pity I never got them.

MR. NEARY: Is the hon. Premier saying that the hon. Premier did not receive this letter and this report?

PREMIER MOORES: I will tell it all after.

MR. NEARY: Well the Premier will have a chance, because I am going to table ~~it~~ first for the information of all the members of this House. Well, Mr. Chairman, these are all authentic and legitimate documents that have been filed in the New York Supreme Court, verified, Sir, in an affidavit to the New York Court made by Shaheen Natural Resources, made by Mr. Shaheen, an affidavit made under oath confirming the fact that there was some connection between Ataka, Shaheen Enterprises and the Labrador project. Here it is here, Sir, Section 5 of the affidavit, The minister has it. He waved it at me the other night in this hon. House. It is public information, Sir, anybody can get these documents. I do not have to have these documents passed to me, All I have to do is call up somebody in New York and go down and pay their \$5, the price is a little higher down there than it is here in our own registry office or in our own court, and you can get these documents, Mr. Chairman. And here is what Mr. Shaheen said under oath, "The acquisition of the iron ore deposits at Julienne Lake, Labrador by a Canadian company to be owned 49 per cent by Ataka and 51 per cent by Shaheen Natural Resources, and to finance the plant and equipment necessary for the mining and pelletizing of ore in addition to financing the project, Ataka undertook to sell the pelletized ore. According to Ataka's studies, the overall project involved an investment of \$566 million. Not only was this project a subject of written agreement," - listen to this, Sir, a written agreement between Ataka and Shaheen Natural Resources, - "but it was also the subject of favourable negotiations between the Newfoundland Government and Ataka. The project has been delayed due to litigation in Newfoundland." That is an affidavit, Sir, that has been presented by Shaheen Natural Resources and his companies to the New York Supreme Court under oath. And the minister stands up today and just brushes the whole thing aside, takes a very weak defense,

Mr. Neary:

attacks me personally, accuses the member for Twillingate (Mr. Smallwood) as giving me the documents. Oh! Would not the minister love to know where I get my information. The ministers on the other side, they all think I got a spy in their departments I come up with so much information.

MR. NEARY: No trouble to get information, Sir, I can tell the hon. members that.

Mr. Chairman, I will be looking forward to hearing the Premier tell us about this meeting in Montreal. Here it is here again. Mr. John Shaheen is writing to Ataka - no, pardon me. Ataka is writing Mr. Shaheen, just the reverse.

"Dear Mr. Shaheen; I am enclosing a general proposal together with estimates, maps and mining operation flow sheets for the development of the Julienne Lake iron ore deposit which we discussed at Hotel Champlain on August 6th. with Premier Moores." That is September 1974. Did the minister not know about that when he answered my questions the other night?

The minister told the House that he knew the Japanese were involved in Come By Chance because he had been down there with the Premier when the first tanker arrived, probably the Joseph R. Smallwood, or the Frank D. Moores, or some other tanker, and had a crew of Japanese on. That is how the minister knew the Japanese were somehow or other linked to the oil refinery.

MR. SMALLWOOD: 'Steve,' it could not be either one of them.

MR. NEARY: Well, maybe it was not either one of them, but it was a tanker, that is what I said, or some other tanker.

MR. CROSBIE: The VLCC.

MR. NEARY: The VLCC was crewed by Japanese, so the minister told us. That is how he knew the Japanese were somehow or other connected with the refinery, and when I ~~cross~~examined the minister and put the question to him straight, put it to him Jack Blunt, and said, Sir, "Mr. Minister, when did you first realize that Ataka was so deeply involved at the oil refinery?" And the minister told me July, 1975. July, 1975.

MR. CROSBIE: Right on.

MR. NEARY: Right on. But the hon. the Premier was very familiar with Ataka and had been since 1974 when the hon. the Premier

MR. NEARY: attended this meeting up in Montreal in Hotel Champlain.

AN HON. MEMBER: What? What? What?

MR. NEARY: Yes. I am going to table this piece of correspondence, Mr. Chairman, also, and I might say, Sir, that all the correspondence I have is all marked 'not to be photostated', all confidential stuff. But once it goes to the Supreme Court of course it becomes public information. Do we have a page where I can table this document, Sir?

MR. MORGAN: No respect for the House.

MR. NEARY: Who has no respect for the House?

MR. MORGAN: Drinking coffee in the House, the member for Burgeo-Bay d'Espoir.

MR. NEARY: And, Mr. Chairman, I have to remind the hon. committee, Sir, that on September 26th. -

MR. SMALLWOOD: That is not out of order.

MR. MORGAN: Disrespect!

MR. SIMMONS: On a point of order, Mr. Chairman.

MR. SIMMONS: Mr. Chairman, the gentleman from LaPoile (Mr. Neary) is unquestionably making his best speech of the session, and the Minister of Transportation insists on interrupting, harassing, making silly comments, I suggest Mr. Chairman should draw him to order, read him again the rules of the House, he will eventually understand, and otherwise have him keep silent while my friend from LaPoile continues to make his brilliant speech,

SOME HON. MEMBERS: Hear! Hear!

MR. CHAIRMAN: Order, please!

MR. MORGAN: Mr. Chairman, on that trivial point of order, I was referring to the fact that the hon. gentleman from Burgeo - Bay d'Espoir (Mr. Simmons) was drinking coffee in the House of Assembly, which is out of order.

MR. SIMMONS: And enjoying it. I was drinking coffee, Mr. Chairman.

MR. CHAIRMAN: Order, please! Order, please! The tradition in

MR. CHAIRMAN: the House if that when an hon. member speaks, if he does not actively object to comments from the other side, and if these comments are kept reasonably short, that the Chair does not have an obligation to intervene unless of course the hon. member does ask specifically for the protection.

MR. NEARY: Mr. Chairman, I also want to table a telegram dated September 26th., 1974. It is addressed to Mr. Takagi again, of the Attaka Company Limited, sent by Mr. Shaheen and the telegram leaves no doubt, Sir, that the government was going along with Attaka's proposal and that the prospect was optimistic and that the government would advance a subordinated loan for \$65 million. I would like to hear

MR. NEARY:

the Premier's explanation of that. I want to table this telegram, Sir. And it also ends up by saying, "The matter goes to the House of Assembly next session which will begin about October 26." And what does the minister say? The minister told us all this was just foolish conversation between the Premier, foolish conversation between the Premier and Ataka, which is one of the biggest companies in the world, was and still is, Sir, backed by the Bank of Japan. \$300 million is a drop in the bucket, Mr. Chairman, and I will tell you I cannot understand, maybe I am not clever enough to understand, why the government did not come out on the side of the oil refinery and Shaheen Natural Resources in this whole matter of bankruptcy.

The government, and somehow or other there are members on this side, who seem to be more concerned that Ataka had \$300 million unsecured money into the oil refinery. I say to that, so what! That is their problem. That is their touch luck. We should have come out on the side of the refinery and not worry about whether Ataka was stupid, or whether they thought they were going to get a large chunk of Labrador, or whether they were going to get the concession to mine down there. We should have come out on the side of the refinery and Mr. Shaheen. We did not do it. I agree with that lawyer from New York the other day who made a statement on the radio that we took the wrong position.

Then this telegram, Mr. Chairman, of November 18, 1975, "Legislation will be introduced week after next in Newfoundland, taking first step in plan." Now how did they get that impression. It was only foolish nonsense that was supposed to be carried on! Only just foolish conversations, coffee talk, poppycock, as the minister himself says. Yet somehow or other somebody had the impression that legislation was going to be brought into this House the week after next. That was back in November, 1974, taking the first step in the plan, Mr. Chairman. I want to table this document.

While I am at it, Sir, while the page is here, I want to table the sheet out of the affidavit in case members are interested enough to take a look at it. So you can see, Mr. Chairman, that many, many,

MR. NEARY:

many months before Ataka became almost a household word in Newfoundland, many, many months before that, the leader of the administration was familiar with Ataka and had met with Ataka officials in Montreal. The Minister of Mines and Energy may not have been aware of the discussions, neither was he present at the discussions. If the minister was, he would have told us. But, Sir, it was not Mr. Shaheen who was led up the country path, taken down a country lane for a walk - or Ataka, rather. The minister said it was Ataka that was taken up the country lane for a walk. I would say it was Mr. Shaheen and Ataka who were taken for a walk in the country because, Sir, when you are dealing with the Japanese they have a different philosophy on life than we do. They are used to dealing with honourable men, and when they are dealing with the Prime Minister of Canada or the Prime Minister of England or the Prime Minister of Newfoundland, as they call him, they would think, Sir, that he would be a man of integrity and a man of honesty.

MR. MORGAN: Are you saying he is not?

MR. NEARY: No, Sir, I am not. They would feel that. The Japanese would feel this, and they would feel that the fact that the Prime Minister of this Province took the trouble to go up to Montreal to meet with them would be sufficient evidence in their mind of good faith.

So I say to the hon. House, and I am sure that the members must be really thinking seriously about this, I am not satisfied with the explanation. The whole thing was brushed over by the Minister of Mines and Energy. He can get up and attack me personally all he likes, and the Minister without Portfolio can attack me personally all he likes and can try to assassinate and undermine my credibility all he wants, I will merely turn the other cheek and I will keep on plowing ahead, Sir, until I get the truth,

Mr. Neary.

until I get this whole matter brought out into the open. That is my job in this House as an elected representative of the people. Mr. Chairman, I told the House a few moments ago that I may be so stunned that I could not figure out before why Ataka got sucked in to putting \$300 million in the oil refinery unsecured. I could not understand it. Every little ordinary person in Newfoundland are sitting back with a big question mark over their heads saying to themselves, "My God, they must be awfully stunned. How did this happen?" Well, I am sure the House can see now how it happened. And I do not think it is fair, Sir, to lay the blame on Mr. Shaheen's doorstep for conning Ataka, and I do not care what happens to Doyle and Shaheen in the courts outside of this House. I am interested in protecting the rights of the people of this Province. And the argument can be used that the Premier did not have to bring the matter before his Cabinet until he had a proposal. He could go off and carry on discussions. But as a matter of courtesy, Sir, it was his duty and obligation to report his meeting with Ataka, and to bring the proposals before his colleagues in Cabinet. I would like for the Premier to tell us that he did that.

PREMIER MOORES: Well done, boy.

MR. NEARY: Well, Sir, I am making a case. I am laying out a prima facie case, Sir, to try to get the answers.

MR. MORGAN: You do not want the answers.

MR. NEARY: I want the answers. We got until eleven o'clock tonight.

MR. MORGAN: You are wasting time.

MR. NEARY: I am not wasting time, Sir. This is one of the most important matters ever to come before this House--

MR. MORGAN: You do not want the answers.

MR. NEARY: - because the Minister of Mines and Energy the other night, and I do not think he did it deliberately, Sir, but he misled this House, and he did it innocently I think. But now matter how he did it, he misled the House because the minister was probably not in possession

Mr. Neary.

of the facts, and that is a matter of public record. And so, Sir, when I take my seat I will look forward to the hon. the Premier getting up and telling us who was led down the garden path. Was it Mr. Shaheen who was led down the path by the government? Did Mr. Shaheen lead Ataka down the garden path, as the Minister of Mines and Energy tells us? And he also goes on to say that we still have no one in mind. And yet they have this proposal which seems to me to be a pretty firm proposal, not just silly nonsense, and not just casual conversation. It was a pretty concrete proposal the government had in front of them. And the Premier tells me from his seat that the proposal never reached his office. Well, if it did not, Sir, somebody is going to have an awful lot of explaining to do. And I guarantee you that the explaining will be done. I can tell the hon. Premier that. He will get the explanation. He will get the full brunt of it. I want to know who was at that meeting in Montreal. In case the hon. Premier does not want to tell me I can drop him a hint that I have a list of all those who attended the meeting.

PREMIER MOORES: You are being childish.

MR. NEARY: I am not being childish, Sir. I am not being childish.

MR. MORGAN: Just wasting the time of the House.

MR. NEARY: Yes, it is a kind of waste of time all right trying to find out about the wheeling and dealing that goes on behind the scenes.

MR. MORGAN: You got all the information he knows.

MR. NEARY: Okay. Well, I am going to make sure. I am putting the questions. I hope, Sir, I am making my case clear enough so that even the member for Bonavista South (Mr. Morgan) can understand it. So that when the Premier does get up to explain the situation that he will give me all the answers, and also give me Mr. Groom's salary, and tell me how the government is going to finance the balance of the interest

Mr. Neary.

on the payment on the money borrowed for the nationalization of the Churchill Falls Corporation. And now, Sir, I take my seat, and I look forward to the Premier providing the House with the information.

PREMIER MOORES: Mr. Chairman, if I may very briefly, and I will take about three or four minutes to answer the questions that this great case, the member for LaPoile (Mr. Neary) is trying to put before this House, which is absolutely, completely unadulterated nonsense, exaggeration, taking things out of context. I have never heard anything quite as irresponsible or so foolish in my life.

SOME HON. MEMBERS: Hear, hear!

PREMIER MOORES: Now first of all to review what he is talking about the fact is that on August 5 - this documentation, by the way, is filed in the court in New York by Mr. Shaheen and his company against Ataka and associate companies and banks and so on. In that

PREMIER MOORES:

particular document, or series of documents. There are all kinds of different, weird and wonderful and very different documentations. For instance on August 5, 1974 there is a letter to Ataka from Mr. Shaheen saying, "The following will confirm the agreement between us relating to the iron ore concessions in Labrador." This was on August 5.

Now if you remember he talks about the meeting that was held on August 6, a day later. However, this letter was there and it was totally new to me as was most of the documentation in here until I saw it in this particular document of which we had a copy. "One, we will organize under the laws of Prince Edward Island a corporation to be named Eastern Canada Resources Limited, Eastern. Two, we will organize a corporation under the laws of Liberia Offshore. You will own forty-nine per cent of the capital stock and we will own fifty-one per cent of such capital stocks. Offshore will own one hundred per cent of the stock of Eastern." That is the Prince Edward Island company, I guess, here. "It is understood that the ratio be fifty-one, forty-nine, and so on."

But it goes on with all these magnificent things that this very secretive company is going to do, but I would suggest, Sir, that possibly the article 5 will probably be the most revealing of all in that, "We and you agree that secrecy is of prime importance, and accordingly that neither you nor we will make any disclosure of this agreement or the relationship between us or the ownership of Eastern or Offshore." That part of the agreement was certainly well kept, Sir, because we never knew of it first nor last.

MR. NEAPY: You did not get the proposals?

PREMIER MOORES: We did not know anything about this company. On the famous meeting in Chateau Champlain in Montreal, when I was there - by the way, Mr. Chairman, for other reasons other than this one - I did meet with Mr. Shaheen and some of his colleagues, and I met with Mr. Takagi and some of his colleagues, and I cannot give the names of his colleagues because I cannot pronounce them. But

PREMIER MOORES:

they were certainly there and they were interested in developing -

MP. NEARY: Anybody else there?

PREMIER MOORES: There was a group there as far as I am concerned.

MP. NEARY: Apart from these two, principals of these two companies, was there anybody else there?

PREMIER MOORES: Of major significance? I do not think so. I do not know. I cannot remember, to be very honest about it, exactly who was there, but I can certainly find out.

But the fact is, Sir, that they said at that time they would be interested in a proposal to develop Julianne Lake. My position was that I would bring it back to my colleagues, discuss it with them, and if they were agreeable, we would always be interested in receiving a proposal and if they had one in mind by all means let us have it.

I came back and there was this letter he talks about of the August 6 meeting. Now the letter that was sent to me, "Your Excellency, Premier Moores" - as you would, as I said the other night - the fact is, Sir, that that letter did arrive but the proposal was not attached.

MR. NEARY: No proposal?

PREMIER MOORES: No proposal, no. Now there may be a reason for that because it says on this here, "We have delivered a telegram to Mr. Takagi from Mr. Shaheen. We have delivered by hand privately to the Prime Minister your excellent proposal on the iron ore projects."

MP. NEARY: Had it been delivered?

PREMIER MOORES: No. That proposal has not arrived. There is no copy of it in Mines and Energy, where it would be, or in Industrial Development, or in my office. I have the full file on this thing here, as far as my office is concerned.

The hon. member for LaPoile (Mr. Neary) says that the Newfoundland Government would lend \$65 million. Unfortunately he did not -

MP. NEARY: No, no. I did not say that.

PREMIER MOORES: Well, it did in this telegram. What he did not say was the rest of the telegram; "Prospect most optimistic the government will advance a subordinated loan of dollars 65 million, (most optimistic) which with a reasonable amount of equity should assure a placement of a very large first mortgage loan with ECGD"

MR. NEARY: I read the whole telegram.

PREMIER MOORES: -"based upon take or pay contracts for pellets. This judgement is a valid one as it comes from our own department in London which as you know has had commitments from ECGD over the years for \$600 million."

MR. NEARY: I read that whole thing.

PREMIER MOORES: "The matter goes to the House of Assembly next session" and so on. Now, the fact is, Mr. Chairman, that -

MR. NEARY: A point of order, Mr. Chairman. The hon. the Premier, Sir, said that I did not read the whole of the telegram. I did on Tuesday night, Sir. I read the telegram in total. So the hon. Premier must remember that.

PREMIER MOORES: What I am saying very simply, Mr. Chairman, is that regarding these telegrams and these documents that transpired between Mr. Shaheen and Mr. Takagi, and Ataka and the Shaheen Company that have been filed in New York, what I am saying very simply is that most of this documentation, to our knowledge, never came to our knowledge, and secondly, the hon. member for LaPoile (Mr. Neary) says that when this happens this is a secret deal with the government. Unless he has got proof that the government was involved, the communication between Mr. Shaheen and Mr. Takagi is not representative of the position of this government. Unless he has got documentation to the contrary he should not say so, Mr. Chairman.

MR. NEARY: Say what? What was it I said?

PREMIER MOORES: That the government's position is not documented between two people, neither of which is in the government.

MR. NEARY: What was it I am alleged to have said?

PREMIER MOORES: Now, Mr. Chairman, the full file -

MR. NEARY: What was it I am alleged to have said?

MR. CHAIRMAN: Order, please!

PREMIER MOORES: - in my office on this particular case is this: one is a letter to Mr. Vic Young from Mr. Crosbie, Greenspan versus Crosbie, looking for information. The other one is the letter without the proposal attached, from Mr. Takagi, addressed "Your Excellency" - as you would. The other one is a letter of August 22, 1975,

Premier Moores:

a year later. But we said, of course, we would give them permission to go in and survey and give us a proposal, but that was it. It is a mini comfort letter.

This was a letter from Mr. Takagi back to me, saying he was glad to hear, and that he would taking up with the Japanese people, and when they were in a position they would let us know. None of this has been done since.

MR. ROBERTS: A statement made in 1974, and what occurred next?

PREMIER MOORES: 1974, and it was September 4, 1975 I heard back from them again.

MR. ROBERTS: It was all so much poppycock. The government never agreed to a \$65 million loan, or E.C.G.D.

PREMIER MOORES: No. E.C.G.D. never heard of it.

MR. NEARY: What ministers were with the Premier at that meeting?

PREMIER MOORES: But since this is in the New York Courts I would like to just to clarify for the hon. member, Mr. Chairman.

MR. NEARY: What ministers were with the Premier -

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: (Mr. Young): The hon. member for Trinity-Bay de Verde.

MR. R. ROWE: Mr. Chairman, I realize that the topic under discussion is an extremely important topic. But may I remind the Committee members, Sir, that the Committee at this present time is in a complete and utter shambles. Sir, I am sure that the people of Newfoundland feel the same way as my colleagues and myself, frustrated, demoralized, and sickened, because here is the situation that we have in front of us now: We consumed approximately one-third of the time to be spent on the estimates on one-thousandth of the total estimates, one-third of the total time devoted to the consideration of the estimates has now been consumed on one-thousandth, approximately, of the total estimates to be considered, that is taking the minister's office; it would be one-thirty-second if you take the Ministry of Mines and Energy.

Mr. Rowe:

Sir, our deep concern is over the fact that we will not be able to deal with such major departments, for example, as Education, \$244 million; Health, \$115 million, that is, net expenditures; Transportation and Communications, \$86 million. Now, Sir, I am not going to attack my colleague from LaPoile (Mr. Neary) for wasting the time of the House.

MR. NEARY: It is my duty!

MR. ROWE: It is his duty and it is his right to bring before this Committee those things which he feels that are important to the people of Newfoundland, and we can judge and the people of Newfoundland can judge whether he is doing the right thing or not. But I think it is my duty, Sir, to point out what our stand is. We have asked a number of questions on the Department of Mines and Energy. We have received some answers - some satisfactory, some unsatisfactory - and we have not received some answers to our questions, and we repeated the questions, and we still did not get some answers. And we simply feel it is a waste of time to repeat these questions over and over and over again, further consuming the time of the Committee of Supply.

So, Sir, I honestly do not know what to suggest, I can certainly take the government to task -

MR. MURPHY: Let us tell those naughty boys to behave, keep it short.

MR. ROWE: I am only going to spend five or ten minutes, you know, and I will invite the Committee Chairman to ask me to sit down when I get to ten minutes.

MR. MURPHY: No, no, I do not mean that.

MR. ROWE: Yes, I understand what the minister is getting at. But, Sir, I have to take the government to task. In the first instance limiting debate to seventy-five hours, I think that was a terrible mistake.

MR. SMALLWOOD: Hear, hear!

MR. ROWE: That is number one. And number two, since we got these rules, a seventy-five hour limitation, I further take the government to task for not using Standing Order 116, a, b, c, d, e, f, g, and h, where we can put the estimates of ten departments into Committee which would

Mr. Rowe.

report back to the Committee of Supply. At least under the limitations we should have done that. I am not going to question my colleague, my friend, not colleague, from LaPoile (Mr. Neary) who has every right to get up and consume however much time he feels is necessary to get answers.

MR. NEARY: How much do you need?

MR. ROWE: I personally feel, Sir, that he has become a little bit repetitious, and he is probably not going to get -

MR. NEARY: It is never boring.

MR. ROWE: Never boring.

- but he is probably never going to get the answers that he wants to get. And I would invite him at this stage, you know, to sort of try to work within the rules that exist.

MR. NEARY: That is what I am doing.

MR. ROWE: I do not agree -

MR. NEARY: I am working within the rules that exist. A point of order.

MR. ROWE: If I can finish the sentence.

MR. NEARY: A point of order, Mr. Chairman.

MR. CHAIRMAN (Mr. Young): A point of order has been raised.

MR. ROWE: Yes, but if I can finish the sentence -

MR. NEARY: Mr. Chairman, all my remarks, Sir, I believe, were made within the rules of the House. I do not recall anybody rising or standing in their place on a point of order or a point of privilege, and I think it is very unkind, unfair, and uncouth and unexpected for the member to let go such a vicious attack on me, Sir, for breaking the rules of the House when my whole debate was within the rules of the House.

MR. ROWE: No. Mr. Chairman, to that point of order. You know, number one I did not finish the sentence. The member is working - and I had said it previously - the member is working within the rules of the House and the regulations. And I have taken the government to task for

Mr. Rowe.

setting the time limit. He has worked within the rules of debate with respect to Committee of Supply. But what I was trying to get at, Sir, was this; that having these rules and having to conform to these rules, I think we have to act responsibly - and I am not accusing, and this is not a vicious attack - and we have to act responsibly in order that we can deal with as many other departments as possible. And I once again repeat that we have spent one-third of the Committee's time in dealing with the minister's office, \$86,000 one one-thousandth of the total estimates, or to broaden it out, one-thirty second, if you want to say it this way, is in a general debate on the Department of Mines and Energy.

Now, Sir, I rise to state our position and make it fair and quite emphatic. We have asked questions, and we have received some satisfactory, unsatisfactory and no answers. We try to get further answers. And in order to facilitate and act in what we feel is a responsible manner and get on to the other departments, we have simply given up on the minister with respect to the unsatisfactory and the no-answers or the non-answers that we have received. And I have to reiterate the fact that we are trying, in the best interests of the people of this Province, to act responsibly and not pursue this particular department any further in general debate on the minister's office, because we are most anxious to get on to the other, approximately, let us see, \$753 million that is going to be flushed through some night because we will have run out of time. It is as simple as that. So I appeal to all hon. members, and the hon. member for LaPoile (Mr. Neary) in particular, to try to trash this thing out as quickly as possible, because there is a little bit of repetition, and let us, in the best interests of this Province, try to get on with the consideration of the estimates of the other departments.

MR. CHAIRMAN (Mr. Young): The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Chairman, I want to speak very briefly indeed about this matter. First to repeat what I said very briefly

Mr. Smallwood.

in reply to the Minister of Mines and Energy when he suggested that the hon. member for LaPoile (Mr. Neary) had got that documentation that he had in his hand, and which presumably he has now tabled, from an hon. member sitting near him. Well, I am sitting pretty near him, and I promptly rose to my feet to deny absolutely that he had gotten it from me. He could not have gotten it from me because I did not have it. I have never seen it. I have never read one word of it. I am hoping that the government can arrange to get it Xeroxed so that I can have a copy of it. If there is to be

MR. SMALLWOOD: only one set there on the table, it will be awkward for hon. members to get it and they might very well want to get it. I would assume it to be their duty to get it and read it, not just laugh it off. It is not a matter just to be laughed off.

Now the hon. member said that he had a document and he counted one, two, three, four, they got up to ten, ten pages. I inferred from what he was saying that those pages contained the terms of the suggested agreement, or suggested proposal between Ataka on the one hand and the government of Newfoundland on the other. I hope that has been tabled. I would like to read it.

