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VERBATIM REPORT

FRIDAY, APRIL 16, 1971

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House met at 11:00 a.m.

Mr. Speaker in the Chair (Noel):

PRESENTING PETITIONS:

PRESENTING REPORTS OF STANDING AND SELECT COMMITTEES:

NOTICE OF MOTIONS AND QUESTIONS:

HON. L.R. CURTIS (Minister of Justice): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce four Bills, a Bill, "An Act To Amend The Statute Law." A Bill, "An Act Further To Amend The Summary Jurisdiction Act." A Bill, "An Act To Amend The Survivorship Act, 1963." A Bill, "An Act Further To Amend The Wills Act."

HON. E. DAWE (Minister of Municipal Affairs and Housing): Mr