Now let me add one little morsel of information to this picture. Mr. Takagi and I were pretty close personal friends. It was I, Mr. Chairman, who brought Takagi and Shaheen together, and I knew Takagi for maybe three or four years before Shaheen ever as much as heard of Takagi. Takagi, when I first met him, was head of Ataka in the United States. Subsequently he became what you might - well he became managing head, active head of Ataka on the home territory, Japan itself. But that was subsequent to my first acquaintance with him.

I travelled to Japan from Newfoundland, via New York and Mr. Takagi travelled with me. We flew to New York to Alaska and refuelled, and then from Alaska to Tokyo, and we spent, I think, a week or ten days together in Tokyo. I was accompanied also on that same trip by Mr. John C. Doyle, so there were three of us, Mr. Takagi of Ataka and John C. Doyle representing Julianne Iron Company that had the iron ore concession at Julianne Lake in Labrador. Doyle went with me to England to talk to the Iron and Steel Federation of England, to talk with Rothchilds and with others in England, and to Germany to talk to the steel masters of Germany, and to France to talk with the steel masters of France, and to Tokyo to talk with the steel interests of Japan.

MR. CROSBIE: That was before he went to jail.

MR. SMALLWOOD: That was before he went to jail. Doyle's company had the concession on Julianne Lake, and he was making a strenuous effort to get the iron ore deposits developed, and he thought that the Japanese steel mills that are very large, they are among the largest in all the world, but owning no iron mines and having to bring their supplies of iron ore into Japan, and doing that from about thirty different countries - more, between thirty and forty different countries - Japan's steel mills might be the best chance to get the customers for the iron ore without whom it would be impossible to develop the mines in Labrador, the mines at Julianne Lake.

And so we went to Japan. He knew Takagi, I did not. And it was through him on that very trip to Tokyo that I first made the acquaintance of Mr. Takagi, an extraordinary able man, a very attractive man, and very high up

MR. SMALLWOOD:

at that time, later he was higher, in Ataka. Now Ataka, Mr. Chairman, you ought to know, is one of the world's largest trading companies, one of the largest in Japan. I would say that the trading companies in Japan are the largest trading companies in the world. Japan is famous for her trading companies. The trading companies, Sir, are usually owned by a great industrial complex, or own a great industrial complex. That is to say an industrial complex consisting of great shipyards, building ships up to 300,000, 400,000 tons each, building aircraft, building trucks, motor trucks, building cars, building electric equipment, building cement mills, a great industrial enterprise employing 200,000 or 300,000 men. That is the kind of an industrial empire I refer to. In Japan there are a half a dozen of those great industrial empires. They are so big that as to almost to be frightening. Each of those industrial empires is associated with a great trading company. Ataka is one of those great trading companies. It was they who were negotiating the idea of the Japanese steel mills buying iron ore from Julianne Lake.

Now I find no difficulty at all in thinking that Ataka became deeply interested in the iron ore deposits of Julianne Lake. I have no difficulty at all in believing that. I am quite firmly convinced that Ataka became profoundly interested in the iron ore of Labrador, the iron ore that was available to them as that point to get. They did not get it at that point, but that they would want it I have no doubt. I am not surprised to hear that they approached the Premier of this Province at a hotel in Montreal. This does not surprise me. The Premier says yes, we met and we talked it over in the hotel at Montreal, Hotel Champlain. The hon. member for LaPoile (Mr. Neary) rather reprimanded the Premier for discussing such a project or proposal behind the back of his Cabinet. Now the hon. member is wrong. The Premier of a Province has every right that can be imagined to discuss with anyone, anywhere at any time any proposal for the development of his Province. That is an inborn right of a Premier. If it develops to the point where it is ready for adoption, or at any rate ready for consideration, then, and perhaps not until then, does he bring it before his Cabinet. When he

MR. SMALLWOOD:

brings it before his Cabinet he has no choice but to lay all the details on the table for his colleagues in Cabinet to consider, to weigh, to judge so that they may make their decision as to whether they accept the proposal or not. Now the Premier may, without any of his colleagues being present, discuss a proposal of that type. He may have one of his colleagues present with him. He may have even two of them or three of them. I frequently, in dealing with a total of perhaps as many as a couple of hundred great industrial and financial companies on both sides of the Atlantic and in the far East, I in dealing over a period of twenty-odd years

MR. SMALLWOOD:

with at least a couple of hundred such concerns, almost always, not always, but almost always, had one or two or three ministers with me. So that when I would report to my colleagues in cabinet they would be there to remember to fill in details that I might have forgotten, or that I might, in theory, be suppressing, or that I might, if I were criminally minded, be hiding from my colleagues. Always there were one or two or three or four ministers.

The present Leader of the Opposition was present with me on a number of such occasions. In fact he was with me on one occasion in Tokyo, and other ministers. But that is not essential. The Premier of the Province, the Prime Minister of England on some of the most vital matters - I just finished reading a book by Harold MacMillan, the former Prime Minister of England whom I had gotten to know fairly well, and it is called Past Masters. These past masters are former Premiers of England. He discusses the life and career of each one of them. He tells of case after case of a Premier of England consulting no one but dealing directly with chiefs of state or foreign ministers of different countries in Europe, discussing matters and then, when it pleased him, bringing them before his cabinet. There was one case where the foreign minister was very angry about that, and the Prime Minister very quickly put him in his place because that is the right of the Queen's First Minister. That is his right.

I do not share my hon. colleague's condemnation of the Premier. If he conferred with Ataka in the hotel in Montreal -

MP. NEAPY: You mean he should allow his minister to mislead the House, sitting there and listening to him?

MP. SMALLWOOD: No, I am not saying that at all. I am not yet sure that his minister did mislead the House. I listened carefully. I would like to read the transcript. My understanding was that the Minister of Mines and Energy, the day before yesterday and again yesterday, in answer to questions put to him by the hon. member for

MR. SMALLWOOD:

LaPoile (Mr. Neary) said, and said twice if not three times, that the first time he was aware of the fact that Ataka were in with Shaheen, or in with the refining company at Come By Chance, the first time that he was aware that Ataka were financially involved in the refinery was in the month of July, 1975.

MR. CROSBIE: That is right.

MR. SMALLWOOD: That is the first time he knew that Ataka formed any part of the financial structure of the business element of Come By Chance although, the minister went on to say, a year or two before that he had been in Come By Chance when a tanker arrived full of oil, crude oil, and he was curious, interested to notice that she was a Japanese tanker and that her crew were all Japanese. But at that point he had no knowledge that Ataka were involved. Now he also met Mr. Takagi on the Queen Elizabeth when the Queen came down from New York for the opening of the refinery. I was on the Queen at the same time and I had quite a few chats on that same voyage. It took us two or three days to get down and there was lots of time for chatting and he and I chatted. That is

MR. SMALLWOOD:

Mr. Takagi and I chatted and we discussed many a thing including, the Premier will be interested to know, he will be interested to hear this, including his assertion to me, with great satisfaction, he was quite pleased about it, that he and his company, or he and his associates, or he and his connections in Japan, were to get the order from the Government of Newfoundland for the building of that fleet of draggers to which the Premier had made reference, in fact which he had announced.

MR. NEARY: What was that? Could you repeat that again?

MR. SMALLWOOD: In my autobiography, which I wrote before knowing this - that part was written before I knew it and I did not change it. I let it stand and it stands today in my autobiography - I said that I had learned with chagrin, with disappointment over my failure, of the new Premier's declaration - I envied him, I approved it. It was a magnificent declaration - that the government were going to build a fleet of draggers and lease them to the fish plants. I was envious of the Premier. I was disgusted with myself because I had not thought of the same thing, nor had anyone in my administration suggested it to me, nor had anyone among the fishing companies suggested it to me, nor had anyone in or out of the fishing industry ever suggested it to me. It had not occurred to me. But evidently it had occurred to the Premier, the hon. gentleman who is now the Premier. He made the public announcement that his administration were going to build a fleet of draggers to rent or lease in some way, maybe in some cases sell to the fish plants to enable the fish plants to obtain the supplies of raw material without which they could not carry on. So this was of the utmost importance. I was chagrined. I felt like kicking myself that I had not thought of it. I praised the Premier. I do not know if he ever got around to reading that chapter, but I did praise the Premier quite warmly for that. Then subsequently I was a bit surprised because when Mr. Takagi told me that he or his associates, or the people that he represented, or his own company's shipyards, anyway he, Takagi, was getting the order from the Newfoundland Government to build and supply the fleet of draggers, now that surprised and disappointed me because my hope, of course -

PREMIER MOORES: It is the first I have heard of it.

MR. SMALLWOOD: I did not hear the Premier.

PREMIER MOORFS: I said the first I had heard of it is now.

MR. SMALLWOOD: I see. All right. Well, we are always hearing things for the first time, sometimes the second and third, but there has always got to be a first. The first time I have heard any of the words in the documents quoted by my hon. friend and tabled by him was here in this Chamber last night and here again today. He only quoted part of them. There is one document of ten pages I have never laid an eye on. This was Mr. Takagi's statement, and I was not only surprised but deeply disappointed because I had hoped that those draggers would be built in Newfoundland, that they would be built in my shipyard; not a shipyard that I own, I do not own a shipyard. but I like to think of it as my shipyard.

MR. HICKEY: The Gander shipyard.

MR. SMALLWOOD: Which?

MR. HICKEY: The Gander shipyard.

MR. SMALLWOOD: The Gander shipyard. I do not recall, I do not remember what the hon. minister is referring to. But the shipyard I am referring to is mine, is the one with which whose building, the decision to build and the building and the financing, I was closely associated. I went up there and opened it and so on, christened it, baptized it. I still like to think of it as my shipyard. But then hon. members of the Committee will be a little forgiving about that. They perhaps will be a little compassionate and understand that I could take a certain amount of personal pride in any large construction with which I was identified.

I was disappointed, I say, to hear from Takagi that the draggers were to be built in Japan and not in my shipyard, not in Newfoundland's shipyard at Marystown.

MR. CROSBIE: What time was it?

MR. SMALLWOOD: At what time was what?

MR. CROSBIE: When did you learn of this information?

MR. SMALLWOOD: I learned it from Mr. Takagi on the Queen Elizabeth coming down at the opening of the oil refinery at Come By Chance. The hon. Minister of Mines and Energy was on board her at the same time.

MR. SMALLWOOD: I feel sure that he was full of admiration at that time for Mr. Shaheen. I am sure that he was full of admiration and respect for Mr. Shaheen, and looked upon him as a great doer, as a great developer, as a man of great vision and imagination and ability and energy and courage - how else would he have accepted Mr. Shaheen's invitation to come down? - and I believe that by that time the hon. minister was sharing heartily in his leader's opinion of Mr. Shaheen. The committee will remember what that opinion was and is, uttered publicly on TV. I saw and heard the Premier declare - laughed! I can see his smile now; it was a boyish smile and it would win your hearts, it would win the brass monkeys down out of the trees, a beautiful boyish smile - and said, "Well, I must say I was not very much in favour of Shaheen before, and I was among all those who criticized him, that was before I was in office, but now that I have come to know the man I have to say that I think that he is an honest and an honourable man." So I have no doubt that the hon. gentleman, the Minister of Mines and Energy, shares his leader's view about Mr. Shaheen.

MR. CROSBIE: I do not agree with him on everything. Of course I share the -

MR. SMALLWOOD: I reject the contention that because the hon. gentleman, the Minister of Mines and Energy, left my Cabinet about Mr. Shaheen, and took his place across the floor of the House and attacked Mr. Shaheen, and when I brought Mr. Shaheen and his colleagues, six or eight of them, into this Chamber, this very building, this very room we are in right now - was it not? Yes.

MR. ROBERTS: Yes.

MR. SMALLWOOD: It was right along here, they ranged, and the Opposition sat over here, and the present hon. Minister of Mines and Energy -

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

MR. CHAIRMAN: A point of order.

MR. CROSBIE: Even in the Committee on Supply there is supposed to be some relevance to the estimates of Mines and Energy. Now if

MR. CROSBIE: the hon. gentleman wants to debate Mr. Shaheen, and Mr. Shaheen from 1966 to now, and the Committee wants to use its time in debating that it is perfectly all right with me. But it is not relevant to the consideration of these estimates, and the Opposition party wants to get on with the estimates, so I point out it is not relevant and should be restricted.

MR. SMALLWOOD: Mr. Chairman, to that alleged point of order, the fact of the matter is that what we are on is salaries for the Department of Mines and Energy. The oil refinery is very much part of the Department of Mines and Energy, and the Minister of Mines and Energy is the Newfoundland minister who is answerable to this House.

MR. NEARY: That is right.

MR. SMALLWOOD: And the only minister who is answerable except the Premier, who of course is answerable to this House, to this Committee for everything that every happens or does not happen in the government, that is the function of a Premier. But the minister is charged by law with responsibility to answer to this House for everything in connection with the oil refinery, and that is what I am dealing with and it is not irrelevant and it is not out of order. As I say the minister - I reject the theory -

MR. CROSBIE: A point of order, Mr. Chairman, I raised the point of order. Now if the hon. gentleman is finished speaking to it I would like a ruling. I do not care, we can be as irrelevant as we like, and I am quite prepared to debate all this for seventy-five hours. But it is not relevant to these estimates.

MR. CHAIRMAN (MR. YOUNG): I feel the hon. member is probably on the borderline there. As the debate on the oil refinery is on the Order Paper, I would ask him to -

MR. SMALLWOOD: I did not hear you, Your Honour. I did not quite hear.

MR. CHAIRMAN (MR. YOUNG): I feel that the hon. member is on the borderline of irrelevancy and I would ask him to, as it is on the Order Paper concerning the debate on the oil refinery in Come By Chance, I would ask him to continue and try to keep within

MR. CHAIRMAN (MR. YOUNG): bounds of relevancy, please.

MR. SMALLWOOD: I apologize sincerely to Your Honour, but I still cannot hear. It is my fault, not Your Honour's fault. If Your Honour would take the microphone closer to your lips and speak into it I would hear. I gather that Your Honour said that you felt that I was on the borderline of something. I did not get the rest.

MR. CHAIRMAN (MR. YOUNG): Of irrelevancy.

MR. SMALLWOOD: Talking about the oil refinery is on the border line of irrelevancy: Is that what Your Honour is saying? That is what the minister said, but is that what Your Honour is saying?

MR. CHAIRMAN (MR. YOUNG): There is a motion on the Order Paper concerning -

MR. SMALLWOOD: On the Order Paner.

MR. MORGAN: To discuss the oil refinery. That is a separate debate altogether.

MR. SMALLWOOD: Yes, quite so. That is absolutely so, and I assure my hon. friend that when that order is called and the debate takes place on the oil refinery, I will not be precisely dumb and I will not talk irrelevantly or beside the point. But just in passing, you can take a glancing blow at a subject even after it has been debated and disposed of in the same session of the House. You cannot revive a debate that has been concluded but you can take a glancing blow at -

MR. SIMMONS: A point of order, Mr. Chairman.

MR. NEARY: You can only have one point of order.

MR. SIMMONS: I gathered, Mr. Chairman, that the other point of order had been disposed of and Mr. Chairman had ruled. Is that correct?

MR. CHAIRMAN: It has been disposed of, yes.

MR. SIMMONS: Yes. So I raise a new point of order, Mr. Chairman. I find, as I am sure other members do, the points being made by the gentleman from Twillingate (Mr. Smallwood) quite interesting, but I also feel, Mr. Chairman, that in persisting to elaborate on what can be done or cannot be done on this matter, the member for Twillingate (Mr. Smallwood) is questioning the ruling of Mr. Chairman. Mr. Chairman has already ruled that his comments were bordering on irrelevancy. I happen to agree with Mr. Chairman on that point, and I believe strongly, Mr. Chairman, that now the hon. member for Twillingate (Mr. Smallwood) should be asked to either question your ruling, to test your ruling in the proper way provided for under the rules of the House, or to get on with the subject making sure that he obeys Mr. Chairman's ruling of being relevant.

MR. CHAIRMAN: I feel that on the point of order raised by the hon. member for Burgeo-Bay d'Esnoir (Mr. Simmons), that the hon. member for Twillingate (Mr. Smallwood) is not questioning my ruling, but he is trying to explain because he did not understand, he had trouble hearing.

MR. SMALLWOOD: Your Honour, that is absolutely so. I do not question Your Honour's ruling, ever, up to this moment, and I hope I never shall

MR. SMALLWOOD:

have any reason to think that I ought to challenge Your Honour's ruling. I accept it and I abide by it and I will function within it.

I say that my understanding of parliamentary procedure is that when a debate has taken place on any matter and has been disposed of it cannot be raised again in the same session of the House. It can be raised the following year. You cannot debate the same matter twice. Once it has been debated once, you cannot debate it again. But there is nothing in parliamentary procedure or practice or precedent, believe me, nothing, to prevent you in any debate making a reference to something that was said in another debate. But you cannot go ahead debating it.

MR. NEARY: That is right.

MR. SMALLWOOD: That is right. I spent twenty-three years in this House and I mastered the rules. I was completely au fait with them and I think I still understand them, especially the principles, not just the rules. The rules are meant to embody a principle. All I wanted to say is that I reject the theory that you will hear sometimes put forward that because the hon. the Minister of Mines and Energy left my cabinet over John Shaheen, and on this side of the House cross-examined John Shaheen as though John Shaheen were a criminal in the dock and he was the prosecuting attorney, and although the hon. minister -

MR. CROSBIE: A point of order, Mr. Chairman. I raised a point of order that what the hon. gentleman is saying is quite irrelevant to the discussion before this Committee on the estimates of Mines and Energy. Page 192 of Beauchesne quite clearly points out that the rules of relevancy apply in Committees of the Whole House. This is irrelevant to the business before the House in these estimates, as to what happened to Mr. John Shaheen in 1966, 1968 or whatever. We are discussing the estimates of the Department of Mines and Energy this year, and the department. The House upheld that ruling. The

MR. CROSBIE:

Chairman upheld that ruling and said, yes this was irrelevant to this debate. The hon. gentleman is now going back to what he was saying before that ruling was made, and I ask the Chairman to enforce the ruling. If the ruling is not enforced,

Mr. Crosbie.

then, of course, when I reply I am quite entitled to deal with all these silly points that have nothing to do with the business before the House today or this year, and, therefore, it just gets out of control. And I submit that the hon. gentleman should be kept relevant. He is not being relevant.

MR. SMALLWOOD: Mr. Chairman, to that point, or even that point of order, may I say this, that whenever departmental estimates are brought before the Committee of Supply - this is the Committee of Supply, this is not the House - when departmental estimates are brought forward and the minister is good enough to give an introductory talk on his estimates, that opens a debate of pretty wide scope. Perhaps I ought to say that again so that Your Honour would have the dubious pleasure of hearing it, which Your Honour has not had at the moment, because Your Honour was engaged in important discussions with officers of the House, which is, of course, right and proper. I hardly ever saw a ruling given by Mr. Speaker in the House of Commons at Ottawa before Mr. Speaker conferred with the clerk of the House who was, of course, and normally is a walking encyclopedia on the rules more than even the Speaker is himself. I say that when a minister introduces his estimates to the Committee of Supply, and when he does so with a general introductory and explanatory talk, then a pretty wide ranging debate follows, and you, Your Honour, and the Deputy Speaker, when he was in the Chair, have, both of you, ever since the minister sat down, when he introduced his estimates, the first time he introduced them here, from that minute to this various people have spoken and all kinds of topics have been discussed. Your Honour, will remember. And there seems to be no irrelevancy at all. We even talked for hours here about a famous meeting that was held in the home of the - we talked for what? three hours on that. That was in this Committee of Supply on the minister's estimates. So there is a very wide range, and I want to follow Your Honour's ruling very

Mr. Smallwood.

strictly and unhesitatingly, because I have for Your Honour great respect and no little affection. Ever since I have known Your Honour I have had nothing but respect, kindly respect and affection for you.

MR. J. CARTER: Point of order, Mr. Chairman. Since the hon. gentleman is finished I would like to contribute to it as well. I feel that it is quite impossible for Your Honour to rule on that point of order, because the hon. gentleman from Twillingate (Mr. Smallwood), much as he may wish to, is not able to be relevant, and has never, in my opinion, has never been relevant, but certainly has never been less relevant than in his latest harangue.

MR. SIMMONS: I would like to speak to the point of order, Mr. Chairman.

MR. NEARY: There goes the boob.

MR. SIMMONS: Mr. Chairman, the Minister of Mines has not read the dictionary to the member for LaPoile (Mr. Neary) - certainly he has been using big words like that. Mr. Chairman, to the point of order raised by the Minister of Mines and Energy, I certainly concur with the spirit of the point of order that, I believe, we are straying now. I also bear with the member for Twillingate (Mr. Smallwood) that we had strayed a long way off a few days ago, but two wrongs do not make a right. And perhaps it was for him or for one of us to bring the matter to the attention of the Committee at that time. But to the present occasion I do not think, as interesting as I find it, and as educational, I do not think that the matters being pursued about a meeting here in the House in some point back in 1971 or 1972 or whenever it was, after the Minister of Mines was either kicked out of the Cabinet or left, I would like to hear their various versions of that story too, but that is another story, interesting but irrelevant, Mr. Chairman. And I think there is a lot of wasting time of this Committee going on, and I apologize for the minute or so that I am wasting right now, because I think we ought to get on. My colleague from Trinity - Bay de Verde (Mr. Rowe) has made an urgent plea on this matter, and I do not know

Mr. Simmons.

why it is that certain members in speaking are reminiscing, filibustering, delaying the Committee -

MR. NEARY: You are going to be the judge of that, too?

MR. SIMMONS: If I may conclude, Mr. Chairman.

I do not think it is enough to stand in this House and brag about how we know the rules. It is not enough to know all the rules inside out. I think it is even more important that all of us in this Committee begin practicing the rules. And one of the rules that I would like to see practised to this point of order is the rule of relevancy.

MR. CHAIRMAN (Mr. Young): I would like to - Order, please!

MR. NEARY: To that point of order, Your Honour.

AN HON. MEMBER: Sit down!

MR. NEARY: Mr. Chairman, I would like to point out to the House, Sir, that Your Honour has to leave the Chair before five o'clock in order for the Speaker to take the Chair to announce the items that are going to take place on the Late Show. Does Your Honour want to do that now?

MR. CROSBIE: We want a ruling, Then we can move on.

MR. NEARY: No, but this is to the point of order. It may take a little while to deal with this point of order. Your Honour may want to leave the Chair and have the Speaker come back.

MR. CROSBIE: The hon. gentleman from LaPoile (Mr. Neary) is not government House Leader, and Your Honour has already made one ruling, and when Your Honour makes your ruling on this matter we will rise the Committee so that business can proceed.

MR. CHAIRMAN (MR. YOUNG): I feel that due to the fact that we have a wide range of debate I was going to ask the hon. member for Twillingate (Mr. Smallwood) to continue his speech, But has there been a motion for the Committee to rise?

SOME HON. MEMBERS: Oh, oh!

MR. SMALLWOOD: If I may help the situation. I am disgusted to find myself in one of those stupid, silly, foolish wrangles about points of order, because they turn my stomach ever since this session began. Look, can I withdraw anything and everything? Will that solve it?

AN HON. MEMBER: It should.

MR. SMALLWOOD: All right, So I finish this speech now, and I will resume it when we come, if we ever do come, to Come By Chance.

MR. CROSBIE: I move that the Committee rise, Mr. Chairman, and 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. CHAIRMAN: Mr. Speaker, the Committee of Supply have considered the matters to them referred and has made progress and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of Supply reports that the Committee has met, considered the matters to them referred, have made some progress and ask leave to sit again.

On motion report received and adopted, Committee ordered to sit again presently.

MR. SPEAKER: Now I draw to the attention of hon. members the topic or topics for debate at 5:30, and I have received notice of one such topic and that is from the hon. member for LaPoile (Mr. Neary) a matter arising from a question asked on April 2, to the hon. Minister of Mines and Energy, and dealing with the government's

MR. SPEAKER: policy of job creation for the unemployed people of the Province. So that is the matter which will come up at 5:30.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Order, please!

The hon. the Minister of Mines and Energy.

MR. CROSBIE: You know, the hon. gentleman, the Opposition House Leader, complained that I had not answered some questions. I have not had much of a chance to answer questions, Mr. Chairman, because the normal business of the Committee on estimates is not just proceeding, where you are asked a question and give an answer, and then ask another one and you give an answer, because we have had a series of speeches in the Committee.

Now the hon. gentleman complained about the seventy-five hours provided for the estimates. When this rule change was brought in, Mr. Chairman, the research indicated that there had not been one year since Confederation, or there had only been one year since Confederation, that the estimates have gone over seventy-five hours.

MR. NEARY: But we did not have a \$1 billion budget.

MR. SMALLWOOD: There was not an Opposition then.

MR. CROSBIE: And that was the year 1971 -

MR. MURPHY: We did the best we could with what we had.

MR. SMALLWOOD: Of course. Exactly.

MR. CHAIRMAN: Order, please!

MR. MURPHY: We always dealt with relevant matters.

MR. CROSBIE: If I can continue my remarks?

MR. MURPHY: I am sorry.

MR. CROSBIE: No, I like the help from the hon. the member for St. John's Centre. - and that was in 1971 when there was a good Opposition in this House, and the former government that had been able to jam everything through had to account for itself. But that was the only year since 1949. It became necessary to put a time limit on the estimates, as has been done in every other legislature in the Commonwealth, and

MR. CROSBIE: In the House of Commons at Ottawa, and so on, because there has to be some time limit to this discussion. There is the Budget Speech for general debate, the Address in Reply for general debate and so on. Now the difficulty with this Committee on the estimates is that it has been abused with speeches.

MR. CROSBIE: That is the difficulty and that is why this is taking time. And there were eleven hours spent on Interim Supply. Now, Mr. Chairman, the budget was brought down and the estimates were given to the members of this House and then Interim Supply was asked for. Interim Supply should not have taken more than a half-hour because all the information for the coming year was provided to the House. But instead of that there was something like eleven hours spent on Interim Supply because a certain member opposite chose to use that procedure.

MR. F.B. ROWE: Which member opposite?

MR. CROSBIE: That was the member for LaPoile (Mr. Neary), as we all remember. All right! So eleven hours came out of the seventy-five.

MR. NEARY: Doing my job that the electorate sent me here to do.

MR. CROSBIE: Doing his job! He considers his job - we know what he considers his job to be.

So we have seventy-five hours. That is more than ample time, Mr. Chairman, to examine the estimates, whether it is \$1 billion or \$2 billion. Now we have seventy-five hours in the estimates and that is four and-a-half-weeks. Four and-a-half solid weeks, every hour except Wednesdays that the House is open, on the estimates. Eighteen hours a week. That is lots of time. And how much time is taken is up to the Opposition. As long as the Opposition ask questions or tries to make points I have the right to answer them and I am going to answer them. So four hours of our time here in this Committee, in my department, was spent in an intra-fratricidal debate among the Liberal Party and the members of the Liberal Reform Party. Well if the Opposition wish to carry on that debate it is up to them. It came out of the seventy-five hours. We did not ask for it and we did not invite it.

Hon. gentleman say that they want answers.

MR. CANNING: You cannot work with seventy-five hours.

MR. CROSBIE: Seventy-five hours, my dear man, is more time than they spend in Ottawa on a budget of tens of billions of dollars.

MR. HICKMAN: That is right.

MR. CROSBIE: They do not spend anything like seventy-five hours. So it is up to hon. gentlemen opposite. If they want to do the thing properly they could cover all departments and zero in where they want.

Now the hon. gentleman from LaPoile (Mr. Neary) has his answer from the Premier and from me. Anyone listening realizes that what I said on Tuesday is quite correct. The government had no one else in mind when the Julienne legislation was passed in 1975. There were no proposals before the government. There still are no proposals before the government of any substance, except people indicating interest and getting information, and that is exactly the position. And this Ataka business is in exactly that category. They expressed some interest, they discussed the matter with the Premier and Mr. Shaheen, and that is as far as it got. They submitted nothing that you could examine, there was nothing referred to Mines and Energy, there was nothing referred to Industrial Development, there was nothing referred to the Cabinet, except that the Premier may just have said that there appeared to be a group interested. There were no Orders-in-Council passed, and that is the sum and substance of it. No deal has been entered into with them and no deal has been entered into with anyone else. So there was no need for all this waste of time on this subject. It was just a non-point.

Now the hon. gentleman opposite keeps repeating he wants to have the salary of Mr. Denis Groom. Well Mr. Denis Groom is not paid from public funds. He is paid by Newfoundland and Labrador Hydro.

MR. SMALLWOOD: And where do they get their money from?

MR. CROSBIE: They get their money just like Newfoundland Light and Power. They collect rates from the public and the only

MR. CROSBIE: money they get from this House is the money we vote them for the subsidy under the Industrial Development Incentives Act.

MR. NEARY: Who approves his salary?

MR. CROSBIE: His salary is approved by the Board of Directors of Newfoundland and Labrador Hydro.

MR. NEARY: Who are they? Who are they appointed by?

MR. CROSBIE: I have the floor, Mr. Chairman. The Board of Directors of Newfoundland and Labrador Hydro are appointed by the government.

MR. SMALLWOOD: Right! So it is a government body.

MR. CROSBIE: And they decide what salary Mr. Groom is to get, or anyone else in that establishment.

MR. SMALLWOOD: Then why is it secret?

MR. CHAIRMAN: Order, please!

MR. CROSBIE: Mr. Chairman, I have not said it is secret.

Because I know the hon. gentleman will make a monumental point out of it, and drag the gentleman's name before the public, and go on that it is a great secret or a great scandal, I will tell the Committee that his salary is \$78,000 a year. That is his salary.

MR. NEARY: Any other benefits?

MR. CROSBIE: And he also has certain insurance benefits, and I think he has the use of a car, and whatever the normal benefits are. So Mr. Groom gets the salary of comparable executives in his position in large hydro operations anywhere else in Canada.

MR. NEARY: What does he get from Churchill Falls Labrador Corporation?

MR. CROSBIE: Mr. Chairman.

MR. CHAIRMAN: Order, please! Order, please!

I would like to point out to hon. members that the tradition in the House is that if an hon. member is speaking he may be asked to yield, and this is a practice that will help the business proceedings of the House. I would ask hon. members to pay some attention to it.

The hon. the Minister of Mines and Energy.

MR. CROSBIE: Mr. Chairman, the Newfoundland and Labrador Hydro Corporation

MR. CROSBIE: is the largest - and which is also responsible for its subsidiary, of which we own two-thirds, CFLCo. And the Gull Island project is the largest operation in this Province, larger than Bowaters, larger than Price, It is one of the largest hydro operations in the whole of Canada.

MR. CROSBIE:

cannot get a man who has got the qualifications to operate that without paying him a very good salary and very good terms. In fact, Mr. Groom had to be inveigled back from England where he was doing very, very well with Vickers and the Roneo Corporation, and came because he wanted to leave the United Kingdom and come back to Canada again because of certain events and -

MR. NEARY: The pound! The pound! Sure he wanted to come back!

MR. CROSBIE: Listen to him! And he has to come back and listen to that guttersniper because he is appointed to a public corporation. How are we going to be able to get men or women -

MR. NEARY: No trouble at \$78,000 a year!

MR. CROSBIE: How are we going to be able to get men or women of any substance of character or experience or quality when they are subject of cheap potshots by one or two hon. gentlemen in this Chamber?

MR. NEARY: Who are they? Who are they? Name them.

MR. CROSBIE: I will tell you this. Mr. Groom does not have to. He can go anywhere in the world and get a job at more than this. He does not have to endure these cheap political attacks when he is not in the political arena.

MR. NEARY: Name them.

MR. CROSBIE: Guttersniper is putting a good word on it. So that is what Mr. Groom gets and he is worth every nickel of it, every cent of it he is worth.

MR. NEARY: Did he get out insurance?

MR. SMALLWOOD: And he has insurance and he has a pension, has he not?

MR. CROSBIE: He also has some insurance arrangement.

MR. SMALLWOOD: A pension and insurance?

MR. CROSBIE: Yes, a pension. He has a normal -

MR. SMALLWOOD: Why not tell it all?

MR. CROSBIE: I have not got it all here. I have his salary. He has a life insurance policy, a car.

MR. SMALLWOOD: Why not get it? We are entitled as representatives of the people!

MR. CHAIRMAN: Order, please! Order, please!

MR. CROSBIE: I know who the hon. gentleman is.

MR. CHAIRMAN: Order, please! Order, please! I would request hon. members, if they wish to question the hon. minister, they must ask him to yield, and it is his right then to decide whether he will yield or not.

The hon. minister.

MR. CROSBIE: So that is Mr. Groom's salary, Mr. Chairman, and he gets the other normal emoluments such as I have mentioned. I am delighted we have got him. He is a hard worker and he is doing an excellent job. He has got one of the toughest jobs in this Province. He was even Deputy Minister of Finance in the gentleman from Twillingate's (Mr. Smallwood) administration for some three years.

MR. SMALLWOOD: He was my personal financial advisor.

MR. CROSBIE: Exactly, and he was able to -

MR. SMALLWOOD: I brought him to Newfoundland.

MR. CROSBIE: Exactly! And I suppose the hon. gentleman is delighted.

MR. SMALLWOOD: Most of them want to know what salary he is getting.

MR. CROSBIE: Well I just told the hon gentleman.

MR. SMALLWOOD: The minister has not told it all yet.

MR. CROSBIE: So do not get an epileptic fit.

MR. SMALLWOOD: I will not get any fit. The minister might.

MR. CROSBIE: Good. The hon. gentleman is getting himself tied up in knots there. So that is -

MR. NEARY: The unemployed might get an epileptic fit.

MR. CROSBIE: That is Mr. Denis Groom's salary, Mr. Chairman, that the hon. gentleman from LaPoile (Mr. Neary) was so interested in.

MR. NEARY: I had to drag it out of you.

MR. CROSBIE: The people of Newfoundland are not paying his salary any more than they are paying the salary of the general manager of Newfoundland Light and Power. He is operating a huge operation, including that subsidiary.

MR. CROSBIE:

Now, Mr. Chairman, the question of the loan to purchase the CFLCo shares was explained in detail in this House last November, in detail.

MR. NEARY: No, it was not.

MR. CROSBIE: The hon. gentleman sits there and says, "no, it was not." The hon. gentleman fled from the House last Fall when there were several votes to be taken. It was explained in detail in this House. I got the answers for the Leader of the Opposition and what the interest rates were, and they change every six months in the London, Euro. bank rate and so on. The position on the CFLCo loan was that it was a five or six year bank loan. It has to be put on a long-term basis, which is going to start this year. That procedure will start this year.

MR. NEARY: How much interest?

MR. CROSBIE: Mr. Chairman, what was it I called him the other night? He was ululating. When he ululated the other night at least he had the floor. He was on his feet. He was howling and wailing on his feet. Today he is ululating in his seat. The poor gentleman cannot stop from ululating, whether on his feet or off his feet.

Now, Mr. Chairman, the loan for those shares was gotten through the Bank of Nova Scotia, a five year loan or six years, whatever it is. We calculate that there will be sufficient income, dividends from the CFLCo plus the other revenue, the horsepower tax and the eight per cent, that that revenue is sufficient to pay off the loan, put on a long-term basis, over the period of twenty years. That is based on CFLCo being non-taxable as a Crown corporation owned by two governments. The first dividends, Mr. Chairman, are going to be paid this year, not in five years time. The first dividends from CFLCo will be paid this year, not in five years time. If the income from CFLCo was not sufficient to meet the principal and interest on that loan, then this House would have to be asked to meet it. That loan has no connection whatsoever with the rates charged customers in Newfoundland for hydro power or any other kind of power delivered by the Newfoundland and Labrador Hydro Corporation, absolutely nothing whatsoever. If

MR. CROSBIE: the revenue generated from CELCo - or our share is not sufficient to meet the principle and interest on that loan, this House will have to be asked to vote the difference. It is just as simple as that. It is absolutely separate and has nothing to do with the rates charged by Newfoundland and Labrador Hydro, nor does Gull Island, which is being financed separately, as a separate project, and nothing with respect to Gull Island is included in the rates being charged today by Newfoundland and Labrador Hydro.

So if we are successful, as we think we will be, in having CELCo found to be a Crown corporation even though owed by two governments, the additional income that that will save CELCo passed out to us and Quebec Hydro in dividends will pay off that loan over twenty years. The loan itself is going to be put on a long-term basis starting this year so that it will be a twenty year loan that will have to be paid off over twenty years. The important thing is that it is certainly not going to be borne by the rate payers of Newfoundland. That was his second question there.

There was another - well I do not think there is any need to go back to the Ataka matter. I have already mentioned that. There was no proposal ever before the government or any department of the government, the Premier did have one or two conversations with them.

MR. NEARY: Foolish conversations, that is what they were.

MR. CROSBIE: They were not foolish conversations. If they were interested they were invited to carry on.

MR. NEARY: We will see how foolish they were within the next few weeks.

MR. CROSBIE: I do not need to wait to see how foolish the hon. gentleman is. He convinces me of that every time he opens his mouth.

MR. NEARY: You may think I am a fool, I may think you are sensible, we both could be wrong.

MR. CHAIRMAN: Order, please!

Mr. CROSBIE: He is on the same floor with me, Mr. Chairman. I am really quite fond of him except when he opens his mouth. He is very pleasant when he does not.

Now I was asked a question the other day; there is \$4.4 million in here under the Industrial Incentives vote, the Opposition House Leader asked about that, and he compared it to \$6,004,000 we had in for last year. Now the reason why we are only asking the House for \$4.4 million to meet the assistance on the Industrial Incentives Act is because there is \$5.6 million in revenue going into Newfoundland and Labrador Hydro this year from CFLCo, the eight per cent rental and the fifty cent per horsepower, so they are getting that revenue so we do not have to give it them. Otherwise the amount that they would need under the Incentives Act would be approximately \$10 million. So does that explain it to the hon. House Leader of the Opposition? The hon. House Leader of the Opposition does he have any interest in the answer? He complained I was not answering his question, now is that understandable? It would be \$10 million except that they are getting \$5.6 million from this other source which the government assigned to them.

What happened last year was that two of those payments from CFLCo came in the same year, in the same financial year, so that they did not need any money from the government afterwards because they got two payments in one year. But this year they will only get one payment in the one year.

Then there was another question asked - well I just answered that one about the CFLCo loan. Then there is page after page of notes on the intramural squabble, which there is no point going into again. And as far as I can see from my somewhat extensive notes, Mr. Chairman, I have answered all the questions, except some questions here on oil and gas permits and it is better to wait until we get down to that when we come to that item in the estimates.

MR. CROSBIE: Now, Mr. Speaker, the hon. gentleman from Twillingate (Mr. Smallwood) explained the operations of the office of Premier, as he operated in the Office of Premier, and I can certainly vouch for the fact that that is the way he operated. Every premier operates differently, of course. I can assure hon. gentlemen that our Premier consults with his Cabinet when he has something big on the carpet, and that the Cabinet does not rubber-stamp anything that the hon. the Premier brings forward, anymore than they rubber-stamp what I bring forward or any other hon. minister brings forward. We have a different style of government in Newfoundland today than the style we had when the hon. gentleman was there, and it is a style that more suits our present leader and more suits the people who

MR. CROSBIE:

who are with him, who find that it works much better so that there will be more of a co-operative effort. While the Premier is the first, and not just primus inter pares, our Premier consults with us and keeps us informed and we try to do the same thing with him. And we have the right to say what we like and we can discuss what we like in cabinet, and we can say if we are for something or against something.

MR. NEARY: How about the hon. member's speech? The speech that was made by the member, how about that one?

MR. CROSBIE: I do not know what speech the hon. gentleman refers to.

MR. NEARY: The one I am supposed to have sent Semonian.

MR. CROSBIE: That is the way that this government operates, Mr. Chairman, and there has been no proposal before this government of any substance; in fact, really you can say no proposal before the government in connection with the Julienne Lake except expressions of general interest, requests for information, and an indication of our interest in someone putting in a proposal. And if they did put in a proposal with a certain limit, they would be given certain time to see if they could develop a project and carry it out. So that is the position on that, Mr. Chairman.

So I think if we want to go on down through into the individual items, then I will get in some of my officials, and if there are any questions we would be glad to try and answer them.

MR. CHAIRMAN: The hon. member for St. John's East.

MR. MARSHALL: Mr. Chairman, I have been trying for two days to have a few words, not on the Ataka or the Shaheen matters or anything like that but on the estimates. I think the government has been Atakaed enough and I think the hon. front benches have made it quite clear that they have not Shaheened the point.

Mr. Speaker, there are two points that I want to bring up, two or three points on the estimates, and I mention on the estimates on Mines and Energy. The first thing is with respect to Newfoundland

MR. MARSHALL:

and Labrador Hydro Corporation. Now this happens to be the first of the crown corporations that are coming before this House to be debated, the first of the estimates that are coming in and it happens to be the first of the crown corporations. I want to make it perfectly clear, Mr. Chairman, that I intended to make these remarks before the debate began, because they are consistent with that which I had spoken about when the emergency budget was brought in last Fall and that I have spoken about before in this House. That is to the effect that I think it is an extremely dangerous practice to be allowed to continue as the practice has continued for ever since I can remember, certainly since Confederation, that crown corporations, their accounts are not brought here before the House and that there is no machinery for debating crown corporations in this House.

You might say that it comes up, that you can debate Newfoundland and Labrador Hydro Corporation or the Newfoundland and Labrador Housing Corporation or Labrador Linerboard or what have you because there is a vote there. But there are no specific, detailed, estimates presented to this House for debate, as I feel there ought to be, because there are large amounts of monies that are voted for these crown corporations. Now maybe, as I say, if this were brought before maybe these corporations would be due to what I view as being the ineptitude and the incompetence of the Opposition - that maybe they would not be debated any more than the various departments that have slithered by here over the past two or three years.

But at least the people in the departments, Mr. Chairman, feel that their estimates will be debated. At least they feel there is a possibility of their departments being debated. But as it now particularly stands, crown corporations, directors of crown corporations feel, I would think, justifiably secure in - Mr. Speaker, I am finding it very difficult to talk over the voices that are appearing in the

MR. MARSHALL:

chamber. If I may have silence?

MR. CHAIRMAN: Order, please!

MR. MARSHALL: As I say, Mr. Chairman, it is very hard to - it is a blank check really in a way to these crown corporations not to have them debated fully. And as they presently exist, crown corporations, people in charge of them have a certain amount of security, in my opinion, knowing that the specifics of their corporations will not be discussed, and this is a very dangerous practice.

MR. MARSHALL:

I do not believe there is any rationale for it. I am not saying it was the fault of the government with respect to not debating it. What is the fault is the fault of the system which we have inherited, and something must be done -

MR. NEARY: Change it! Change it!

MR. MARSHALL: Yes, and I am going to recommend in a moment that something be done to change it.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Now against this of course -

MR. SMALLWOOD: Would the hon. gentleman allow a question? Could he give us from memory a list of four or five or six - what are the Crown corporations?

MR. MARSHALL: Well, I can think of Newfoundland and Labrador -

MR. SMALLWOOD: There is the University, and there is -

MR. MARSHALL: There is the University, there is Newfoundland and Labrador Housing Corporation, there is the Hydro Corporation here, there is the Labrador Linerboard Limited, which is really a Crown corporation -

MR. NEARY: And Stephenville out there.

MR. MARSHALL: Well that is the Labrador Linerboard Corporation. There are all sorts of government agencies involved, the Newfoundland and Labrador Liquor Commission.

MR. NEARY: The Harmon Corporation.

MR. MARSHALL: There is the Harmon Corporation. You can name them. There is a long list, and all that we get in this House really, Mr. Chairman, is one subhead usually upon which we are suppose to debate and we have no specifics with respect to it, and it, you know, that is really wrong. I think that we ought to have the general specifics in for the purpose of debating.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Now not necessarily here before this Committee, because if it is going to be as effective, if the debate on that is going to be as effective as I regret to say the debate in estimates on the

Mr. Marshall:

departments have been, there is really no point of it.

MR. SMALLWOOD: Would the hon. member - I do not want to interrupt.

MR. MARSHALL: Certainly by all means.

MR. SMALLWOOD: In Canada, the Government of Canada of course have set up quite a number of Crown corporations. Is the hon. member aware, does he know, can he tell us what the practice is, either invariably or for the greater part, in Ottawa? Does Parliament have the opportunity to have the detailed estimates of expenditure and so on of the Crown corporations?

MR. MARSHALL: I am not quite sure. Now my colleagues who had sat in the House of Parliament could answer it. But my understanding, and I know they will correct me if I am wrong, is that the estimates or the affairs of Crown Corporations are referred to the various standing committees that they make quite use of in the House of Commons. But then again the practice has been that very little information can be elicited as a result, you know, from these committees. But that is not because of the machinery as such, but that is the way in which the House of Commons is, really the Committee system is allowed to operate. What I feel is here that we ought to -

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

MR. MARSHALL: Yes.

MR. NOLAN: I was wondering if he had an opportunity to see a recent article, I believe in The Weekend of a few weeks back, where I believe a lawyer was mentioned, somewhere in Toronto, where he has made it his business to specialize in bringing matters dealing with the public before corporations, and the whole story centered around the setting up of corporations the like of which he is now talking about. He was speaking primarily about Federal corporations and also referring to Provincial - he had a fabulous - there was a total there - it was quite a fabulous number, but I was wondering if the hon. member did see that because I think that was the same type.

MR. MARSHALL: I think that was Mr. McKay who is the Conservative member from Nova Scotia who was made quite a dent in doing it. But the

Mr. Marshall:

problem is, you see, Mr. Chairman, the problem with respect to it is that government is becoming even more remote every day as we move on, and this particular provision that we have here of setting up Crown corporations is really giving the people who are involved, really, a licence, as far as I am concerned, to operate in a vacuum -

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: - make them inaccountable to anybody else except a person who happens to be the minister at that time, and certainly in the case of the Hydro Corporation there is a very competent minister in charge of the department, but that is not the point; the point of the fact is that where public money is spent, where it is collected in revenues, there has to be an accountability before the Legislature or through some machinery of the Legislature.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Now if it were a private company there would be accountability. Let us take the Light and Power Company; they have to account to their shareholders, And I feel that the Hydro Corporation, if you want to use the analogy, should be in no different a position than the Light and Power, they should report to their shareholders through their representatives, the elected members of this House of Assembly.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Now I am not zeroing in as I say completely -

MR. CHAIRMAN: Order, please! May I ask the hon. member does he intend to move that I report progress?

MR. MARSHALL: Yes, Mr. Chairman, I have this and a few other matters to bring up after, if I may. So if it is in order I move that the Committee rise and report progress.

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

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

MR. SPEAKER: The Chairman of the Committee of Supply reports that the Committee has considered the matters to them referred and have made some progress and ask leave to sit again.

On motion report received and adopted.

On motion Committee ordered to sit again presently.

It now being 5:30 p.m. the matter for debate is related to the job creation policy of the government for the unemployed people of the Province.

The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I do not consider the answer from the Minister of Intergovernmental Affairs that he gave me, I think it was on Monday, that he would attempt to secure an interview with the hon. Don Jamieson re the horrible jobless situation in this Province, is sufficiently positive and constructive. Perhaps seeing Mr. Jamieson, Mr. Speaker, would be helpful. But what the hon. minister and the government should be doing now is coming up with a really constructive approach, a plan, a proposal, which would maximize benefits for Newfoundland and still be acceptable to the Canadian Government and to the people of Canada. Back in June 1971, Mr. Speaker, at a Federal/Provincial Conference of Welfare Ministers, with the Hon. John Munro, who was Minister of National Health and Welfare, at the time, I presented a proposal of principle on this very matter. And, Mr. Speaker, with your consent I would like to table this proposal and pass copies on to the minister and also, Sir, to the hon. the Premier. But for the information of members of the House, Sir, the first part of the proposal is to extend the cost sharing formula of the Canada Assistance Plan to finance capital and labour costs of Provincial Special Works programmes under direction of either a Crown corporation or carefully selected employers. This arrangement, Mr. Speaker, would eliminate any competition with private enterprise. The reason, Mr. Speaker, that I am suggesting that the Canada Pension Plan is the way to do it is because the

Mr. Neary.

machinery for my proposal already exists via the Canada Pension Plan and would be the ideal way, Sir, to proceed with the plan that I am outlining because it would not be necessary to set up another bureaucracy,

The second part of my proposal, Mr. Speaker, was to try to persuade the Government of Canada to change the fifty/fifty cost-sharing basis of the Canada Assistance Plan, as it now applies to the ten provinces of Canada, and allow for provincial disparity. As the Canada Assistance Plan, Sir, is now constituted a province with a smaller proportion of its population employed, and/or with its average per capita income significantly below the national average, has fewer wage earners to try to tax and, therefore, Sir, the amount of revenue coming into the public treasury is less and gives that province less of an opportunity to implement social assistance programmes that are essential. The only way, Mr. Speaker, in my opinion of removing the second and third class citizenship status among Canadians and among Newfoundlanders is through setting up a new formula for cost-sharing programmes with the Government of Canada based on extra percentage compensation for those provinces whose average per capita income and/or employment ratio falls below the national average as

MR. NEARY: determined annually on the basis of Statistics Canada figures for the preceeding year.

Mr. Speaker, I consider this matter so absolutely urgent and such a potentially fruitful approach for our government to get its share of that \$1 billion that the Economic Council of Canada has recommended, that I feel, Mr. Speaker, instead of the minister just brushing it off and asking for an interview with the hon. Mr. Jamieson, that this Province take the initiative, Sir, and try to tee up a high level meeting between the Prime Minister of Canada and his appropriate ministers, and the Premier of this Province and a group of his ministers, and that this meeting be held at as early a date as possible and to re-submit, Sir, the proposal that I just outlined. Anything, Mr. Speaker, that I can do to assist the Premier or the minister or his colleagues in working out details of such a plan of approach, Sir, I would be very happy to do it, because I feel, Sir, that this is the most likely way that this Province and the other have-not provinces are going to get the best results from the Government of Canada to try to find relief for our present unemployment problem.

MR. SPEAKER: The hon. Minister of Intergovernmental Affairs.

MR. GROSBIE: This is a serious subject, of course, and it is a serious problem and we are glad to have anyone's suggestion. But the suggestions that the hon. member has made and which he put up in 1971 have been left far behind by events.

Since 1971, and since the hon. gentleman was turfed out by the electorate, out of office, this government has made many submissions to the Government of Canada. The Minister of Social Services, and the former minister who is now the Minister of Provincial Affairs, the member for St. John's Centre, has put many proposals before the Minister of Health and Welfare of Canada as to a better financial sharing of the Canada Assistance Plan, because of the position of this and other provinces based on

MR. CROSBIE: different criteria, instead of a fifty-fifty sharing. Since 1972 there have been creative work projects started in the Department of Social Services, far more than had ever been done there before. The Minister of Manpower and Industrial Relations has made the same kinds of representations to the federal government at Ottawa along these lines.

So these suggestions that the hon. gentleman made in 1971 and many others have been adopted and put before the Government of Canada so there is nothing new in the suggestions that he is making.

As far as coming up with a plan is concerned, Mr. Speaker, with respect to employment in Newfoundland, that has been done. We have put together a series of job creation projects that we think could be carried out in this Province this year with the financial assistance of the Government of Canada. This is all being prepared. We have not been able to arrange a meeting yet with certain federal ministers, that was supposed to have been arranged several months ago but it is still not yet arranged. In addition with that there is a committee of our top civil servants, particularly in the resource area, who are working on overall plans in the resource area, the fishery, the forestry and the like, and that is under the supervision of the Minister of Industrial Development, the member for Grand Falls. Initiative has been taken there.

We have been to Ottawa on many occasions in connection with federal-provincial financial sharing arrangement and every indication is that the Government of Canada wants to spend less, not more. The Federal Minister of Finance, Mr. MacDonald, quite plainly told our Minister of Finance, the member for Harbour Main - Bell Island, that there would be no special federal programmes to help high unemployment areas this year other than the programmes that are in general effect.

In job creation we will be using DREE. We have been so informed and the fact is that their budget is frozen and they will not spend

MR. CROSBIE: in this Province this year any more than they spent last year. This Province itself is doing everything it can as is shown by the estimates. We have had warnings from gentlemen like the gentleman from Twillingate (Mr. Smallwood), that we are spending too much, not too little, and we are. We are spending too much. But we are doing all we can to try to combat unemployment in the Province so that there will be some kind of construction programme in the Province this year, within the limits of what we can sensibly and rationally borrow. That is being done.

The Department of Rural Development has been created. The Rural Development Loan Fund was created. There have been loans made from that fund, hundreds of them over the last three years, and some that the minister announced just a few days ago to try to create employment in the Province.

This Province, with its financial resources, is doing everything that can possibly be done in the way of creating employment in the Province. The Minister of Fisheries has announced programmes, so with the money that we have available we are doing everything that can be done, and we are suggesting to Ottawa, which is the only government in Canada that has flexible revenue sources and that can really get its hands on substantial sums of money, we have suggested programmes to Ottawa, and

MR. CROSBIE:

their position is that they have got to cut down their rate of increase in spending, and they do not feel that they are going to come up with any special programmes for any special area. Now, Nova Scotia is arguing that it should have a special assistance from Ottawa because of their high cost of electricity. To counter that we have said that we are entitled to every bit as much assistance as they get because of our unemployment, because of our high cost of living, because of our lower per capita income. When you compare provinces, our Province is more in need of special assistance than Nova Scotia. You just cannot look at one facet, at power rates, and say that one province is worse off than another because their power rates are higher than another. This Province is not as well off as the Province of Nova Scotia when all factors are looked at. We are making as strong a case as we can to the Federal Government and we are doing what we can ourselves. So it is a serious problem. The hon. gentleman's suggestions that he has got contained in his brief of 1971, and refinements of them and improvements on them have been made to the relevant ministers in Ottawa. We are doing everything we can. We welcome any other suggestions he makes or anyone across the floor makes in this area. So the plans are there. Job creation projects are there. The Federal Government is cutting down on public works spending. They are cutting down on their spending in transportation. These are matters that we have to deal with. We have got another fisheries programme for the Great Northern Peninsula, the herring fishery, improving the community stages and the like. I cannot see anywhere where this government can be criticized for not initiating or putting forward programmes to try to create employment in this Province. We have got the shipyard at Marystown where Herculean efforts are being made to keep operating and expand. We have got the same thing taking place in other areas. We have got Labrador Linerboard, which we are keeping going and making every effort with to create employment, which we saved from disaster in 1972. So in all these areas when we look through the estimates in this budget, you will

MR. CROSBIE:

see that, I would say, that the spending in this budget, at least half of it goes towards trying to create jobs or an environment where people can get employment in this Province.

MR. NEARY: You are missing the point.

MR. CROSBIE: I am not missing the point. We have a plan. There is nothing the hon. gentleman can suggest that we have not already put forward with improvements and refinements.

MR. NEARY: Take a look at it.

MR. CROSBIE: Yes, all the hon. gentleman is doing in that submission is saying that the social assistance cost sharing formula should be changed.

MR. NEARY: It should be based on unemployment statistics or per capita income.

MR. CROSBIE: Yes. But we have suggested even better formulas than that. There is nothing new in that.

MR. NEARY: There is something new in it.

MR. CROSBIE: There is nothing new in it. The former Minister of Social Services and the present one put that forward a dozen times.

MR. SPEAKER: Order, please! The hon. gentleman's time has expired.

MR. CROSBIE: Right, Mr. Chairman, We are doing everything possible.

MR. SPEAKER: The motion before the Chair is that this House do now adjourn. Those in favour "aye", contrary "nay". In my opinion the "nays" have it. I do now leave the Chair until 8:00 p.m. this evening.

The House resumed at 8:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

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

COMMITTEE:

MR. CHAIRMAN: Order, please!

The hon. member for St. John's East.

MR. MARSHALL: Mr. Chairman, when we adjourned I probably lost whatever little momentum I had. But I was talking about the crown corporations and the necessity that the budgets for crown corporations and their financial statements to be debated. I mentioned the fact that I feel it is a danger not to have crown corporations, such as Newfoundland and Labrador Hydro Corporation and the various other crown corporations and agencies, to have their accounts debated here and their budgets debated by some means in this House.

MR. NEARY: Is the university included?

MR. MARSHALL: I will get to the university in a moment. But as it exists crown corporations, such as Newfoundland and Labrador Hydro Corporation, Mr. Chairman, have a security knowing that the specifics of their budget will not be discussed. I know it might be mentioned, the fact that we are asked to vote certain monies, as indeed we are, the amount of \$23 million in the case of the Hydro Corporation, and that there is opportunity for discussion there.

But there is not, Mr. Chairman, the opportunity for the in-depth discussion that I feel that all crown corporations should be subject to. I do not think that there is any rationale for this, and it is not enough that you cannot attract people into public corporations if you do have public disclosure of their salaries and the expenses and what have you, because this is a necessary instance, after all, of anyone who joins the civil service. I think it is giving a group of people, such as the crown corporations,

MR. MARSHALL:

a license to operate in a vacuum if they are not made accountable.

Finally, at the time of adjournment I mentioned the fact that, really, in my opinion, crown corporations ought to report to this legislature, a committee of this legislature, in the same way as other corporations, such as Newfoundland Light and Power have to report to their shareholders. Now I fully realize this is probably whistling in the dark to ask for this. I have mentioned it before and I will continue to mention it again and again and again. I would imagine that these statements will not be tabled, but I would hope that they would be.

Now I want to make it quite plain, Mr. Chairman, that I am not interested in the salary of Mr. Groom or Mr. Jones or Mr. Smith, or whoever it is. But I am very interested in the salary of the position of chief executive officer, and president, and treasurer and what salaries are being paid to various people in crown corporations, how they are managing their affairs, how the management of their affairs stacks up with any other comparable organizations, such as the ideal comparison with Newfoundland and Labrador Hydro Corporation, not completely comparable, but it is the one of the Newfoundland Light and Power Corporation and what have you.

MR. NEARY: Are you inferring that there is mismanagement there now?

MR. MARSHALL: No, I am not inferring the fact that there is mismanagement, Mr. Chairman. What I am saying is the fact that these people really, these corporations really have a license if they know that they are not accountable to the people of this Province. Now as it happens there is some type of accounting provided, as I say, by the isolated subhead in the estimates or by the Auditor General's report, which comes after the fact. But I think that if people in crown corporations knew, the people having the charge of the direction of crown corporations, knew that their budget was going to be subject to scrutiny, public scrutiny in a

MR. MARSHALL:

proper and responsible manner by duly elected representatives, I think it would make for better efficiency and I would again say that it would save a reasonable amount of money.

Now this ought to be done, in my view, by a new procedure being adopted because, as I say, when I make these statements I am not criticizing the government, I am criticizing the system. This is the same system that we have lived with for quite a number of years. It is my opinion that perhaps government might be willing in its great wisdom to consider referring to the Committee - and there are committees provided in the Standing Orders - Committee on Standing Orders of this House to determine a proper mode and manner of examination of crown corporations, boards and agencies. Probably a good way in which to conduct this would be for the various crown corporations and agencies to be referred to the various other standing committees, such as the Resource Policy Committee, the Government Services Committee, and the other one, the Social Services Committee, so that members of this House in a committee could call in before them the various officers of crown corporations and have them defend, I suppose is the word, defend or justify the amount which this House has been asked to vote for them. I think it is essential. I think it is long overdue and I think the perilous financial situation of this Province dictates that it be done and it be done very quickly.

Now, Mr. Chairman, as I say, in this budget we are being asked to vote \$23 million for Newfoundland and Labrador Hydro Corporation. Now much has been made of Memorial University. The hon. member for LaPoile (Mr. Neary) makes a lot of it. And they are, if memory serves me correct, \$33 million or \$34 million this year.

MR. HICKEY: They need the lot of it too.

Mr. Marshall.

It comes up from time to time. But we never heard of anything like the Hydro Corporation with \$23,million, which is a tremendous amount of money, and I do not think we should - as much as I feel that Memorial should be accountable - I think it is a danger to zero in completely on Memorial University. I think that all of these crown corporations, agencies, and boards are in the same position. Now I would like to see myself, as I say, how the Hydro Corporation uses its money, both the money voted in this House and the money that it collects by revenue, because this is public money as well. This is a publicly-owned Corporation,just as the Housing Corporations and the various other ones are. I would like to see how they spend their money, how do they compare with comparable institutions,such as hydro corporations in other provinces, such as the Newfoundland Light and Power in the case of the Hydro Corporation? How much is being paid out in executive salaries? How efficiently or effectively they are managing their affairs and all of the other concerns which are surely of interest to the public where public money is being involved? As I say,I offer this as a suggestion. I would hope that it is going to be - I will not anticipate how it is going to be received - but I would say that I would certainly hope that it would receive sympathetic attention, because government is becoming more remote from the people everywhere and in every phase of society, and certainly when you come to Crown Corporations this is a particularly acute example of the remoteness of the public treasury.

MR. NEARY: I thought this crowd was going to bring government to the people.

MR. MARSHALL: Well,this crowd,as the hon. member refers to it, has done an awful lot to bring government to the people in responsibility and accountability, but there is always room for

Mr. Marshall.

improvements in every area. We are not blind followers, like the hon. gentleman was a blind follower not too long ago.

Now, Mr. Chairman, another point that I would like to bring up is in connection with Mines and Energy. I would just like to spend a few moments with respect to the provision of the exploration licences for oil and gas. As we know, the revenue derived from this type of resource, if it comes to fruition, is going to be from two sources. On the one hand, from royalties, and on the other hand from capital outlays for exploitation. Now I was a little bit perturbed to see a statement made in the paper by a Mr. Schneider, when he was addressing the Rotary Club a little while ago, Mr. Harold Schneider, who is a director for the centre for Cold Ocean Resources Engineering, and I would just like to read some of the comments that he is reported to have made at a speech before, I think it was, the St. John's Rotary Club, which I think requires us to consider it and give a certain amount of consideration to it.

He said, "With respect to oil and gas this will require developments of a new technology which is both new to the oil companies as well as to ourselves." Mr. Schneider gave examples of how Newfoundland at present is not involved in the process. "Vessels being used in the offshore exploration are designed in Japan and Europe and accordingly are operating in conditions for which they are not suited. The interpretation of the geology of the Continental Shelf off Newfoundland is done in Calgary while engineering is performed in Paris. The operation itself is directed from Houston, and the regulations developed in Ottawa where the economics are dictated by the Middle East."

Now that is a statement, Mr. Chairman, made by a very responsible and knowledgeable gentleman who knows what he is talking about. I would ask the minister, and I know this is a new area in all respects, and that the department is

Mr. Marshall.

working actively with respect to these matters, perhaps he might care to enlighten the Committee as to what steps are being taken to preserve the economic benefits and advantage of the possible discovery of oil and gas, and the exploitation and the exploration of it, of preserving this for the people of Newfoundland? Because, Mr. Chairman, by any cursory look at the history of this Province one will see that since the days of the fishing admirals the people of Newfoundland with respect to their own resources have really been tenants in their own country. We have seen this in the fisheries from years ago when the European countries came over and scooped up the fish, and they are still doing it. We have seen ourselves taking a very far back seat in technology in our own basic resource, such as fisheries, where the technology of Europe has far outstripped this country; where we are now imprisoned, in the case of fishery, in many cases with exporting such things as large blocks of cod because, being tenants in our own land, we do not get the support from Ottawa which is much more interested in supporting the breadbasket of Central Canada, where actually 160-odd seats appear in the House of Commons. We have seen it in our mining industry, and I think that this is our last big resource, this oil and gas, and we cannot afford to make any mistakes with it.

Now I understand that this government very wisely has differentiated between two types of licences, the first licence being a licence to an oil company to exploit - first to explore, of course, and the other to exploit. Now I realize that in the exploration licences it may be harder to make conditions to the licences themselves. But even in the exploitation licences we cannot afford,

MR. MARSHALL:

for too much longer, to allow these people the privilege of prospecting on our property and having ships built in other countries, having our, as Mr. Schneider says, our technology interpreted in other areas and what have you. There is no reason why this certainly could possibly ever be tolerated or considered when you come to the license which may be given after a time for exploration. I would hope, and I know the government will, and I would invite the minister, who perhaps might feel that he might like to make a few comments on it, I think that steps should be taken, and I think real positive steps, to assure that conditions are going to be put on exploration permits to require that the full benefit of all economic activity comes to the people of this Province.

I would also like to know how the educational institutions of this Province are relating to this new area, for instance, Memorial University and the technical trades. As Mr. Schneider said this is a completely new technology. But we cannot continue to miss the opportunity with this last great resource as our forefathers did before us in the fishing and mining industry, and allow all of the spinoffs, as it were, to be derived by either Central Canada, the United States or Europe. We have to take, I think, dramatic steps with respect to it and I think that the institutions such as Memorial University and our trade schools - I know that they are perhaps operating with respect to it - but they certainly ought to be operating at full gear at this time to ensure that all the benefits come to the people of this Province, that the people are properly trained with respect to it, that our technology is properly advanced.

Further, Mr. Chairman, on the exploration permits, even if, for instance, the day comes, which I hope it never does, but if the day comes that federal permits are valid, I think steps ought to be taken to make regulations with respect to oil companies operating here and not allow them to operate on our shores unless they comply

MR. MARSHALL:

with certain basic requirements in order to assure that the best benefit comes to the people of Newfoundland. In other words, I do not care whether the federal government assumes the right to grant permits on our soil, which is really what you are talking about, but if they do do this, and should by some reason they ever acquire any validity, I think we ought to at least attempt to take steps to make it as difficult as we can, and to bring in regulations that are going to make it possible for oil companies to properly explore and exercise whatever licenses and rights they have, unless we have an assurance that the full benefit is going to come to the people of this Province.

Finally, in the last few moments, Mr. Chairman, I would like to mention the fact of the aspect of royalties. I listened with a great deal of amusement at the lecture that was given by the hon. the Opposition House Leader with respect to the time in this Committee, the seventy-five hours. The seventy-five hours, if it has not worked, would not work if you had unlimited time. Because when you had unlimited time we just could not get the estimates through this House because of the way the Opposition was reacting to it.

As the Minister for Mines has indicated, seventy-five hours is the second longest time since Confederation, and the fact that the estimates have not been considered really can be laid right straight at the doorstep of the ineptitude and incompetence of the Opposition itself in not organizing its time in a proper manner. I also listened with a great deal of amazement and amusement and chagrin at a statement to the effect that the official position of the new-line or the old-line or whatever it is, the current Liberal Party in the House, that ownership does not matter and that we should not concern ourselves about ownership.

MR. F. ROWE: On a point of order, Mr. Chairman.

AN HON. MEMBER: He cannot take it again.

MR. F. ROWE: That is right. I must say I cannot take that again.

MR. F. ROWE:

The hon. member for St. John's East (Mr. Marshall) is now attempting -
I think he is the third or fourth person to do this - to misrepresent -

MR. MARSHALL: On a point of privilege, Mr. Chairman -

MR. F. ROWE: No, Mr. Chairman, I am making a point of order.

MR. MARSHALL: - which supersedes a point of order. I stand on
a point of privilege of the House, Mr. Chairman.

MR. CHAIRMAN: Order, please!

A point of privilege takes precedence over a point of order.

The hon. member for St. John's East.

MR. MARSHALL: The point of privilege is this, Mr. Chairman. The
hon. member has risen on a point of order and the point of order
constitutes a disagreement with the words that I say and that is
not a point of order.

MR. MARSHALL:

It is a matter of debate. It is confusing the House, and I draw Your Honour's attention to page 113 of Beauchesne, chapter 126, where it says, "If a member desires to ask a question during debate, he should first obtain the consent of the member who is speaking. If the latter ignores the request, the former cannot insist, even if he thinks he is being misrepresented."

AN HON. MEMBER: Hear, hear!

MR. MARSHALL: "He cannot make a denial during the speech, but he must wait until the member has resumed his seat and then he may ask leave to make a statement, or he must wait until his turn comes, to address the House." Now it goes on further in that paragraph, Mr. Chairman, and what the hon. member is doing with impunity in this House is to get up when something he disagrees with is said and say he is misrepresented. That is not a point of order. It leads to confusion and chaos in this House. I am not prepared to accept it when I am speaking.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: Order, please! On a point of privilege I think the hon. member for St. John's East (Mr. Marshall) has stated the case quite succinctly, and has actually brought forward a point that has arisen many times in this House when, as you know, points of order have been called which have by the Chair been ruled as not points of order but points of explanation. So I would rule in favour of the point of privilege brought up by the member for St. John's East.

SOME HON. MEMBERS: Hear, hear!

MR. F. ROWE: Does that mean I cannot raise a point of order?

MR. MARSHALL: That is the order.

MR. SPEAKER: The point of order goes by the board when the point of privilege prevails.

MR. ROWE: Well, so does the hon. member!

MR. MARSHALL: Mr. Chairman, I listened, as I say, with a great deal of amusement at the exposition of the official Liberal proposition to the effect that ownership was a matter that did not come into the question.

AN HON. MEMBER: Drop it.

MR. MARSHALL: Ownership, you drop it, no ownership at all. We will abandon ownership. When we go out tonight, perhaps if everyone has their keys left in the car, we will all take the first one that comes to us. If we wish to we will sell whichever piece of property we can get our hands on. Now that is as foolish as the position is. The position adopted by a party, by the Liberal Party of this Province, Mr. Chairman, is a real disgrace to the people of this Province. It is a disgrace for people to hear it, that this could possibly be a position that a Liberal Party, or any party in this Province, an irresponsible position, that they could possibly ever adopt. It is a ridiculous position. It is one that has no tenability whatsoever. If the hon. members in the Liberal Party wish to become a little bit more informed, and Heavens knows the government has given them enough research assistants to find it out, that all they have to look to is - and I have heard this said before by various people, that ownership is not in question, "We will put the issue of ownership aside." I understand that the Australian Government attempted to do exactly the same thing, and they are a federal state as well. But they soon found it did not work and obviously so because you have to inquire into ownership.

Now as ownership goes, so go the royalties with respect to oil and gas, and so goes the future of this Province, so goes the possibility of this Province of recovering itself from the present unfavourable financial position. There is no more crucial issue in this Province, Mr. Chairman, than ownership of our gas and our resources. Any elected member, or any group of elected members who get up and make a statement such as this are both ill-informed, ill-advised and certainly not acting in the best interest of the people of this Province.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Now, Mr. Chairman, I want to say something else, too. The hon. Minister of Mines, it is his estimates I have to refer to from time to time, and it just happened that his happened to come up at this time.

MR. MARSHALL:

He looked at me yesterday and he smiled when he said that we are preparing our case with respect to the Supreme Court of Canada and the member for St. John's East (Mr. Marshall) does not particularly agree. Well, I would like to - I am not going to dwell on this because I have developed it before, Mr. Chairman. I know the Supreme Court of Canada, the constitution of this country and what have you. But I have always thought that the Supreme Court of Canada is the inappropriate body to be determining constitution issues of rights as between a province and the Federal Government simply because - with no disrespect to the Supreme Court of Canada, the highest court in the land that can decide very properly private disputes as between individuals - but where you have a court that is appointed by the Federal Government, the compliment of which resides in Ottawa, where you have already instances where judges have been appointed in exercise of Mr. Trudeau's ultimate aim of federalization and centralization of Canada, which is really what has happened, they are federalists, they are centralists in their thinking - I am not saying that this is going to be the ultimate bias - but I feel that whereas people who may be traditionalists, whereas people who may be right wingers, if you like, who go with the tradition and say that we must follow the rules that are down, that is fine. But I do not feel, myself, that

Mr. Marshall:

this Province should accept a determination by the Supreme Court of Canada of that particular decision, because the handwriting is already on the wall with respect to it.

Now what are the alternatives? What are the alternatives? The alternative is; you either agree, you come to an agreement with respect to ownership, and if that is impossible it has to be decided by another body. Now what other body should there be? There are many and various alternatives. And far be it for me to make a definitive suggestion, but I will make one just from the point of view of suggestions. If the Federal Government nominated one person, such as a superior court judge of the Supreme Court of Canada; if you wanted to have a judicial arbitration of it then the Province of Newfoundland could nominate a superior court judge of the Supreme Court of Newfoundland, I know appointed by the Federal Government but resident here- and when you are a resident here your views are much more towards the Province- and a third senior judge, for instance, to come from another Province of Canada, preferably one without a Continental Shelf such as Alberta, Saskatchewan, or what have you. And then if we could agree possibly that could be one basis.

But I believe, Mr. Chairman, as way out as it may seem and as inconsistent with the right wing view of the traditionalist and what have you, I believe myself, as I have expressed before, that this Province could well be making a bad mistake in unilaterally agreeing to have this matter adjudicated before the Supreme Court of Canada. I think they should resist this. I think it is absolutely necessary that they do. And to those traditionalist who laugh about the matter and say, what can we do with this system and what have you? I say I just hope we will not be laughing on the other side of our face, because I do not think that this Province can afford to accept anything but what they are satisfied is a proper adjudication of our rightful rights in order to obtain the ownership. Because no matter what the -

MR. NEARY: But should we not be satisfied, as has been B.C.?

MR. MORGAN: Will you keep quiet, "Steve"?

MR. MARSHALL: No matter what the hon. members here opposite may say, and I exclude from that the members of the Liberal Reform Party and the Independent Liberal in the House, but no matter what the official Opposition may say about ownership, what a policy to emote before the people of this Province, what an uninformed policy, that we are not concerned about ownership. The ownership of those resources are the most vital -

SOME HON. MEMBERS: Oh, oh!

MR. MARSHALL: - Mr. Chairman, are the most vital issues that affects the people of this Province today. And unless we have this adjudicated in a way that is completely satisfactory, in a way that the people of this Province can fully feel satisfied with the decision, there is going to trouble for years to come. You talk about penance in our own land that we have been for 400 years, unless we are prepared to make some dramatic changes in our way of life, we are going to continue that way for a long time. Enough with respect to that.

Mr. Chairman, the only quick questions now that I want to pose to the minister, and I ask these questions because I think the people of Newfoundland are entitled to them, and I know he will agree with them, is with respect to Gull Island. I would just like to know if it is possible now, if the government are in a position to inform the people of Newfoundland as to how much has been expended to date with respect to the exploration of the Gull Island, to the development of the Gull Island transmission sites? And how much has been expended in response to the statement made last November?

There are other questions, of course, with respect to the Gull Island matter which I will not voice now, I have already voiced before. And I just want to reiterate, I remain adamant in my view with respect to that matter.

So, Mr. Chairman, that is all I have to say with respect to the estimates of this department. It is rather unfortunate, I would agree with everyone else, that this House has become so irrelevant

Mr. Marshall:

that estimates are being considered in the matter in which they are.
It is very, very unfortunate because now as never before it has
been necessary for the people of Newfoundland to realize exactly
what the financial position of this Province is.

MR. MARSHALL: Whether seventy-five hours is too little, or whether it is the Opposition's fault, which I believe it is, ineptness and incompetence of the official Opposition, they are smarting now, the official Opposition, because they are not really, they might be the official in name, but the effective opposition are constituted by the ones nearer to the outside bar of the House. But the fact of the matter is, Mr. Chairman, it is just not working and some procedure, whatever it may be, ought to be fashioned together for the purpose of effective determination of the estimates, and while they shout and scream about the seventy-five hours, in parting I would like to remind this Committee that this seventy-five hours was brought in after long and extensive meetings of a committee for that purpose, to revise the rules, at which two of the hon. members now present were there and at which they then did agree in the Committee for the seventy-five hours, but subsequently, Mr. Chairman, withdrew this approval and tried to pretend that they were not for it.

MR. CHAIRMAN: The hon. member for Trinity - Bay de Verde.

MR. ROWE: Sir, I listened with a great deal of interest to the member for St. John's East in the first part of his speech dealing with Crown corporations. In fact he was endorsing the policy put forth by hon. members in the official Opposition and some hon. members further to my right. And we are in total agreement on that particular point. But in spite of the fact, Mr. Chairman, that the member for St. John's East felt that the estimates and expenditures of Crown corporations, and he named off a few of them, should be subjected to some study by some body, he did not come up with any positive suggestions whatsoever.

MR. NEARY: As usual.

MR. ROWE: As a matter of fact at the beginning of his speech he said he was going to come up with some proposals, but he just parroted what we had already said and then turned around and did not make a single proposal or a positive suggestion. So, Sir, we would like to hear what the suggestion of the member is, or if the government has any suggestions, or if the government or the administration of this

MR. BOWE: Province is paying any attention at all to the hon. member for St. John's East (Mr. Marshall).

Now, Sir, he also suggested that we got up and started to scream and yell and shout about the seventy-five hour bit, the seventy-five hour limitation on debate of the estimates. Well, I would like to remind the hon. member that one member, namely myself, got up on this side of the House for a very short period of time and brought to the attention of the Committee that we have now spent one-third of the time on approximately one thousandth of the estimates to be brought before this Committee, and I mildly, without any screaming and shouting, suggested that, and this was an indication that the seventy-five hour rule limitation was not working in this Committee, or possibly some hon. members were abusing the use of that seventy-five hours and I left it to the House and the people of Newfoundland and Labrador to decide which was the cause. But I suggested that we should not have had a limit in the first place and I will say categorically, Sir, that I was in that Committee drafting up the new Standing Orders and we did not agree to this seventy-five limitations on debate in the estimates.

AN HON. MEMBER: He lied to the House.

MR. BOWE: And we voted against it when it came before this House. So, Sir, whether he was deliberately or non-intentionally misleading this House I do not know, but what he said was quite incorrect. It was wrong and it was untrue, and that is as far as I am allowed to within in the realm of parliamentary language with respect to that.

Now, Sir, the hon. member's speech was very good and pretty positive suggestions up to the point when the hon. member the die-hard Tory from St. John's East, could not resist to take a flick at the Liberal Party over here on this side, even to the point of heaping praises upon the hon. gentleman down to my right. His old Toryism came out.

MR. ROBERTS: Politics does make strange bedfellows.

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MR. POWE: And, Sir, after three days of explanation of this ownership bit he had to lower himself to the cheap political gimmick of misrepresenting the language that I had spoken several days ago, and of course when I stood on a point of order he was already to jump,

MR. ROWE,

he had Beauchesne in front of him, and he jumped up on a point of privilege.

MR. CHAIRMAN: Order, please!

If the Chair may be allowed a word there.

I ruled that his point of privilege prevailed on the understanding of the Chair that the hon. member was putting a different interpretation on the words of the hon. member for Trinity - Bay de Verde (Mr. Rowe) and not misrepresenting them. If the hon. member for St. John's East (Mr. Marshall) had, in view of the Chair, been misrepresenting the words of the hon. member for Trinity - Bay de Verde (Mr. Rowe) he would certainly not have had his point of privilege prevail. I would like to make it clear that I was taking the view that he had put a different interpretation and not a misrepresentation on the words of the hon. member.

MR. ROWE: Yes, I agree, Mr. Chairman, -

MR. NEARY: Do not be wasting the time of the House.

MR. CANNING: Listen who is talking!

MR. NEARY: Sit down, boy, and let us get on with the estimates.

MR. CHAIRMAN: The hon. member for Trinity - Bay de Verde.

MR. ROWE: Mr. Chairman, as you yourself realizes, and other hon. members realize here in the House, after you had made a ruling on the point of privilege, which I accepted and which I did not challenge, the hon. member for St. John's East (Mr. Marshall) did continue on with the ownership controversy. I think all hon. members will agree with this in Committee stage. He did continue on with this ownership question. And I am telling you now, Sir, that the hon. member did misrepresent the language, my language, in the House of Assembly.

MR. CHAIRMAN: Order, please! I would suggest that the hon. member -

MR. NEARY: Sit down when order is called!

MR. ROWE: Mr. Chairman, I would sit down if you asked me to, but not by the likes of that.

MR. NEARY: Sit down!

MR. CHAIRMAN: Would the hon. member take his seat?

I would suggest to the hon. member that it would be unfortunate from the point of view of the Chair if he continued using the word 'misrepresent', because this would mean that the ruling of the Chair was in error, and I tried to point out, and I think to the best of my knowledge my ruling was a sincere one, that I felt that the hon. member was misinterpreting, or putting a different interpretation as opposed to misrepresentation. So if the hon. member will accept the view of the Chair that it was a misinterpretation I would be very pleased.

MR. ROWE: Okay. Thank you, Mr. Chairman.

Mr. Chairman, I will agree with Your Honour that the member for St. John's East (Mr. Marshall) badly and seriously misinterpreted the language that I had spoken in the House several days ago, and he was quite incorrect, and he was quite wrong in suggesting that this party stands for dropping the ownership question. And I will ask Your Honour to stop me if I go beyond 8:45 p.m., because I do not want to waste any more time in this Committee on this particular issue, because I thought I had adequately explained it two or three times before the hon. member had taken his place this afternoon. But for those who cannot understand I cannot apologize for them.

Sir, it is as simple as this - and I will use an analogy - I will take a phrase out of context, Canada has one of the world's largest Continental margins and the margin is off Newfoundland which comprises a large portion of Canada's total - I will start that again, I am sorry, Mr. Chairman.

Mr. Rowe.

Canada has one of the world's largest Continental margins and the margin off Newfoundland which comprises a large portion of Canada's total, that is the total margin, and has the greatest potential for oil and gas in Canada. Now if I were to read that to hon. members, as I just have, I would get the distinct impression that Canada owns the margin off Canada, the Continental margin off Canada, and off Newfoundland. And if I refer to another sentence or paragraph, again out of context, I read the following, and this is in connection with the ownership, the development, the exploitation and what have you of the oil off our shores; "But they - and this in reference to the federal government - along with the objectives of alleviating regional disparities will only be achieved

Mr. Rowe:

if the Federal Government and Provincial Governments work in partnership. It is such a partnership which our Province wishes to see in the development of offshore resources."

Now, Sir, if I said only those two things I could stand accused of suggesting that, you know, Canada has jurisdiction offshore, and no ownership question exists. These words were uttered by the former Minister of Mines and Energy, Mr. Leo Barry. However, I can read you other paragraphs which make it abundantly clear in his speech that the ownership of the offshore resources are very much a question. And we have special rights, we have special rights and Cabot Martin has been working on this very extensively and with great vigor. And as I mentioned in my speech back there on Monday, I believe it was or - I do not know if it was Monday of this week, or last week sometime - I mentioned that probably the hon. member for Twillingate (Mr. Smallwood) will remember that the late Hon. Louis St. Laurent believed that Newfoundland had a special case with respect to ownership.

AN HON. MEMBER: After he had gone!

MR. ROWE: I am talking about Louis St. Laurent in his capacity as a lawyer after he was Prime Minister of Canada.

MR. HICKMAN: After he retired.

MR. ROWE: That does not matter, I am not going to defend Louis St. Laurent, Pierre Trudeau or anybody else. It is not my job to do that.

MR. MORGAN: Trudeau! That is about it.

MR. ROWE: But, Sir, I get awfully upset when hon. members opposite -

MR. CARTER: We have noticed that.

MR. CHAIRMAN: Order, please!

MR. ROWE: stoop and try to score political points in this Committee stage by what I consider to be a gross misinterpretation of remarks made by me. Particularly, Sir, -

MR. NEARY: Go and get the Hansard, Hansard will prove what you said.

MR. ROWE: If the hon. Lippypede from LaPoile (Mr. Neary), Sir, would look at Motion 12 he would -

MR. MORGAN: Repeat that again! The hon. what?

MR. ROWE: Lippypede.

MR. MORGAN: What is that?

MR. ROWE: Did you ever hear of a mill&pede or a centipede, a little animal with all kinds of legs.

MR. NEARY: You will have to say with little poppyeyes.

MR. ROWE: Well anyway I do not want to be distracted, Mr. Chairman.

Motion No. 12 sets forth this party's policy with respect to the ownership of our offshore resources. And I am sure it is quite consistent and in agreement with that of this present administration. Now, Sir, I might as well serve notice again - I think I did the last time - but supposing all thirty members over on the other side or thirty-three or all of the other members who have not spoken or who wish yet to speak, get up and badly misinterpret what I have uttered in the House a few days ago, I will hold myself back -

MR. NEARY: Get Hansard and see what you said.

MR. ROWE: - hold myself back and I will just refuse to get up and waste the time of this Committee in denying these allegations, because the Motion is there in the Order Paper, black on white -

MR. SIMMONS: And it is proposed by you.

MR. ROWE: - and it is proposed by myself; "That this House reaffirms that Newfoundland and Labrador owns, and possesses jurisdiction in respect of, the resources of the seabed, including mineral, and hydrocarbons, in the area extending to the edge of the Continental Shelf and margin adjacent to Newfoundland and Labrador or to a limit extending 200 miles from the inner limit of the Canadian Territorial Sea, whichever is greater;

And Be It Further Resolved that this House directs the Government to try to achieve recognition by the Government of Canada of Newfoundland and Labrador's ownership and jurisdiction by negotiations in the first instance"

MR. ROWE:

Now apparently the hon. Minister of Mines and Energy tell us, or the Premier, I cannot remember which one, has indicated to us that a political settlement is just about out of the question. I would ask the hon. Minister of Justice or Mines and Energy or the Premier to get on the stick and start moving with respect to court action, and try to

MR. P. ROFF:

get this thing going as quickly as possible, because I say here now that this ownership problem is obviously a big problem and it is holding up, I would suggest, exploration and obviously management and exploitation of any minerals, oil, gases that might exist off our coast. If hon. members want to think that when I said it is too bad the ownership problem exists, it is too bad it cannot be dropped - I said these words rhetorically, of course I said it. Taken out of context they sound pretty stupid. Hon. members have seen fit to take them out of context and think that they are very smart, but such is not the case. Now that is the last time, Sir, that I will get up and defend my party or myself on this particular issue. If hon. members opposite want to pursue it that is up to them, you can waste the time of the Committee in debating this. I said this afternoon in a seven minute speech, probably the shortest one on these estimates, that we should try to get through Mines and Energy as quickly as possible so that we can deal with the hundreds of millions of dollars being spent by this administration.

However, I also said that every member in this Committee stage has a right to say what he wants to say, however many times he wishes to say it and in the manner in which he wishes to say it. It is his right. It is his privilege. It can be done within the Standing Orders. And the only people who will judge him will be the people of Newfoundland. Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: The hon. Minister of Mines and Energy.

MR. CROSBIE: Mr. Chairman, I hope that I am rising to close the debate but one never knows. Mr. Chairman, the hon. member for St. John's Past (Mr. Marshall) has given his usual well reasoned views to the Committee with reference to crown corporations. He feels that the crown corporations, the estimates or their budget should be brought before the House of Assembly and debated in detail and the like. Well, it is not the policy of this government, Mr. Chairman,

MR. CROSBIE:

as it was not the policy of the last government, and it is not the policy of governments in general to bring the budgets and the details of crown corporations before the House of Assembly for debate.

Crown corporations are set up by government to perform functions that are viewed as being in the public interest for many reasons. A crown corporation device is used when it is not desirable and it is not the most efficient way or not the best way to have some particular function done by a government department in the usual civil service way. One reason for using crown corporations is to give them more flexibility so they can use more of the methods of private enterprise, or because they are engaging in some activity that is normally a commercial activity and the like. If we are going to have crown corporations have to submit their budgets in detail to this House for detailed scrutiny by this House and the like they will not be able to operate and we will not have the advantage of them that you normally have through that form of organization.

Now, Newfoundland and Labrador Hydro has a Board of Directors. The owners of it are the government of Newfoundland. So the shareholders of it are the government of Newfoundland. It is responsible to the government of Newfoundland. It reports to the Minister of Mines and Energy. Its budget has to go to the Minister of Mines and Energy for approval each year and then it has to be approved by the cabinet each year. The money they are going to borrow, or the amount they can borrow in any year has to be approved and agreed to by the government of the day and by the Department of Finance. So there are all kinds of checks and balances on it. And we have to answer for it and we are responsible for its actions in the House.

Now the hon. gentleman suggests that in addition to all the estimates of government departments that are now before this House

MR. CROSSIE:

that we should add all the estimates of crown corporations. I submit, Mr. Chairman, that that just would not work. It is not practical. Their audited financial statements are submitted to this House. Their annual reports are submitted to this House and to all the members of the House and their financial statements are submitted as audited by the Auditor General, and the reports on the year's activities are submitted to the House. Surely that is sufficient information for members of the House. Any questions that are asked in the House about their activities, the information can be obtained. Going any further than that, You know, I cannot see.

If the debate that we have had on the estimates of my department so far, Mr. Chairman, are any example, it would be a complete exercise in futility and a complete and utter waste of time to bring their detailed estimates before the House. As I say, in any event most of their activities of that particular corporation are not funded by government in any event. So certainly we will keep in mind, the member's comments, and

MR. CROSBIE: it might be that if we had a functioning and proper Committee system here that the Committee could be asked to examine Crown corporation or ask questions, I do not know, they can certainly be kept in mind. But at the moment, Mr. Speaker, we think there is adequate safeguards and adequate information given the House.

Now as to the oil and gas resources, what steps are we taking to ensure that they are saved for Newfoundland or Newfoundland gets the greatest benefit from them, well there has been a tremendous amount of work done in that direction since 1972, as the hon. gentleman knows. There has not been yet a find made in demonstrable commercial quantities, although that may soon come. The Newfoundland Government and the Department of Mines and Energy has a regime and regulations ready that can be implemented if it is found that we have, or if it is confirmed that we have jurisdiction and ownership over these offshore resources. If it turns out that we do not have ownership and jurisdiction or control over these resources, then it matters little what this government does; all we will be able to do is to advise the Government of Canada what we think on the matter. We certainly will not be in control of our own destiny if it is found that the Government of Canada owns and controls those resources, or unless even if it is found they delegate their authority to us.

But we are ready for that. If we have the ownership and jurisdiction we will certainly insist on local control and local employment and local business getting everything that can be gotten. Of course the great question is, since we cannot settle this dispute by political means, what the next step is, and the next step, at the moment, well appears to be the Supreme Court of Canada.

Now I agree with the hon. gentleman from St. John's East that

MR. CROSBIE: the Supreme Court of Canada is not the desirable mechanism for settling this dispute, because the Supreme Court of Canada is - their members are appointed by the Government of Canada, by the politicians in control of the Government in Ottawa. They appoint the members.

MR. NEARY: A terrible indictment of justice in this country.

MR. CROSBIE: I will make my point, Mr. Speaker. I am not indicting justice. I am simply stating that the people who appoint the judges of the Supreme Court of Canada is the Government of Canada, and practically every Province in this Country has requested that the provinces have a say in the appointment of judges to the Supreme Court of Canada, and as a matter of fact that is one of the topics to be discussed in connection with patriation of the constitution, because a large number of the provinces think this is very important.

If the Supreme Court of Canada is to decide, as it does, constitutional issues between the provinces and the Government of Canada, the provinces should have some say in the nomination of members of the court. That is the feeling of many provinces and it is the feeling of this government. I have every confidence in the individual judges of the Supreme Court of Canada but we all have our own background and experience, and we all have our own views, and they have their own views, and their people who are known, you know, by those in Ottawa, and they may or may not have federalist's points of view, we do not feel that the Supreme Court of Canada as presently constituted is the best means for deciding this issue, but it is the only means unless the Government of Canada agreed to some other means. There is no way that we can change it by ourselves. We cannot decide to have this submitted to some other tribunal or to some other court. If we are part of Canada, we are bound by the BNA Act and the Canadian Constitution. So there is not a great deal that we

MR. CROSBIE: can do about that.

On the matter of spending in Gull Island, the hon. member might not have been here the other day when I mentioned that, when I mentioned the figures, I said that the expenditure or obligations, expenditures to be incurred up to the end of April would be \$70 million, would be the total by the end of April, and perhaps \$2 million more by the end of May. So that is money spent or money, you know, in which debts have been incurred but not yet spent. And before, certainly close to the end of April we will be making an announcement on just what is going to happen this year and just what the procedure will be. So those are the figures.

Now the House Leader for the Opposition was up again about this question of their position, his party's position on offshore oil and gas, and Hansard of course will show what he said. But what he said was quite obvious when he said it, that we should set aside the question of ownership; this was not the important thing, we should do certain other things. Now the hon. gentleman

Mr. Crosbie:

reversed that and went back to his party's policy a few minutes later. So I would also agree that his party's policy is the policy enunciated in Motion No. 10 which at the present rate of things in this House will come up for debate in the House around 1985. But the hon. gentleman the other day was a bit of a Whirling Dervish and he did, you know, he spoke in a manner that indicated some change of policy. Well, if he says it is not changed I am glad that his colleagues have brought him to his senses. He did quote from a speech by Leo Barry to sustain his position, and he certainly got a good source there if he speaks from that source.

So, Mr. Chairman, there is no more to say at this stage, and we can go on down through the items here and if there are any other questions try to answer them down there.

MR. CHAIRMAN: Shall subhead 1101-01 carry?

On motion 1101-01 carried.

On motion 1101-02 through 1103-04 carried.

MR. ROWE: What about 1103-09?

MR. CHAIRMAN: Expenses in other departments, do not require a vote at this time.

On motion 1104-01 through 03-02 carried.

MR. F. ROWE: Mr. Chairman, I do not know if I was in the House but I brought up this question the other day about last year when there was \$6 million approximately estimated for the Industrial Incentives Act for the Newfoundland and Labrador Power Corporation, which is now of course the Newfoundland and Labrador Hydro. It was revised to \$6, 273,000 that is 1975-1976, then we have the estimates for 1975-1976. Then in the revised estimates for 1975-1976 we got a blank there, and now we are back for estimates this year \$4,400,000. Now I do not know whether the minister indicated whether he was going to answer that question or not. What happened to that \$6 million approximately?

MR. CROSBIE: I did -

MR. ROWE: I might of been out.

MR. CROSBIE: I did answer that, yes.

MR. ROWE: Okay.

MR. CROSBIE: The amount would be more except that the Province has assigned to the Hydro Corporation the right to receive the 8 per cent rental, and the fifty cents horsepower tax from CFLCo. Now that will give them about, I think, it is around \$5.6 million this year. So their actual amount that they would need under these incentive agreements is almost \$10 million, so that we only have to vote the remainder, which is \$4.4 million. And last year, which was the first year in which those payments were made, they received two payments in the same year. The result of that was they did not need to receive any money from the government because they had gotten just over \$9 million from those sources. Now this year there is still a deficit on the Newfoundland Light contract. You know, it is hard to know exactly how much it would be. If there is a rate increase on July 1, the deficit will still be something between \$4.1 million and \$5.1 million. There is a deficit on the ERCO contract, there is one on Bowater Power, there is one

Mr. Crosbie.

on the Bowater Newfoundland contract, one on the Price (Nfld) contract and altogether that will add up to something between \$9 million and \$10 million.

MR. CHAIRMAN: The hon. member for St. John's East.

MR. MARSHALL: Just before that item carries, Mr. Chairman,

I wonder could the minister inform us how much of this is - or does he know how much of this is for the Electric Reduction Plant? And also I would just like to pass a comment, that if perhaps the full amount were shown it would show the full extent, I understand, of these incentives which is in the vicinity of about \$10 million. I would only suggest that it might be more informative in the future if the full \$10 million were shown as to the amount that we are actually paying out in these incentives, rather than as it now appears it is only \$4 million. But actually I believe it is in the vicinity of \$10 million.

MR. CROSBIE: The amount in connection with ERCO is difficult to say with any exactitude because it depends on how much power they use or how much power they do not use. Because under their contract they have to use - and they have never used - the minimum amount they are supposed to take under their contract. But this year it will depend on how much they operate this year, and if there are no strikes and so on and so forth. According to these figures here it would be in the neighbourhood of \$5,300,000. That is the difference between the power delivered to ERCO at two and one-half mils per kilowatt hour, which is called for under the contract, and what it actually costs Newfoundland Hydro to generate and deliver that power to ERCO. Now they do not actually get it for two and one-half mils, because the result of their having to pay a penalty for not taking the minimum amount called for under the contract has meant, in actual fact, I think, that they pay somewhere around four mils, in fact. But if they took the minimum they are supposed to take under the contract it would be two and one-half.

On motinn subhead 1104-04-01, carried.

MR. CHAIRMAN: Shall 1105-01 carry?

The hon. member for Windsor - Buchans.

MR. FLIGHT: Mr. Chairman, I am not even sure that I got the right subhead. It is the salary with regards to mines, engineering I am looking at, mine inspection. It has to do with mines. For this past forty years, Mr. Chairman, the life expectancy of the Buchans mine has been given as five years. It never went over ten. We had an industrial inquiry a few years ago, and Professor Howard Dyer did an inquiry that gave the life expectancy of the iron ore reserves as five years. He indicated in his report that there is a known deposit, low grade, that would extend the life expectancy of the mines for ten years, if that deposit were indeed worked and mined to the extent that it could be minded. However, his information was provided by the same people that over this past forty years have been telling us that Buchans has only got a life expectancy of five years. My question to the minister, that I would like him to address himself to is, do we have in the Mines and Energy Department the resources or the expertise to determine as to whether or not that ore body is indeed low-grade? Low-grade relative to what? Relative to what Buchans American Smelting Refining Company had been mining in Buchans this past forty years? Or low grade relative to other mines operating in the country? Has the minister or the department determined if that ore is indeed low grade?

MR. CROSBIE: Which ore is that?

MR. FLIGHT: It is the ore body referred to, Mr. Minister, by Professor Howard Dyer, documented in the Dyer Report, agreed by ASARCO that it exists. But the problem today is that they claim that the ore is too low grade and is not feasible, economically feasible to mine that ore at the present markets. Now, what I am asking: Are we not, and should we not be in a position to verify with

Mr. Flight.

our own engineers, our own geologists, our own mining personnel
as to whether or not this type of situation does exist? We
are talking about a difference of ten years in the life
expectancy of a mine. The ore is there.

MR. FLIGHT:

ASARCO says it is low-grade. Dyer says it is low-grade. We have been for a long, long time in Buchans, when ASARCO over the years have been making their yearly life expectancy, wondering where the information is coming from, wondering why the government of the day is not in a position to either verify or deny the figures quoted. Mr. Chairman, I am not criticizing or I am not suggesting that American Smelting and Refining Company is not indeed telling the truth. I am suggesting that with a Department of Mines and Energy such as we have in this Province, certainly I do not think that this government should have to be completely at the mercy of a mining company such as ASARCO. They should be able to do their own analysis both underground and overground and should be able to say to the people of Buchans that we verify that indeed this ore body is low-grade. Because if it were mined, according to Professor Dyer, it would extend the life expectancy of the mines approximately ten years.

There are all sorts of implications, because it is being suggested that this ore might not be low grade in the sense - it is low grade in American Smelting and Refining Company's eyes. It may not be low grade. Is there high-grading going on in Buchans? Let us assume: We know that the ore that is being mined in Buchans today is of such high-grade content that we know it will be acceptable. Whatever happens to world markets it will be acceptable ten years from now. Maybe we should stop mining the high-grade in Buchans and start mining the low-grade, because we do not know what will happen to the markets for ore of a low-grade content ten years from now. But we do know that the high-grade will be saleable. To me it is the responsibility, or should be an obligation of the Department of Mines and Energy to determine and to be able to verify for the people whether or not certain ore bodies are indeed high-grade or low-grade relative to what the world markets can handle. Whether or not the statements given by the mining

MR. FLIGHT:

companies that operate under concessions here are indeed true, we should as a department be able to do our own inspections, and we have not up to this point.

The question to the minister is, why not? And is this not possible, is this an unfair demand? Why not look at all the alternatives?

MR. CROSBIE: Mr. Chairman, I am advised that our officials in the department can and do check, and they confirm that these deposits are low-grade and not economic to be developed at this time. So I mean that information has been checked out and they do confirm that these deposits are low-grade and not economically developable at the moment.

MR. SMALLWOOD: Are they conglomerate? In copper and zinc, gold and silver?

MR. CROSBIE: It is copper and lead. It is more than one metal.

MR. SMALLWOOD: Copper and lead?

MR. CROSBIE: Yes.

MR. SMALLWOOD: Not zinc?

MR. CROSBIE: There is a little zinc, very little.

MR. SPEAKER: The hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, would the minister indicate in what way, what method has been used? Have people from Mines and Energy gone underground in Buchans and taken samples or drilled samples?

MR. CROSBIE: No, Mr. Chairman, it has nothing to do with the present mine. I mean these deposits are not related to the present mine. It would be an open pit kind of mining. This is the deposits we are talking about. They have not been underground and taken samples and so on.

MR. FLIGHT: Mr. Chairman, the deposits I am talking about is an ore body that is situated under the present mill site in Buchans, that if mined would extend the life expectancy of the mines by possibly ten years. It is not open pit mining. It is a known ore body

MR. FLIGHT:

underground in Buchans and the only things that we know about it is, number one, it exists and, number two, that it is claimed by an industrial enquiry on information given by American Smelting and Refining Company that the ore content is too low-grade to mine, that it is just not high-grade enough to mine.

MR. CROSBIE: The department has examined the data that has been supplied to them by the company, they have not drilled it themselves. What you are saying is that we should send people out, that we should say to Asarco that we do not believe whoever owns the mining properties, and do our own drilling and testing, is that what you are suggesting?

MR. FLIGHT: Yes, Mr. Minister, I am suggesting just that. I am not suggesting that you stand up and say to Asarco, "We do not believe you!" But certainly we have had reasons not to believe Asarco this past forty years when I never heard of the life expectancy being given over five years. Certainly the government of the day, and the government of this day would have questioned sometime Asarco's ability, if nothing else, to say just what their life expectancy is, because it has been five years for forty years and now we are moving into the last five years, we have run two and a half of it down, and Professor Dyer indicates that if the reserves known can be mined that it would extend the life of the mine. Now that is very, very important to me, Sir. And I do not see, and I do not understand, why with a department that has got a \$15 million budget, we cannot have expertise from the Department of Mines - I am sorry, a \$22 million budget expertise from the Department of Mines verify when these companies make these type of statements.

MR. CROSBIE: Mr. Chairman, I have said that the department verifies it on the data that they have been supplied with by Asarco from their testing of this body -

MR. FLIGHT: Asarco's testing.

MR. CROSBIE: - you know, from the data supplied to them by the mine owner or operator, they confirm that it is low grade and not economically feasible at this time to mine.

Now if we take the position that Asarco may be supplying false data, which I think is entirely unlikely, then we could have our own officials go in, I do not know if we have the power under the

MR. CROSBIE: legislation or not, or under the agreement.

MR. FLIGHT: You should.

MR. CROSBIE: We could always get the power. We could have them go in and get the same data themselves or do drilling, etc. But from the data supplied by Arasco our officials confirm that this is a low grade deposit and not economically feasible to mine at this time.

Now as far as money in these estimates are concerned. Most of the money in this twenty-three million-odd dollars here, whatever it is in this department, is in connection with hydro. The mining part here is the \$3 million or \$4 million. This is one of the departments that does not spend much money, the mineral side of this department. We are hopeful that with a new DREE agreement and so on we will be doing a lot more work here. But the money spent on mining in this Province by the government is skimpy, when you look at it in comparison to the value of the mining industry in the Province. And it was only last year, and it is only since the new government took office, if you could call it new for 1972, that anything has been done with the mining tax here. Because one of the greatest scandals to my mind in the whole history of Newfoundland is the miserable pittance that the Government of Newfoundland has gotten out of the mining industry in revenue, direct revenue, of which Asarco is certainly if it is not top of the list is the second top.

MR. FLIGHT: The worst.

MR. CROSBIE: But I think it is top of the list. Anyone who read that report on Asarco, the money they have made there over the years and what was paid in taxes and so on, it would make you cry. You know, it would make you practically jump out the window because they paid next to nothing. However, I mean that is the past. Now Price has got the concession, has to pay the new mining tax under the legislation passed last year, they are disputing that. Price suggests that Price and Asarco are in a joint venture and that because they

MR. CROSBIE: are in a joint venture Price does not have to pay to the government the landlord's tax under that legislation passed last year. The government agrees that our legal opinion is quite different from that, and there is going to be legislation introduced this session to put that beyond any dispute whatsoever. And as the hon. gentleman knows, and I believe that the agreement between Asarco and Price is up this year, in fact perhaps it was several weeks ago, and they are now working on a new arrangement between one another. I do not know what the new arrangement is yet. But anyway, the specific question there, their data, which they have supplied the department has been checked, and unless the data, you know, the results they gave the department were false or not accurate, then they do confirm that it is a low grade deposit, not economically feasible at the moment to work on.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. NEARY: Mr. Chairman, I am inclined to think that the member for Windsor - Buchans (Mr. Flight) has a very, very valid point. As a matter of fact, I think I spoke of the matter publicly when Professor Dyer released his report. The situation is

MR. NEARY:

this, Mr. Chairman, that in Buchans underneath the mill there is a large body of low-grade ore. Now the question then arises of whether you should shift the mill, move the mill, mine this ore. ASARCO says it is not economically feasible for them to do it, but the obvious question, Sir, that the government should put to ASARCO is, why not mine this low-grade ore and mix it with the high-grade ore if you have to do it on a fifty-fifty basis, sixty-forty, seventy-thirty, anything, Mr. Chairman, to prolong the life of that mine for another five or ten years? I think that is the point my hon. friend is making, and it is a very valid point and one that the Minister of Mines and Energy should pursue.

The question then, Sir, is this: Should the government try to persuade ASARCO to mine this low-grade ore and mix it with the high-grade ore providing, of course, that they can find a market for it? There is no reason why they cannot. Apparently the ore seems to be in demand. I think they can do it, Sir, and I think it would prolong the life of that mine for another five, ten or fifteen years. This is what the minister should do if the agreement between ASARCO and Price (Nfld) is being reopened this year. Then the government should step in and insist if necessary that they mine this ore. Why allow them just to go in and take all the high-grade ore and rake all the profits and then walk away scot-free, close the place down in 1979 when they can keep it going for another five, ten or fifteen years? That is the point my hon. friend is making and it is a very valid point and one that the minister should pursue.

MR. CHAIRMAN: The hon. Minister of Mines and Energy.

MR. CROSBIE: Mr. Chairman, we are certainly glad to pursue anything, but I am advised that it is too late for that because there is too little high-grade ore left at this time to do that or to be able to do that successfully. Now whether it could have been done five years ago or ten years ago or fifteen years ago or twenty years ago, I do

MR. CROSBIE:

not know. The agreements that were entered into with Price were entered into with governments long before even Confederation. The hon. gentleman's party was in power here from 1949 to 1972 and no changes were made then. They would not unilaterally abrogate the agreements and they have not been unilaterally abrogated now. However, I will have it checked out again and make sure that this is not something that is feasible.

But I am informed that because of the small amount now left of the high-grade ore, because they have been mining it now for fifty years -

AN HON. MEMBER: Forty years.

MR. CROSBIE: Forty years, is it?

AN HON. MEMBER: Forty-seven.

MR. CROSBIE: - forty-seven years that you could not do both and use the high-grade ore to offset the low-grade ore. The indications are that the low-grade ore if mined would have to be mined in a separate operation, an open pit operation, despite the fact that it is down below the other mining area. So anyway that is what I am informed, but I will certainly have it looked into, the points that you are bringing up, looked into again.

MR. CHAIRMAN: The hon. member for Conception Bay South.

MR. NOLAN: Mr. Chairman, I wonder if the hon. minister would be kind enough to just give me, if he would, a word of explanation in reference to some of the explanatory notes here at the beginning of the Mineral Lands Administration. I am referring to 'beach management.' What does that involve? And perhaps he could give us a specific example, at least to clarify it for my information if he would.

MR. CROSBIE: Well, there are about 300 beaches in the Province and you are not allowed to take you know beach rocks and sand and so on from these beaches without a permit.

MR. NOLAN: Are you allowed to take beer bottles from them?

MR. CROSBIE: Well, if the hon. gentleman is referring to Topsail Beach it is a well-known spot for those romantically inclined without

MR. CROSBIE:

anywhere else to pitch, or those who might like a bottle of beer on a warm night in between times or something. So it has nothing to do with picking -

MR. NEARY: Is the hon. minister speaking from experience?

MR. CROSBIE: I have a vast experience in most matters, Mr. Chairman, except in that line. So the department is responsible for trying to keep these beaches under control. If there is a complaint that someone is taking sand or beach rocks, they will investigate that. So that is what that is covering. Certain beaches

Mr. Crosbie:

you are not allowed to take any material at all, you know.

MR. NOLAN: I am just wondering, if I may, it is a supplementary to the hon. gentleman, and I really am not sure of all my facts on this, but I remember some discussions regarding the removal of sand or rock or whatever from beaches possibly in the past and maybe even now, probably used either (1) by the Department of Highways, or Transportation and Communications as it is now, and possibly by private contractors. Is this still going on from the beaches in the Province? And if so, is a permit granted by the minister or his department? What is the situation? What restrictions are there now for the utilization of materials on beaches for the construction of one kind or another?

MR. CHAIRMAN: The hon. Minister of Mines and Energy.

MR. CROSBIE: Well, you have to get a permit from the Department of Mines and Energy, and there are only certain beaches from which they will allow, you know, construction material and the like to be taken. So there has to be a permit, and you have to get it from Mines and Energy. There is a royalty now also, you have to pay for the material. It is not very great.

MR. SMALLWOOD: Is not the bulk of that being produced now by crushing plants?

MR. CROSBIE: Yes. That is right.

MR. NOLAN: I just wonder if I could -

MR. CROSBIE: So if there is somebody taking anything from a beach and you do not think they are authorized, you can just report it to the department.

MR. NOLAN: Just one other thing, I do not expect the minister to give us this information now, but is it possible to get a list then of the beaches from which it is presently permissible to remove materials, and could we have it tabled sometime? Maybe the people who live in the area, surrounding areas, might like to know whether their beach is the one that is being hit this season or not.

MR. CROSBIE: Yes. We will table a list if you like.

MR. NOLAN: Thank you.

MR. CHAIRMAN: The hon. member for Windsor-Buchans.

MR. G. FLIGHT: I do not wish, Mr. Chairman, to pursue the matter much further. We know what happened. I accept that the minister cannot be held responsible for what has happened in Buchans. There is no doubt in anybody's mind there was high grading. And what I am suggesting, Sir, and I recognize also that energy is going to get more of the minister's attention in this Portfolio of Mines and Energy, energy being what it is today than the mines.

But I am suggesting, Sir, that promoters start mines to make money, and they may bring in experts who know how to take the easy ore to get, the stuff that the most profit is in, to put it very simply, and this have happened. And I am suggesting that the onus and the responsibility should be on the Minister of Mines or that department to see that any promoters operating a mine in Newfoundland, that they do not have to accept the words of the promoters or the mine managers or the New York head office, because nine chances out of ten it will be an American head office that will develop any mines in this Province; that we should retain expertise, and we should be in a position to go underground and determine whether or not the information we are being given with regards to grades of certain ore bodies as opposed to other ore bodies in the immediate area, and this Province should protect itself against high grading in the future and not be in a position to have to protect itself based on what they have been told by the operator of the mines. That is all I have to say. Thank you.

MR. CROSBIE: And I agree with the hon. gentleman 100 per cent. So we are in total agreement. And I understand that our inspectors and mining engineers now do check, you know, the mining operations in the Province, and check how they are operating and the procedures they are using, and they check to see whether they are high grading or not. And if we do not like the procedure they are using we can insist that they be changed. I am not saying that this, you know, is perfect, but it is done and I agree with him that this should be done.

MR. NOLAN: Mr. Chairman, I wonder if I could just ask the minister another question regarding another item listed here, and that is the mines inspection offshore including diving regulations? In what way is the minister involved in diving regulations, diving for what, is it in connection with mines offshore of some kind?

AN HON. MEMBER: For all cannon.

MR. NOLAN: Pardon? Diving for lost cannon -

MR. CROSBIE: No.

MR. NOLAN: - does it include or would it be under a different department? Diving for old wrecks or things like that where permits have to be -

AN HON. MEMBER: That comes under Tourism.

MR. CROSBIE: Yes.

MR. NOLAN: That is Tourism, yes.

MR. CROSBIE: This is in connection with diving done in connection with mineral development or oil and gas offshore, I think. Is that not it? And to pay to get expert advice on whether the methods they are using are safe or not. Remember, there was a diving accident, was there not? There was a diving fatality there a year or two ago. So that the department checks, in connection with oil and gas and minerals, where there is any diving being done.

MR. NOLAN: I just have one other question, Mr. Chairman, if I may, and it is this. It is in reference to something mentioned by the member for St. John's East, and I do not know if it is permissible for me to ask this as this time, because it would involve oil drilling. But if the minister would permit, or if the Committee would permit, I am just concerned about this situation that the minister talked about and that is I know that Halifax has been utilized for the building or assembly of oil rigs and so on, and we all know that Halifax has become a sort of a non-official capital in the Atlantic area for various companies. Imperial Oil, I think, have their headquarters moved up there now and many others. It seems to me that the federal government sometimes looks upon Halifax as the capital of the Atlantic area, judging by some of the head offices that have been moved out of here over the years. And I am wondering to what extent we have made any efforts, or can make any efforts to see to it that if - and I realize I may be out of order here - to see that if there is going to be the building of oil rigs and so on, could it not be done here in this Province and not necessarily in Halifax as it has been done just recently, I understand, in the last two or three years? In that case it might be for the benefit of off their own shores. But nevertheless I am wondering what the possibilities are? Now if the minister could give us an answer on that I would appreciate it even though I realize I am off the subhead here.

MR. CROSBIE: Well, Mr. Chairman, if once we know that it is under our ownership and control, of course, we can determine all of that. And certainly it would be one of our regulations that unless the companies have offices here, or their head office here, you know, they would not get a permit. And any work that can be done in Newfoundland would have to be done in Newfoundland and the like. But on the subject of what can be done here in attempting to get Newfoundland businesses in a position so they can do as much of the work as possible, there has been a lot of that kind of work done by the Department of Mines and Energy. But primarily it comes under the Department of Industrial Development, and the Offshore Petroleum Advisory Council, I think it is called, reports to the hon. Minister of Industrial Development's department. And as you know they have assisted the - you can talk about this because the Industrial Development estimates are going to be up next -

MR. HICKMAN: No.

MR. CROSBIE: Are they not?

MR. HICKMAN: Rural Development.

MR. CROSBIE: Oh, Rural Development.

But anyway they have done their best to see that Newfoundland businessmen are kept fully familiar, have delegations go to international trade fairs where they are dealing with oil drilling equipment and the like. They are investigating the possibilities of concrete platforms. You know, the Minister of Industrial Development will probably fill you in better. And under our exploratory permits we require them to hire Newfoundland workmen and to have what work that can be done in Newfoundland done in the Province, under our exploration permits.

MR. NOLAN: Thank you.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. NEARY: There has been, Sir, increasing concern over the last few years about health hazards in some of the mines and some

Mr. Neary.

of the mills in Newfoundland especially, Sir, the pelletizing plant in Labrador City, the asbestos mine at Baie Verte, the mine at Buchans, and the phosphorus plant at Long Harbour. Now, Sir, it has always been a matter of grave concern to me that the responsibility for inspection and enforcing health regulations in cases where you have serious occupational health hazards, that the responsibilities be shared by the Minister of Mines and Energy and by the Minister of Health, and to a certain degree by the Minister of Manpower and Industrial Relations through the Workmen's Compensation Board. I claim

MR. NEARY:

that this is wrong, that it should be put under one minister, under one head so that each branch would know what the other is doing. What I want to find out from the minister now, Sir, is in view of the seriousness of these situations in the places that I have mentioned, the possibility of asbestosis at Baie Verte, silicosis at Buchans and proven cases of silicosis in Labrador City that are being treated at the present time, would the minister tell us if he has stepped up the Inspection Branch of his department and how does the Inspection Branch of his department tie in with the Occupational Health Branch of the Department of Health, how does it tie in with the Workmens Compensation Inspection Branch? Just how does the whole thing jibe? Can the minister reassure the House that more attention is being paid now, especially to places like Baie Verte and Labrador City, the pelletizing plant down there, the mill, the Buchans mine and the phosphorus plant at Long Harbour? Are these industries where you have serious occupational hazards, are they being now kept under close surveillance by the minister's department? Would the minister tell us then how his department ties in with the Department of Health and the Department of Manpower and Industrial Relations?

MR. CROSBIE: Yes, Mr. Chairman, this is one of the greatest priorities of the Department of Mines and Energy, of course, as it is with the Department of Health and the Department of Manpower and Industrial Relations. Now we have created six new positions in connection with mines inspection, four mines environment technicians, one industrial hygiene engineer, and one mines inspection engineer. All of those positions are now filled, with the exception of the mines inspection engineer, and the two mine environment technicians. Well, half those positions are filled. That is six new positions of which three of them are now filled, because it is not easy to find properly qualified people for this kind of work.

Now, as far what is happening in health and safety in mining

MR. CROSBIE:

establishments, as the hon. gentleman mentioned Baie Verte and the iron company in Canada pelletizing plant, there is ERCO and so on, there have been recently briefs received, as hon. gentlemen know, from the United Steel Workers and from the union at St. Lawrence. We have appointed a committee of officials, the Department of Health, Mine and Energy and Manpower and Industrial Relations, who have been considering the points made in those briefs. And there is a committee of cabinet, the Minister of Health, the Minister of Manpower and Industrial Relations and myself, considering the same subject. That committee has met on a number of occasions and we are now preparing to make some recommendations to cabinet. So these matters are under intense review.

We are not actually concerned about the asbestos situation at Baie Verte, because as everyone certainly knows now wherever there is asbestos there is potential danger of asbestosis and other diseases of that nature. So that is receiving careful study and attention. Now the pelletizing plant at Labrador City, my understanding is that conditions have improved there considerably. The Iron Ore Company of Canada was directed last year to do certain things. They had to report to us a couple of months ago, and I think we found that they had carried these things out. There are still further items of this programme that we directed them to carry out that they are doing. They are due to report again at the end of April. And I will be going up there myself with the member for the district sometime near the end of April to spend a couple of days up in Wabush and Labrador City.

AN HON. MEMBER: They also have a permanent technician up there.

MR. CROSBIE: Yes. There is a permanent technician up there now, employed by the government. So the Iron Ore Company is taking steps to carry out these directives from the government and we understand that conditions have improved. So this has a high priority in the government.

MR. CROSBIE:

We are also examining the question in this cabinet committee as to whether there is some better co-ordinating mechanism. These activities are spread, and Workmens Compensation are also involved of course and interested in the health of workmen. Whether there should be some better co-ordinating mechanism for these activities as they relate to mines and industrial plants in the Province, it may be that we may recommend that there should be just one agency or one - not a full new department but perhaps one agency that takes the responsibility

MR. CROSBIE: for all of those activities. This is being looked at now and the report will be made shortly.

In the meantime, of course, the Department of Health has improved their position with respect to health matters of the workmen. Dr. Colohan is in charge of the new Occupational Health Section of the Department of Health. He was over to the United Kingdom to get special training in this area and he is now back. So I think that a considerable effort is being made in this area.

MR. CHAIRMAN: The hon. the member for Port au Port.

MR. HODDER: I would like to ask the minister about the limestone deposits on the Port au Port Peninsula. Well, at some time there were people from BRINCO came out to the area and there was some hope that they would be developed. I understand that they are the largest deposits of their kind in Eastern Canada, and in talking to various people I understand that Lehigh Cement was involved for some time and that they pulled out because of the world conditions. After that, I believe Ontario Quartz and Cement was sought as a partner.

I talked to the chief geologist of BRINEX, I believe, or BRINCO - I am not sure which - Dr. Bevin, and I got the feeling that nothing very much was being done at the moment. I am wondering if the minister could inform me if there has been any pressure from the government or if they have any plans to try to find a company to develop these deposits?

MR. CROSBIE: Our understanding is that this is still being actively pursued by BRINEX, and there will be another assessment project carried out on this deposit this summer by BRINEX with another company that they are attempting to interest in this project. That is all I can tell the hon. gentleman. But there is another assessment going ahead this summer on that deposit and on the possibility of their establishing an operation there.

MR. ROUSSRAU: Mr. Speaker, if I could just say a few words on this limestone one. I might mention, by the way, to the hon. member that we have had a few people who are interested as

MR. ROUSSEAU: well. Because as you know we use a lot of limestone in the agricultural industry in this Province - our land is very, very acid - right now we are using, the department is using about seven or eight maybe up to nine thousand tons a year. This year, by the way, we have a local person, a local broker, I think. The contract has gone to North Star Cement who is brokering it in from Nova Scotia. But we would certainly like to see in the future limestone produced here in the Province because the cost of limestone that we get here in the Province, the greatest cost, is in transportation. The transportation cost is quite high and we would certainly like to see it reduced. I am sure my colleague the Minister of Industrial and Rural Development has had some enquiries on it as well.

MR. SMALLWOOD: What does the Canadian Government pay now on the transportation? How much a ton?

MR. ROUSSEAU: Very little. I do not know the exact figure. I know that when we buy it it costs us about seven or eight dollars a ton. To buy it and get it over here costs us about twenty-eight dollars. So it is about twelve or fifteen dollars. Twelve, fifteen or eighteen dollars with transportation. So we would like to see it produced here. The real answer, of course, is not in production of only seven or eight thousand tons. As far as the department is concerned, hopefully, in encouraging farming in the Province we will be able to get those amounts up to an amount where companies would be interested in starting up that sort of thing.

If you could get, for example, into the fifty thousand ton range I think it would be a viable operation for at least some company, from thirty to fifty we may.

MR. ROUSSEAU: at the 8,000 level now is to our disadvantage that we have to pay the transportation costs from other parts of the Mainland and especially when we have it on the West Coast in good deposits. So we would certainly like to see it produced here so we can encourage more farmers to participate in the agricultural industry, and as a result they would need limestone and we could increase the amounts needed and I am sure it could be a viable industry. But some people I have talked to suggest that they need 40,000 tons or 50,000 tons a year to make it a viable industry. Maybe there are some people who might be interested in lesser amounts, but it is certainly something that the Department of Agriculture would very much like to recommend and would certainly support anybody who was interested in that sort of thing.

MR. SPEAKER: The hon. member for Baie Verte - White Bay.

MR. BIDEOUT: I would like to ask the minister if he could just revert back to Mines Inspection for a moment or two, I have a question to direct to him in that regard.

I would like to question the procedure, or asked to be enlightened a little bit with regards to the procedures used by mine inspectors. Some of the greatest criticism I get from miners and unions in my particular area is that mine inspectors have a very bad habit of happening along to inspect mining operations at a time that is very convenient for the company; when the mill happens to be down, if it is a particular dust hazard situation like at Advocate Mines in Baie Verte, for example, when it is very humid conditions when dust conditions are controlled that way, and when the mine itself is on general maintenance. These are some of the criticisms that have been passed along to me so I wonder if the minister could address himself to those couple of questions and see exactly what the procedure is.

MR. CROSBIE: Mr. Speaker, my mining inspectors tell me that anyone who says that is suffering from pseudonymnesia, they have a memory for things that never happen. Now I know that you hear this constantly,

MR. CROSBIE: and the people who say it probably believe it. But it is denied categorically by the Mines Inspections staff that they go out to do mines inspection at times convenient to the company. I mean it is just not so. You know to do that they would have to be pusillanimous in their duties, or getting some kind of benefit from the companies, or on somebody else's payroll. I mean, why would they just do that? You know, they are independent agents paid by the Government of Newfoundland who owe nothing to any of the companies, whose duty is to the Department of Mines and Energy and to the government. So why would they adjust their inspections to suit the companies?

So I just say that I categorically deny that this happened.

MR. RIDEOUT: Mr. Chairman, I wonder would the minister answer this question then, Do the mine inspectors in fact let companies know ahead of time that they are coming to do inspection tours?

MR. CROSBIE: The answer is that they do not.

MR. RIDEOUT: Under no conditions at any time, is that what you are saying?

MR. CROSBIE: My Deputy Minister tells me that categorically they do not inform the companies when they are coming to make inspections. Now a company may learn they are coming to make an inspection, somehow or other through the grapevine, or hear they have a reservation at a hotel or something, but they do not inform the companies that they are coming to make inspections.

MR. RIDEOUT: Do they go at regular intervals, like, say Advocate Mines once every four months, something like that?

MR. CROSBIE: No, they go at irregular times.

MR. RIDEOUT: Irregular times?

MR. CROSBIE: Oh yes.

MR. RIDEOUT: Well, will the minister attempt or try to find out why they tend to show up when the mine is down for maintenance?

MR. CROSBIE: Well, I mean, this may happen occasionally, you know, but -

MR. RIDFOUT: I said "tend to show up". That means more than occasionally.

MR. CROSBIE: We deny that they "tend to show up". We say that they may occasionally show up.

On motion, items 1105-01 through 1105-02-03, carried.

MR. SPEAKER: The hon. the member for Baie Verte-White Bay.

MR. RIDFOUT: (1105-04) Mine Rescue - I wonder would the minister explain the significance. I do not know that this means actually, Mine Rescue, the revised estimates for last year were \$1,800 and it is down to \$100 this year, what does that indicate in terms of mine rescue, that we are not anticipating having to rescue anybody from mines or what?

MR. CROSBIE: We had a programme last year in which we had experts from outside come in to assist in the programme and give training, trained personnel were brought in from Nova Scotia. Now mine rescue training previously has taken place at various sites within the Province through the co-operation of the Nova Scotia Government. Now, by the way, I am intending to see that we do something about this, I mean, the vote is too low and we have to hire a Mine Rescue Supervisor,

MR. CROSBIE: which position got eliminated some time ago, but we are going back to have appointed a Mine Rescue Training official and that should be done during the summer.

On motion subhead 1105-04, carried.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. NEARY: 1105-05 Mr. Chairman, this heading is Sealing Openings - \$100. Now I know there are a lot of openings that I would like to see sealed myself but, Sir, would the minister tell the House what opening he intends to seal this coming year and what openings have been sealed in the past year. I presume this only relates to Bell Island.

MR. CROSBIE: Yes, as far as my deputy can remember there were none that had to be sealed last year, and this is a token vote. It may occur during the year that some abandoned mine opening would have to be sealed, so it is just a token vote. As far as we know there were not any sealed last year.

MR. NEARY: Mr. Chairman, in connection then with Sealing Openings, I presume then that the two openings, the two main slopes that still remain open on Bell Island, number four slope, and number six slope will not be sealed until such time as it is determined whether or not oil can be stored in the Bell Island mines. Now this is the only place, Sir, that I can see to ask the minister to give us a progress report on what is happening to the possibility of storing oil in the Bell Island mines, and can the minister guarantee us that these slopes will be left open until such time as the final decision is made?

MR. CROSBIE: Well these will be left open as long as it is safe and necessary to leave them open. As far as the other project is concerned, I think that is really a matter for the Department of Industrial Development -

MR. NEARY: No. It is Mines and Energy.

MR. CROSBIE: No, no. The Wabanex operation, they report through the Department of Industrial Development.

MR. NEARY: I see.

MR. CROSBIE: But they are in operation. Two government directors have been appointed, Mr. Steve Millan, the Assistant Deputy Minister of Energy, and I think, I am not sure, if it is Sandy Roche or -

MR. NEARY: Both officials.

MR. CROSBIE: Yes. I think it is Sandy Roche of Industrial Development. They were up to a directors' meeting within the last two weeks. In the meantime, apparently, the work is going ahead and they are making whatever work is necessary to be done. It is going ahead. I have not seen any recent progress report on how they are doing but the Minister of Industrial Development may know.

MR. NEARY: Okay. Fine. I will ask him when we get to him.

On motion subhead 1105-05, carried.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. NEARY: 1105-06 Mr. Chairman, this is the Bell Island Town Council - \$100, last year they received \$3,000, Could the minister tell us what this is all about? Was this for sealing off openings or doing some work for the minister's department or taxes?

MR. CROSBIE: This here is from the sale of fines. There was an agreement with North Star Cement Limited, They will purchase up to 3,000 tons of fine ore a year, Whatever money is received from the sale of that ore is transferred to the Council.

On motion subhead 1105-06, carried.

MR. CHAIRMAN: Shall I report Head XI - Mines and Energy without amendment?

MR. ROBERTS: Mr. Chairman, just before we carry it, which is my fault, at this point of the Committee, I wonder if the minister would allow me to ask one question effecting my constituency. I just sent him a note, I will not make a long speech, It is the very small community of St. Carols, which is very close to St. Anthony, it is about three or four miles away, It is the only community left in the district of the Strait of Belle Isle, and one of the few left in the Province, that does not have electric light. There has been a mountain of correspondence between me on one hand and the minister on - yes, I believe I have written to

MR. ROBERTS: the present minister and to his predecessor on the other hand, as well as to the Hydro and their predecessors, the old power commission.

The estimate I believe was about \$30,000 to bring power out to the homes there. It is a matter of stringing a mile or two of conductor and the poles to put it there. Could the minister tell us whether there is any hope this year that these people will get light? The road was provided within the last two years and in point of fact I would say the minister I think it was the only poll in the district of the Straits of Belle Isle that the Tories won last September. A fact not unconnected, I would hope, with the fact they got the road. I would say that if they can get the lights that way, Sir, the people of St. Carols, I would advise every one of them to vote in favour of the party that brings them the lights. I think that is fair game and since there are only, I think, twenty-one votes in the entire poll and it was decided eleven to ten on voting day, I am not terribly worried. But to be quite serious, it is a problem and people there do want the lights. They feel they are entitled to them and I wonder whether anything can be done this year? There is quite a large amount which the Committee have voted for Rural Electrification, Is there any way that \$30,000 can be squeezed out of it for the people of St. Carols?

MR. CROSBIE: I think that the - well, the people of St. Carols have already seen the light. They voted for the PC candidate in the Straits district. But I think with the estimate I see here, \$50,000 -

MR. ROBERTS: Inflation.

MR. CROSBIE: And I believe that

MR. CROSBIE:

that was included in the amount asked for originally, which has been squeezed out or eliminated because originally the Rural Electrification Authority asked for seven million-odd dollars. As you can see there is \$5.3 million, so that there is not anything for St. Carols in these estimates. But I will see what I can do though when we get down to all the bruising to see if something can be done.

MR. ROBERTS: I thank the minister, Mr. Chairman, if he could have another look at it. I am not sure how many communities are left in this Province that do not have publicly provided electricity.

MR. CROSBIE: There are three or four, I think.

AN HON. MEMBER: Five.

MR. ROBERTS: Five, are there? Well one of them is St. Carols. It is probably the only one left on the Island. They are infuriating close. They are only about a mile and a half from the power lines. So I would ask the minister -

AN HON. MEMBER: Big Brook.

MR. ROBERTS: No, Big Brook has power. Oh yes. The Big Brook case is a classic case in the power commission.

MR. CROSBIE: Fishot Island, Williams Harbour, St. Carols.

MR. ROBERTS: Well, Fishot, which is in my constituency as well, most of the people have left Fishot and -

MR. LUNDRIGAN: Most have moved to Port aux Choix.

MR. ROBERTS: I am sorry? Most of them have gone to Port Saunders and Port au Choix because they are Roman Catholic people and there is a parish centred about that. Father Desmond McGrath is the priest at that parish. But Fishot, I think, most of the people are talking of moving. Many have left. So all I can ask is, you know, urge it upon the minister and I hope that over the course of the next few months, somewhere out of the money we are spending, \$30,000 could be squeezed out for the people of St. Carols. I think they deserve it and if they have seen the light I would say to the minister give them then the light that they shall see the light even further.

MR. ROBERTS: Going to call the by-elections tonight?

On motion Head XI - Mines and Energy without amendment,
carried.

MR. CROSBIE: Mr. Chairman, I would like to thank all the hon. members for their great co-operation in connection with my estimates. Hope that we will do it all again next year.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: Head XVI, Rural Development. Hon. members will find that on page ninety-seven.

The hon. member for Burgeo-Bay d'Espoir.

MR. R. SIMMONS: Mr. Chairman, would the minister indicate to the Committee, the Minister of Rural Development, would he indicate whether he intends rather to make an opening statement on his estimates?

MR. SPEAKER: The hon. Minister of Rural Development.

MR. LUNDRIGAN: Yes, Mr. Chairman, a brief opening statement. Oh yes, Mr. Chairman, I was not aware. This is a new venture for me to -

AN HON. MEMBER: Let us hear it for the Minister of Rural Development.

SOME HON. MEMBERS: Hear, hear!

MR. LUNDRIGAN: Mr. Chairman, after watching the hon. Minister of Mines and Energy, I guess I am going to look like a cow on Spring ice, eh, before this is all over. I have not got the use of the dictionary either that he put to great use at a couple of occasions. Fortunately, I have got a department and of course being a usual very modest and very quiet and unobtrusive and non-protruding and non-controversial minister -

MR. ROBERTS: With lots to be modest about.

MR. LUNDRIGAN: Lots to be modest about, I am sure, as my ancestors did. They are all great fishermen around the Province. I am sure that I should be through by eleven o'clock. Your Honour, it is difficult for me to know exactly where to start. I am quite frank about this. It is a brand new experience because although I sat for six years around tables where estimates were dealt with, it was not exactly as we have it here in the House of Assembly. First of all, I would like to say that this is the

MR. LUNDRIGAN: Department of Rural Development. Perhaps in the way of outlining in a very, very general way the role of Rural Development I will say that it is not the Department of Forestry and Agriculture. It is not the Department of Fisheries. It is not the Department of Mines and Energy. It is not the Department of Industrial Development. It is not private industry. It is not town councils. It is not the whole gambit of development in the Province. It is one aspect of development which has a role of trying to underscore and reinforce and activate and stimulate development in any part of Newfoundland that is classified as rural, or any kind of industry in Newfoundland that could reinforce rural development. The programme of rural development, or the policies underlying rural development are not always easily

Mr. Lundrigan.

understood, and the department, of course, is a relatively new department. It might be wise to indicate that the department is not much older than the present government. It was formed since the coming to power of the present government. It is a new department. I will say quite frankly that it will take a number of years for the department to reach the stage of refinement and sophistication and reappraisal and development that will enable it to carry out as effective a role as the government expects it to do. Most of the companies that I am vaguely familiar with have had development processes similar to what we are trying to do in the department going back, in some cases, for 100 years. At one point we did not need a Department of Rural Development to underscore and to reinforce rural development in our Province, because it was almost the only type of development, it was our profession. Our whole way of life was, and almost the total existence was really based on rural development.

In the last number of years a process has taken place which, I think, is typical of most of the world, certainly any of the industrialized world, and that is that most people in their eagerness to grab the new industrial age or move into the new industrial age have gone through a process or a transition in some cases vacating their rural upbringing, their rural economy, their rural areas, their rural skills and so on, and have moved into a new pattern of life, a new pattern of development. There has been a tremendous urbanization taken place throughout the whole world, and I believe that there is not a country which has not expressed concern, or has not tried to do something about rural development. In our Province, of course, we perhaps a most difficult experience, and that is that in 1949 we experienced the biggest event in the history of the Province when we became part of the larger Confederation with Canada. And since that date I contend that maybe all the blessings

Mr. Lundrigan.

of Confederation notwithstanding, that we have had difficulty in adjusting to the larger jurisdiction, and I believe that in itself carried with it some of the reasons why the rural economy of our Province declined in the last twenty-five years. The blessings of Confederation, of course, can never be exaggerated. I am sure that there are a lot of hon. members who will agree with me. At the same time I do believe that becoming part of the larger domain was one of the reasons why a lot of our people had a different perspective, a different outlook. A lot of the things that happened to us with respect to services, the service dollar, the way the service dollar was spent, the way the Province responded to people who wanted services, the way the Province, perhaps in many ways threw money at the rural economies undermined - certainly not deliberately - but undermined the rural economies of our Province. I think today that the government and the people generally speaking around the Province realize that that process cannot continue to exist. And last evening I had a most exciting experience to listen, at the university, which I do as often as I can, to a young gentleman who had just gotten back from Scotland and Norway and other countries trying to tell us his experiences in these countries that he had from a lengthy exposure.

We, ourselves, in recent weeks had a chance to just get a bird's-eye-view of what has happened and what is happening in those countries. And one thing that I notice is that - take Norway, for example, again with a very limited exposure to it, it seems to me that they did not have the abruptness or any of the major transitions that we had in the Province. We have had to go through a period of almost a total rural existence, then right smack into the modern age with Confederation, part of a new kind of jurisdiction, losing a lot of our control, becoming subservient

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in many ways to a new level of authority in our lives, The Canadian nation, having imposed on us or wanting to have imposed on us new types of programmes, and new things that we were not used to; all of the various types of social programmes, having, as a result of the flow of funds from Ottawa, a new type of service orientation right throughout the whole Province and consequently to a large extent those types of things replaced what was the traditional rural economy of the Province, and consequently some of the reasons for the problems we have today. I am trying to say in a figure-skating fashion that

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some of the blessings of what has happened since 1949 have also been responsible for undermining some of the traditions, some of the orientations, some of the industrial development and some of, certainly, the rural development in our Province. Now that is in the way of a general comment, just a brief comment. I would like to say that the department, to get specifically into the estimates, the department basically cannot be described as a project department.

There are two basic processes going on in the department, as I understand it. One is the process of trying to activate or stimulate or excite or educate or train people in rural communities to be aware of their own potential, to re-enforce organizational structures, to work with organizational structures in order to make people more aware of the fact that they themselves have the major role to play in rural development.

We believe in the Department of Rural Development that nothing can really be successful unless it has its grounding, its moorings, its berth, its cradle with the people themselves. In other words, it is impossible for a government - and I firmly believe this myself - for a government to take a department or to take a programme, I do not care what the programme is, and go to the people and say, "Here is the programme." Money itself, the programme itself cannot solve the problem unless the people perceive it, unless they understand their role, unless they have a willingness, a determination and unless they can feel the satisfaction from participating in the decision and in the development. Consequently one of the aims of the department has to do with the problem of promotion and training and planning.

The second thing is the area of projects, programmes and funds for various types of projects. These find their way into about three different divisions in the department. Another division in the department which is the first one that is mentioned in the estimates, aside from the fact that there is a mention of the minister's vote - I have two executive assistants, by the way, if hon. members wish to

MR. LUNDRIGAN:

raise that. I am responsible for two departments, Industrial Development and Rural Development, two separate distinct departments and I have got two executive assistants. So that is something I would want -

MR. SMALLWOOD: Two deputies?

MR. LUNDRIGAN: Two deputies, two departments, two everything that make up a department is total and separate.

MR. SMALLWOOD: Two different parts of the building?

MR. LUNDRIGAN: Two different buildings.

PREMIER MOORES: At least.

MR. LUNDRIGAN: At least the Premier reminds me.

The department itself has a number of divisions. The first one mentioned is one which I will touch on, because perhaps my hon. colleague, who has just spoken two or three times in the House, a magnificent speech that he has made, the member for Eagle River (Mr. Strachan), will want me to sort of give a little resume so that he will at least have an exposure to some of the facts on the aspects of the department that he can get his teeth into and raise questions on and perhaps might want to provoke some debate and some discussion. One of the divisions is the Division of Community Consolidation. The reason it is called the Division of Community Consolidation is that it was diplomatically named that because nobody wanted to face the fact that it was the Division of Resettlement. That was the reason it was called the Division of Community Consolidation.

Now the history of Community Consolidation goes back further than I realized, and I guess it was even in existence before the period of Confederation. The resettlement programme, as I understand it, evolved from an approach by the governments going back to 1945 where there was something like \$300 given to a family under the welfare set-up of the day to assist in relocation. The programme generally grew from 1954 into the centralization programme. The aim of that programme, as I understand it, was to reduce the number of

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communities in our Province from 1,100 to between 400 and 500. Now that is as I understand it, as I have been advised. Again this is just giving the history and people will want to debate that particular statement.

MR. SMALLWOOD: That is not correct. That is not true.

MR. LUNDRIGAN: That is my facts as I have them. In 1965 the Government of Canada incorporated the programme into the Fisheries Department, and at that time it became known as the Fisheries Householder Resettlement Programme. Later on it was called the Second Newfoundland Resettlement Programme, which was signed for a five year period in 1970. Of course that left out the word 'fisheries' and later on it was phased in, or during that period in 1972, into the Department of Rural Development.

I felt from day one - and the former Premier will be able to get his teeth into this one - I felt from day one that there was a contradiction between resettlement on the one hand and rural development on the other hand. I agree that there might be occasions and communities and areas where one might need to assist a family to move from or to relocate to another area. I always had in the pit of my stomach that any programme that even went out of its way to assist and stimulate resettlement was contradictory to rural development. That was my feeling.

So the first thing I said when I got into the department was that if this programme needs to be

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if this program needs to be anywhere it certainly does not need to be in Rural Development. I do not feel comfortable with it. I never supported the programme when the programme was in its infancy, when I remembered it years ago and consequently let us have a look at it. And we put together a group, and we had a look at it, and we made a few discoveries, and we arrived at a few conclusions. But before doing that I will give the Committee some indication of the statistics on the number of families that moved for a number of years. In 1965 we had 109 families moved; in 1966, 466 families moved; in 1967, 919 families moved, and it went on like that in consecutive years, 877, 871, 422, 212, 111, 82. That is now down to 790 in 1973, and 99 in 1974. And to this moment in 1976, that is right up to the end of the fiscal year, 44 families have been assisted although there are others that have been approved but have not accepted yet --if they ever accept that -- have not accepted yet the grants that they have been approved.

Hon. members will notice that there has been a continuous drift downwards and consequently today the administrative costs of the programme, although the federal government under a mixed arrangement of monies up to as much as ninety, ten, and in some cases seventy-thirty depending on the family, or where the family moves and so on, have been very generous with us in helping us, we nevertheless feel that the programme has seen a transition which means we have to question its validity in the future. The programme this year, the administrative costs, as I can point out as we get into the details of it, are very, very substantial. There is almost as much money, if not more, and I can point out the facts on this, going into the actual administration of it as there are dollars going into the pockets of families that are actually moving.

Now we have a list -- I do not know if this has ever been admitted before, under the Committee of receiving communities, and before I finish this I hope I will be able to dislodge from the minds of hon. members any attempt on the part of the department

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to have any kind of a cover up or any kind of - what would you call it? - a colouration to the facts that should be presented. And I want to say to hon. members, particularly with as much sincerity as I can muster, that this department, which has so much potential that I can get so carried away and so excited about, can be really damaged if hon. members are not treating the thing and do not treat the thing with the broadest kind of understanding and realize that we do have certain problems, we do have certain failures, and we will have certain failures, but we are making a deliberate attempt in a particular direction to reinforce the rural economy of our Province. I will give hon. members on request if they do want the names of what I referred to as receiving communities. One can perceive, therefore, that every community that is not a receiving community is, in fact, a sending community, which although there is no such a name in the department as a sending community one could argue that point, and I would have difficulty denying it.

Getting down the road a little further. I want to announce tonight that the end of the fiscal year 1976-1977, which is March 31 of 1977, the programme of community consolidation will no longer exist. The agreement terminated the end of March 31 a couple of days ago. The programme officially terminated. We felt because of the number of people that had expressed an interest, the number of people that had in fact had applications in that were not processed through the system, because of that and with the negotiations with our federal counterparts, that we should extend the programme for one year. I articulate that to the Newfoundland people: If there is anybody in any community that really wants to move to benefit themselves we will certainly be willing to apply the programme for this year.

MR. SMALLWOOD: Would the minister permit me? The same programme, the same expenditure, but purely provincial. If the federal contribution ended a few days ago, then the programme going on for another year would be purely provincial, and at purely provincial cost.

MR. LUNDRIGAN: No, Mr. Chairman. I did not make my point very clear. The programme, with the co-operation of the federal government with precisely the same sharing arrangements will continue for one year. We have signed - I have not got a copy, unfortunately, to table. It is in the mail from the hon. the Minister of Regional and Economic Expansion and myself, duly signed, to extend the programme for one year which will end March 31, 1977. The same governments are involved, the same cost-sharing, precisely the same programme, with the exception of the fact that at the end of the calendar year -

MR. SMALLWOOD: Fifty-fifty?

MR. LUNDRIGAN: No, it is as much as ninety-ten and it is as low as seventy-thirty, depending on the type of family, the community. I can give the details on that at some point.

The governments have agreed, both have agreed, that at the end of the calendar year, 1976, there will no longer be any applications received and I want to make that announcement tonight. We feel that because of the decline in the number of applications, because of the fact that there is a manpower mobility grant, if I understand it correctly, that can still assist people in moving and all kinds of other government programmes, it is our aim not to continue the programme with having given really a year's notice.

MR. SMALLWOOD: May I ask the minister if the conclusion of this programme at the end of the present financial year, March 31 next, is the end of a joint federal-provincial programme, or the end of all formal and official governmental subsidizing of people wishing to relocate? Or do they now turn to the Minister of Manpower and Industrial Relations? In other words, is it a transfer from the hon. minister's department to that of his hon. colleague?

MR. LUNDRIGAN: Mr. Chairman, the answer to that is, hopefully, a categorical no, that I hope that there will be no need of any programme. The programme of manpower mobility is a federal programme and it is a positive programme. It aims at trying to assist the person to relocate from an area if there is an actual existing opportunity for the person to avail of once the move is

MR. LUNDRIGAN:

made. That is a -

MR. SMALLWOOD: One person or one family?

MR. LUNDRIGAN: Family transportation, and the various other kinds of means can be used to -

MR. WHITE: Job mobility.

MR. LUNDRIGAN: Job mobility. So there is an existing programme that might be of some value. It might very well be a disaster. My own feeling is, Your Honour, that in a lot of cases what has happened is that people in areas that could very well make a livelihood with some form of government assistance, some form of help to stimulate an economy, have frequently moved to areas and have been in many cases worse off than they were from where they were moving.

MR. SMALLWOOD: And many better off.

MR. LUNDRIGAN: And many better off. I think that the programme has had a lot of good merits. I am sure there are thousands of Newfoundlanders today that were helped beneficially. Today I do not think the programme is serving the same useful purpose, and I feel that in certain areas where there are weak economies - and I can name communities right now that I have in my own mind - our aim is through our department to tell the people to please try to identify what you can do and what the capabilities are and we will try to assist and help the people in these communities to stimulate their economy.

Again, I am not hitting the programme previous to now and I do not think there is any value in doing that in any event. It is better for us to look forward and look ahead to what we can do to help out and also give credit where credit is due. I am sure there are lots of people that were helped under the programme very beneficially.

Another thing, I will just move on from that and there is lots of information here for hon. members if they want to dig in on the issue, another division as I go down through the estimates

MR. LUNDRIGAN:

in the department is the division of what we call Promotion Training. Now the Division of Promotion and Training, it would be hard for me to indicate whether that is the most important division of any other division, but certainly it would have to be one of the most important divisions in the department. The basic aim of that division, whether it is achieved or not, the basic aim is to try and

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activate, stimulate, excite and assist people in communities to help themselves. The basic programme is one, as I say, of promotional training to try and provide a climate, if I were to use that expression, a climate for development. Our feeling is that in a lot of areas in our Province people do not perceive, do not realize, do not think and do not understand that they do have a tremendous amount of potential. And if people assume that somebody else is going to do it for them, somebody else is going to get up and solve their problem, it think that they are really in trouble. And that in some cases might be the situation of some of our smaller communities, and some of our communities generally. And the best example I can see of how the opposite occurred is in 1968, my first trip to Fogo Island, and some people here can talk about Fogo Island for hours and with a great deal more knowledge, but I went to Fogo Island and the whole attitude on Fogo Island was one of confusion. First of all there were twelve, I believe, or whatever number, eleven or twelve small distinct communities all of which were looking their own ways. They had been now going through a process which was assisted tremendously by the University Extension to look at themselves. And I believe the experiment which was used, I believe it was an experiment using film, was subsequently copied by many parts of the U.S., some of the States of the U.S., and I believe even the former President of the United States, if I am not mistaken, requested that the experiment and the process, and that is the word that I like to use, 'the process,' on Fogo Island be explored to look at some of the developing areas of his own country.

In any event the people there were confused. They did not know what their future was. The word 'resettlement' was across everybody's mind. In 1976 I just had a meeting with some of my officials who got back from the Island, They have told me stories, and of course I have been there twenty times since 1968, not as recently as the Summer nevertheless, but in any event the

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process that has taken place, the transition that has taken place, the different attitude that exists, the economic development, the quality of life, all of it together is an exciting story and it cannot be filmed enough, and it cannot be exaggerated enough. I believe myself that government programmes certainly were of assistance, but the fundamental thing that happened was the fact that people through all kinds of assistance, professional people, community leaders, informal leaders, were able to look at themselves and understand that they had certain things that they could do. And today they do not come, I have never seen people from Fogo Island looking for government assistance. They might look for something to support a programme they have going, they might complain about certain types of services they do not have, but basically the whole attitude is changed, the level of economic development is substantial. And I hope in the future that it will be a model for the rest of the Province of Newfoundland.

In any event what I think happened there was a process that we are trying to copy and trying to build on throughout the Province. It is slow, it is costly, it is hard to define, and it is almost impossible to measure; you cannot evaluate and say, here is what happens with a man out in the field who is called a Rural Development specialist, who is called a Rural Development community worker, and here is what happens. You cannot put your finger on it. It is almost like trying to measure education, and you know how difficult that is to tell people who are not in education how valuable the dollar that you spend in education really is when it is not concrete, physical and quantifiable.

In any event that division has primarily the responsibility for that type of process, the process of activation. In the division itself we have funded, as you will see, the largest vote is the Rural Development Authority - I am sorry, the Rural Development Association vote. The Rural Development Association vote is something which is a programme that we have built on which was started previous to this government taking office, where monies are

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allocated to help a region, a Regional Development Association to help them with the kinds of work that they feel is required in order to bring about a new level of regional development. The concept is that a region be defined in terms of some homogeneity, be defined, and as they start to grow and develop that some effort will be made to assist them, bring on a community development officer or a community development co-ordinator, a community development worker or a regional development worker.

MR. ROWE: Does that include incorporated communities as well as unincorporated communities?

MR. LUNDRIGAN: It could very well, yes.

MR. ROWE: It could do?

MR. LUNDRIGAN: Sure. It could include that.

Now that is the aim. Questions can be raised as to whether funds that are used for that purpose are always well spent. I would be the first to admit, and openly admit, that a lot of the funds that we award to Regional Development Associations might not be bringing about the level of development that we expect. We do not expect it to have a level of quick economic development, since \$15,000 is the most that we can grant to a Regional Development Association. We have twenty-nine Regional Development Associations, I believe, that are funded, a number that are not funded, some that are extinct, some that are crackerjack associations that have almost put the economy on the map and some that

MR. LUNDRIGAN: are struggling along, some that this year will not be funded at all from the advice I have had given me by the people in charge of that division, some that they feel should not qualify again this year for development funds because they have not shown the kind of leadership that we want them to show. They have to justify the use of the funds. I have not put any associations on notice because we try to keep the associations as isolated as possible from the political decisions in the sense that I am the minister and I am going to be sort of making decision in that area. But I have said to the department that I want in 1976, my first full year as the minister, I want every association to be active and on the ball and on the go and I want to see results.

I do not want to be actively going in as a department and twisting people's arms and saying, "You have to do this," but at the same time I do not think we can afford, where we have an economy that needs to grow and develop, to be passive, too passive in our approach to the associations, too passive. I have already said that I believe that the process of rural development has to be slow, but I do not believe we can afford to just back away once we grant associations dollars.

Now I will give the members, as we get into the division, all the information on all the various associations that we fund, the number of associations, the amounts of money. I am not in a position to be able to advise hon. members on exactly which associations will be funded this present year. These decisions are being made and I have complete confidence in my officials in that division to make the proper decisions. They have done their evaluations and they have even gone as far as to rate on certain variables - is that the word, variables? - certain variables of these associations in terms of effectiveness. They have done an excellent job and we have for the last three of four months gone through a real process of self-analysis, ourselves, me included, because I have been learning a lot, I have been trying

MR. LUNDRIGAN: to understand what is going on, and I must admit that in the last three or four months - when I came into the department I thought I had a few clues, and now I have just about enough knowledge to ask a question. That is the process that I have gone through, therefore I think I am learning a little bit.

In any event, Your Honour, I can give the members of the -

MR. NOLAN: Would the hon. minister permit a question?

MR. LUNDRIGAN: Certainly.

MR. NOLAN: It is just a very brief one. I do not mean to interrupt the minister's train of thought. He mentioned - and I should have asked him if I could ask the question at that time - utilization by the Extension Department of film in Fogo and so on. I would think the minister is probably aware that I believe the Extension Department got a grant of something like a half million dollars in the last year or so for video tape and so on, and I am wondering if this is being utilized in the same way as film was used in Fogo and so on? I do not mean to interrupt the minister, I just mention it as a question at this time.

MR. LUNDRIGAN: I have had several meetings with the person responsible, Mr. George Lee, a very knowledgeable Newfoundlander who is organizing the Chinese tour right now, and telling me about the -

MR. NEARY: Is the minister going?

MR. LUNDRIGAN: I would love to go. One of those days, if I have to borrow the money, I will be going to China and Russia. They are countries that have always fascinated me quite a bit, but I am not able to go right now, especially when the House may be still open.

MR. SMALLWOOD: Why Russia?

MR. LUNDRIGAN: Why Russia? Well, maybe in 1962 I read three or four courses in Russian history and studied a couple of courses as well that fascinated me; especially some of the things they have done, especially in the Northern part of the Soviet

MR. LUNDRIGAN: Union and in some of the fishing ports as well, which my colleague and I share an interest in, Murmansk.

Some of their activities that they had - a waste of time?

MR. SMALLWOOD: Go to China and Japan.

MR. LUNDRIGAN: Go to China? Okay, on a slow boat.

MR. SMALLWOOD: And Japan.

MR. LUNDRIGAN: And Japan. But in any event, Your Honour, just getting down to the department again, I will alert the hon. gentleman from Eagle River (Mr. Strachan) of something he is already aware of, that the Rural Development Council is funded from that particular division. The Rural Development Council is, can I say, the parent body of the Rural Development Association? I can give the details of the amounts of money involved, and the staff, and the structure, and the kinds of activities that they have been involved in, and their own personal assessment which has been quoted in the press recently of what they consider to be the results, the physical results, the material economic results

MR. LUNDRIGAN:

of their activity, which is only one variable on which they should be judged. Another thing, the division is responsible for, and the funding as the members can see, is the - I see it here somewhere. I am in the wrong department - is the community funded projects. Now although this has not been widespread, it is my feeling that the associations, I would like to see projects in communities funded through associations. The process which is used is one which I am not 100 per cent or 1000 per cent convinced is the best model we have ever used. What happens, by the way, in an area is that if there is a Regional Development Association, and there is a project that can be identified by a group or by the Association in the area that needs funding, having worked with the department, having worked with other line departments, with the Federal Government and so on, a project can be refined to the point where it appears to everybody that it is worth funding. The association then incorporates or sets up a corporation, and that corporation receives funds from government and proceeds with the project. The project then becomes the baby of the association. At some point if it fails, well, we have lost all of our money. If it succeeds there is a variety of things that can be done. It could be sold. The monies could be re-invested in something else. If it is something which declines, and the association loses some control of it, it can be sold as well for a number of reasons. Now that is a model which is a bit unique. I hope that at some point my hon. friend from Eagle River and myself can have a long talk about it, because I believe that that model can, with some experience with it, some refinement of it, be a model that can be very, very applicable to the Coast of Labrador to a considerable extent. Again I presume to say that, because I certainly do not know the answer. I have a list of all the community funded projects that we have had since the programme began. The coincidence is that my friend, the hon. Leader of the Opposition, will be happy to know that there is at least three or four of them out of the twenty or so that form a part of the White Bay North Development Association.

MR. LUNDRIGAN:

That association is one of the best associations in the Province. I will not make that comment anymore, because if I say it often enough, of course, I am almost suggesting that others are not. But there are a tremendous number of real active people in that association. They have worked pretty hard and they have achieved quite a bit, according to the list I have here. Again I think it is worthwhile at some point as I get into the estimates in more detail, putting some of these things on the record to show what type of projects - every kind of a thing you might want to mention pretty well has been funded. There is a tremendous amount of flexibility on the part of the department in funding community projects. The aim is not to take something which is totally, absolutely, perfectly, letter - a success; something though that we feel can enhance or reinforce or stimulate the economy of the area. These are the projects that are considered.

I will tell hon. members that a lot of the projects are projects that very well could be justified under funds from other government departments as well as this particular one as well. Another division which is not the heaviest in terms of manpower but one that we are going to be building and working on is the division of what we call Project Planning. Now one of the aims of that division - and this is a division that I have to say will have to be reinforced - one of the problems in our Province is the fact that a lot of people with tremendous potential, already in business sometimes, wanting to go into business, really do not understand how to put it together sometimes, and if they got it together, how to keep it together. I believe my friend, the Minister of Fisheries today in some ways was edging in that kind of an area when he mentioned today the fact that a lot

MR. LUNDRIGAN:

of our fishermen, who are all independent businessmen themselves, have a little difficulty; they are expert in one thing, they might not be in the other. That is the bookkeeping and all of the details that a lot of us got no time for. That type of division is responsible for doing a lot of that type of work in helping people put stuff together, put things together. There also is a vote in there which has to do with pilot projects. What is a pilot project? That little concept, the pilot projects, which has not been really taken care of to the extent that I would like to see it. The money is not there for it this year. If we get a lot of good pilot projects going, I will not be happy with the vote if we get a lot of good pilot projects going. But the concept is this; there is where it differs from the community project vote. It is a brand-new concept, a brand-new project, a brand-new idea that has never been tried before with any success. That vote is there to reach out and to try it and start it and see if it is going to work. If it does then we will start to blossom the programme out into community project programmes.

Now the best example, or a couple of examples I can think about is the first greenhouse started in Eastport was done under a project vote. It was a vote from the department as a project vote. Now there are a lot of questions that we can ask about the greenhouse programme. My colleague, the Minister of Agriculture, perhaps as we get into this will have to listen carefully because I think that is a programme that has had limited success but has tremendous amount of potential in the Province. Another pilot project that we tried is the one that we just voted some money for this past Fall, that is the fish farm in Upper Trinity South. The fish farm, I believe, there is \$44,000 can be seen as we look at the detailed estimates that have been voted for the fish farm project in Upper Trinity South, the rainbow trout concept. Now we know ourselves if carefully planned and if we really get behind that project that that could be one of the most exciting things that we have ever done in the Province, not a big employment producer - I want to make that really clear, -

MR. LUNDRIGAN:

it is not a big employment producer. A fish farm, if it can employ a couple of people it is lucky, but if you have fifty fish farms, that to me is another dimension of your economy. It is another creation of new dollars which in itself is more valuable perhaps than the business of the employment. These are the kinds of things, all of those things added up, to my way of thinking, these are the kinds of things that can be done in the Province and that can to a large extent insulate our Province, separate us from a lot of the troubled world today, and the troubled world in the sense of the world that suffers from a type of inflation and economic disadvantage or - what is the word? - recession and depression that there is no control over. We have the potential in the Province, and I feel confident - I do not know if anyone else in the House feels as confident as I do - that if we take our time at it, and do not panic, and do not think she has gone bottom up every time there is some little puff of wind across your bow, that we can have in this present decade that we are in, one of the most stable economies in the world. Perhaps even today, perhaps even today we have an economy that has a lot more stability than hon. members realize. We have not had any trouble with our bonds. New York has had trouble with their bonds. New York has approximately sixteen times the population of our Province. Hardly anybody in the world would, you know, in a lot of the world would know that Newfoundland could be compared with New York in that way, sixteen times the population, yet we have sold our bonds, yet we are still attracting attention from all over the world looking at what we have and yet our people - I do not think everybody in Newfoundland is going through terrible hardship. I am sure there is a lot of insecurity in peoples' stomachs. We will always have it. I think that bit of insecurity does not always go wrong because it sometimes provides a stimulus for development, which I think will continue to happen at a good pace in the Province.

In any event, the pilot project concept is a concept that I would like members to think about, talk about in their districts, sell the programmes

MR. LUNDRIGAN:

that we have, sell the programmes, talk about it in a way that their districts can come in and embarrass the government because we can hardly respond quickly enough. There is so much request for all kinds of things to happen that the government can hardly respond quickly enough. That is the kind of thing I would like to see happen. I am getting down just in

Mr. Lundrigan.

my brief opening remarks to the Division of Homes Industries. The Home Industries Division is a division which perhaps is the division that has most to do with the economic, the physical, the project kind of thing, the hard, measurable kinds of things that are happening in Rural Development. The Home Industries Division - there are a number of things I would mention the incentive grants. And if I took the time and hon. members want me to spend the next - how many hours do we have? - forty-six forty-seven hours on estimates, I can I believe excite hon. members for that length of time with the kind of things that we have done under the incentives programme. It is a federal/provincial fifty/fifty cost-shared programme where we provide a grant based on a manufacturing or a processing industry. Depending on the industry, it is fifty per cent of the capital cost up to \$25,000 if it is a new industry, \$30,000 if it is an expansion, and if it is rejected by DREE - the reason for the limited ability for our participation, by the way, is that DREE takes over once it reaches a certain stage - if it is rejected by DREE then we are not bound with the same kind of limitations. But we have got a tremendous number of small businesses that have been assisted under that incentive programme. I had my hon. colleague from Placentia (Mr. Patterson) have a look at it this afternoon. I did not have it totalled up. Since the inception of the programme under ARDA III federal fifty/fifty cost-shared, we have had eighty-four industries that have taken advantage of it, with a total cost input, the capital cost of the industries was just over \$2 million. The amount of the grants which we awarded were just under \$1 million, and the creation of jobs was just under 500 jobs, and most of them are the larger and perhaps in many ways the more sophisticated types of little industries that we have assisted, some very exciting things.

If I got any complaint about Rural Development -
and I will get around to it when I get into the Industrial Development -

Mr. Lundrigan.

If I have any complaint it is that we have not bragged enough about it. The member for Burgeo - Bay d'Espoir (Mr. Simmons) one day said in the House that he did not think we were giving enough information. I agree completely. That is the biggest complaint. We have not given enough information, we have not opened up, we have not bragged about it enough, we have not talked about it enough, and consequently a lot of people get the impression that nothing has happened. That is the biggest problem if I might say to my hon. leader, the Premier, perhaps the biggest complaint that Newfoundlanders should have about our government and that is that we have not talked enough about the positive things, what has been happening and what we have done. And that sometimes is disconcerting for people, especially the sixty or sixty-five per cent of the people who are our supporters in the Province today. And consequently I hope that in the future we can remedy that kind of shortcoming.

Hon. members will notice a very exciting thing which is not going to solve the problems of the economy of the Province, it is a small thing, it is a reinforcement, it is a new dimension to the economy, and that is the vote in handicraft development. If hon. members will notice there is an increase from \$10,000 to \$80,000 in that vote. Now \$80,000 is not a lot of money, but we feel it is the first time that we have really made, in my opinion, a serious effort, as a government that is, to reinforce what is a natural process in the Province today. Why only \$80,000? In our travels we have spent a lot of time looking at the handicrafts industry. All of us pretty well concluded that it would be a mistake for the Government of Newfoundland to try and impose a highly programmed handicraft development programme on the people of Newfoundland. The countries that we visited, especially Norway, I will say, they have had a history of 100 years of the growth and development and the organization

Mr. Lundrigan.

of the handicraft industry. As a matter of fact, when you use the word 'organization' that is the thing that hit me between the two eyes in the Scandinavian countries, the sophistication of organization, the interrelationships of organizations, the growth and development, the history of organization. If we could compare organization, if we could think of it as a garment, they are very warmly clad, and we are indecently exposed, as far as I am concerned, because that is the big difference. They got a very, very tightly knit, heavily organized, historically developed organizational pattern. And that can be said for almost every industry, especially the handicraft industry. We do not expect, we do not want to copy, we do not expect to achieve overnight what has happened in these countries over decades. But we do feel that there has been a rebirth, a renaissance of enthusiasm in handicrafts in our Province. And I have got to commend the people who shot the film and did the work on that little CBC programme a week ago. I believe it was Doug Pike from CBC, was it not? Every time I have seen the film, this chap does it, it excites me. It was picking up the threads, and

Mr. Lundrigan:

that programme captured the mood of a lot of people today, And the most exciting thing happening in the Province, in my opinion, is not in this department or that department or some other department, it is among younger people, not fifteen and ten, I am talking about younger people, the younger generations who are beginning to realize that a lot of things that they had, a lot of things of real value that the member for Eagle River (Mr. Strachan) talked about is worth preserving, is worth recapturing and regaining. And there is a momentum and a mood and a move back, and I use the word 'back' to a lot of traditional attitudes, values, approaches. And that to me has been the reason why there has been a natural growth in the handicraft industry. I think there are a lot of people today doing things purely and totally for personal satisfaction and to enhance their lives in the handicraft field. There is also an economic factor to it, is there not? It is not a major thing. It is not going to solve the problems. It is not going to replace Come By Chance or any kinds of great industries. But there is a big economic factor to it as well. And what we want to do with the \$80,000 this year is to try and help in the marketing area. Not to buy up everything from people and say we will market it, but to try and participate in a lot of the fairs across the country, like the Toronto Trade Fair and the like, to try and test out a lot of the handicrafts to see what is marketable. We have got a new co-ordinator who has been appointed in the last number of weeks, five weeks, and that person has been going around the Province meeting every single group that we can determine who is producing handicrafts, what is being produced, what does it look like, and eventually we will put together a programme where we will give it some seal of approval, not everything that comes across our bow, just to make people feel good, but to try and elevate the quality, if in fact there is a need for elevation, to provide quality. And then to help the persons involved to market their produce; not to sell it for them, not to take it and

Mr. Lundrigan:

say we will do the job, because, in my opinion, one way to destroy the satisfaction that somebody can get out of doing something is to go in and do it for them. That is criminal. That is the reason I always have a great deal of empathy for people on welfare, because by the government doing it for them they are robbing them of their satisfaction of earning their own livelihood. And I will not get into that topic tonight because I will get carried away.

In any event, Your Honour, that particular area of the department will receive a brand-new thrust this year, and I think that it will eventually, if we can live with it and see it make mistakes and see it grow, it can be of fundamental importance to our Province.

The last thing I want to talk about, and I suppose I can be accused of leaving this to the last, because it has the most controversy, is the Rural Development Authority.

MR. SIMMONS: Before the minister goes on will he just indicate when he was talking about pilot projects was he referring to the vote pilot action research at that point?

MR. LUNDRIGAN: Yes.

MR. SIMMONS: Okay.

MR. LUNDRIGAN: Now the Rural Development Authority. Before saying anything about the Rural Development Authority, and I have enough statistics here and facts that hon. members might want to have that can keep us going for the rest of this year, so I am willing to do everything in giving facts except one thing, I am not going to give the names of the persons who received the rural development loans. Now not because I am against giving that type of information, but I believe hon. members have to understand something; that we have got 800, roughly, small communities in our Province. Small communities have a peculiar sociology, and I will not go any further than that, and consequently it is not always beneficial in trying to help somebody to go out say, and announce on the air

Mr. Lundrigan:

that Joe Smith from Tilting Harbour got \$5,000 today to start a popsicle stick manufacturing plant. I do not think that does any good. If the larger industries - and when we get around to the Newfoundland and Labrador Development Corporation perhaps we can change our position quite substantially in that regard. But I feel it would hurt the programme to do that kind of thing, and I would rather treat it, we have always treated that kind of statistic or that kind of fact as if we were a bank, that you do not give that type of information. We treat it as a bank.

Now let me go a little step further. The programme, I am going to say now, is a tremendous success, the Rural Development Authority, perhaps one of the most successful programmes that has ever been brought forward by any government in the history of our Province.

Now having said that I am going to admit that it has a big area of failure, and that is that we have a lot of loans that were a total failure. I will go into more detail as we get along, but I will give one statistic now, research - and I can quote this if I have to go back and get the articles and so on - research which was done mutually here - the University, I am pretty certain, in Newfoundland and also in Toronto, showed that in the first year across Canada small businesses 50 per cent of them failed - 50 per cent - the hon. member gave me the cue to announce that as well - 50 per cent failed. The first five years 80 per cent of the small businesses that have started in Canada, by definition, I can give the definition, fail as well. They do not always fail, but they do not exist at the end of a five year programme.

Our statistics are substantially better. I can defend totally, statistically, the fact that there has been no political influence in decisions that have been made. As a matter of fact, before the end of this year, if I do not change one statistic, and that is

MR. LUNDRIGAN: Grand Falls getting four out of twelve projects approved since the inception of the programme, I am going to be in real trouble. In other words, rather jokingly, I am not so certain that before the end of the year there will not be some political influence in some projects.

AN HON. MEMBER: How many?

MR. LUNDRIGAN: Four out of twelve and that is one of the lowest. Humber West, I do not believe there has been an application approved.

MR. CARTER: What about St. Mary's - The Capes?

MR. ROUSSEAU: Labrador West, I am on the Authority, not one.

MR. LUNDRIGAN: Not one.

AN HON. MEMBER: What do you mean by four out of twelve?

MR. LUNDRIGAN: Four of out twelve were approved and eight rejected. Menihek, for example, as the hon. member just correctly indicated, there has not been one approved. Two were rejected.

I can go on down and give all the statistics. I have got them all for all electoral districts. As a matter of fact, hon. members, I think, will - the people around the Province when they get all the statistics, and I think even if hon. members do not raise the question I will put it on the record anyway - will show that there has been a heavy correlation, a casual correlation with areas that are represented today, and were represented by members on the other side of the House. And to a large extent, because they are in many ways the more rural communities, in many ways there is the traditional patterns of economic development, and I say that if areas are not receiving grants, are not receiving loans, then they had better hop on and start looking to get things to help their industries, because we are going to work overtime to respond to small industries that can produce employment. We are going to remain measures of flexibility, and even though there is among all of our projects,

MR. LUNDRIGAN: and there are a good number of them that hon. members want to look at, there are some little controversies - yes, there was a morgue or two; yes, there was a hairdresser - that is a very poor measure to use in evaluating a programme that has had, I would say, perhaps seventy-five per cent success in terms of the fact that the business is still in existence, and even a considerable improvement in the repayment of loans. As a matter of fact, the repayments this year will perhaps be half as much, in other words the generated revenue, as the outlay of funds. And we will put those statistics on the record, every statistic hon. members want, because the reason we want them put on the record is we are proud of it, we are very happy about it and given half a chance at all, and a little bit of support from members across the way, and on my own side, my own colleagues, that we can make this Department of Rural Development, over a ten year period, not tomorrow morning, over a ten year period, perhaps the thing that can provide the most stimulus and the most stability for the economy of this Province.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: Mr. Chairman, I have great difficulty in debating with the hon. minister concerning this department for a number of reasons. First of all, I have for the last six years been living in one of the most rural and isolated communities in this Province, Nain, Labrador, and we have been totally out of touch, without newspapers, without radio, without television, so we have not known what was going on in the rest of the Province, and I can only debate, of course, the department as it has affected us in Labrador.

I know nothing about the number of loans that you are talking about. I do not know about the morgues. I never knew about the morgues, or financing hairdressing ventures and so on, because we never heard about them in our part of the world.

The other reason why I have got difficulty debating is

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MR. STRACHAN: because the department had extremely good relations with the Labrador Coastal people and especially the Deputy Minister, Mr. Gerald O'Reilly

Mr. Strachan.

and his staff have probably travelled the Labrador Coast more than other department or any other group of civil servants or agencies. Mr. O' Reilly has travelled, I think, the whole coast, five, six times, I believe. On some occasions he has even left and went out to the isolated hamlets or settlements, especially on a sealing project which I had the honour to be involved slightly with. So I have difficulty criticizing that, because the deputy minister and I have discussed greatly some of the problems and some of the projects that they had been getting into.

The other problem is that his department has essentially copied much of the work done earlier by the Extension Service, and the minister did give recognition of this, and in essence, therefore, they copied much of the work that we were doing, and I personally was doing earlier on. However, let me get into some of the situations that I see, and I can only talk, as I have said, about the Labrador situation. The Rural Development department has created - first of all it was a department on its own last session, last term, and now it has been bulked together with the Department of Industrial Development. And I often wondered at that time whether this was contradictory, the Department of Industrial and Rural Development, if they could match each other. And I also wondered whether by bulking the department, that the Department of Rural Development had now been relegated, had now been lessened in its original image, its original purpose. So I questioned that considerably, because it does have effect in some of the communities, and some of the associations feel that they are now belittled or lowered as compared to what they were previously.

The other feeling I had was the Regional Development Associations, and here I found that the department had split the whole Province up into a number of regions. I cannot remember the total number of regions, but a considerable number of regions, which had to have

Mr. Strachan.

Regional Development Associations. I know that on the Island part of the Province there was considerable question at the time whether some of these regions were correctly allocated; in other words, did they have a community of interest. And I can understand that some people felt that many of the development associations and the regions created did not have a community of interest or there was some conflict. Also we felt that some of the regions that were set up contained very sophisticated communities, communities with a high level of council or compared relatively, compared to some of the poorer communities and, therefore, were swamping within the Regional Development Association, they were swamping the smaller communities who really needed the help and assistance that the department could give. These are all, of course, debatable points, and there are a number of ways that one can go about it.

The minister mentioned there the situation in Fogo Island, and I think that out of Fogo Island came - in 1967 I was involved in Fogo Island; 1969, 1971 and 1973 was the last time I was involved in Fogo Island. And he talks about the present situation on Fogo Island compared to what it was a number of years ago. And I would like to put this to the minister on this point here: I understand, I know full well, that Fogo Island is now extremely successful. It has made quite a profit this year. I am talking about the co-operative there, and this was borne out of the Fogo Island Improvement Committee which started in 1967, and started as a movement against the Resettlement Programme which was being imposed, not so much from St. John's but from the federal government in Ottawa. I do not remember the deputy minister's name at the time, but there was at that time someone who really felt like pushing the Resettlement Programme.

MR. ROWE: He went down to the island one time, and almost got cooled off.

MR. STRACHAN: I was at the meeting when we roasted him. I took part in it.

MR. NEARY: He was down representing resettlement.

MR. STRACHAN: That is correct. He had to justify it.

However, the co-operative had an extremely painful birth, and I think that this is something that he should look at in his department, that what we have a tremendous lack of in this Province is the management expertise at the local level, that the training, I find, stands to be rather theoretical and academic rather than real, practical training which will give people some chance to make decisions given an opportunity to take their place in the committees and co-operatives and different business ventures that they get into. For instance Fogo Island, as the minister may know, right until 1973 was struggling severely. It was struggling severely, and I know it intimately, and I do not want to get into the details of it, because it is a long story, and very complicated.

Mr. Strachan:

But it was struggling because it was born out of an emotional need to remain on the Island. It then formed a co-operative tie to hold the Island together, and it grew a little bit too fast. It grew under a great deal of publicity. Whereas it obtained benefit from that publicity, it also ran into difficulty, because the publicity kind of backfired on the Island and made them aware of what they were doing. They were very uptight about the situation. But also they failed, I think, for a number of years - they did not fail, but they were groping for a number of years - because they did not have the management expertise at the local level, nor was there any real input at the local level of maintaining, or support mechanism to the co-operative.

I think now the co-operative and the whole Island, because, of course, the feeling was that if the co-operative collapses, then so does Fogo Island; as the fishery collapses, then so does Fogo Island; and it was extremely important to them. But I think that the department here needs to be more aggressive rather than passive, like the minister has stated, and I felt that in the past many development groups, not only this department, but the Extension Service he mentioned, and many other development groups, are a little too passive in attempting to support and to give training to local groups.

On this business of pilot projects, I can only say that, as again our relationships and my relationships and the people of Labrador, the Coast of Labrador relationship with the department have been excellent. We had a number of pilot projects started, one particularly that I know of, the sealing project, was started in the best way possible in which the local people were given every opportunity to make the major decisions. They decided what to do, when to go. They were encouraged, given help in their bookkeeping and so on, and it has been extremely successful this last year, the first time. I believe, although it only got 266 seals this last Fall, it must be remembered that these seals were stretched

Mr. Strachan:

on a frame, dried, and they are also Fall seals. They are not Spring seals like the hunt. And therefore being Fall seals the hair is fast, and therefore they reach a fairly high price. In fact some of them may reach up to \$54, \$55, \$58 per pelt, per skin. So that the project itself is extremely successful when it started off and many other groups on the Coast have been interested in getting into this.

The only problem I feel is that in some cases the pilot projects have started in areas where there have been considerable emphasis from other agencies. And maybe it should be looked at, the department should think about getting into pilot projects in areas other than those which are handled by other agencies and to which funds are pouring in. For instance, I take the Labrador Coast as an example, and I think the example could be transferred elsewhere, but in the Northern Labrador Coast there is a considerable funding by Labrador Services Division from Federal funds which are put into this Province. And the Department of Rural Development got involved in pilot projects in an area, in Northern Labrador, where I think that considerable funding could have been made available by Labrador Services Division. I realize full well that the Department of Rural Development got in because they felt that there was a need there which was not being satisfied. But compare this to Southern Labrador, where there is a great need to organize, there is a great need for pilot projects, and a great need to support local people because they are totally unorganized, they are totally at sea, they are lost; they have never had any funding whatsoever for any kind of project, although I do believe that your department has got involved there in a couple of communities and tried to get them going.

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

MR. CHAIRMAN: Mr. Speaker, I report that the Committee of Supply have considered the matters to them referred, have passed all items of current expenditure under Item 11- Mines and Energy, without amendment, have made further progress and ask leave to sit again.

MR. SPEAKER: The Chairman of Committee of Supply reports that the Committee have met, considered the matters to the referred have passed all items under Heading 11 without amendment, and ask leave to sit again.

On motion report received and adopted, Committee order to sit again on tomorrow.

MR. WELLS: Mr. Speaker, I do move that this House do now adjourn until tomorrow, Friday, April 9, at 10:00 A.M.

On motion that this House do now adjourn until tomorrow Friday, April 9, at 10:00 A.M.

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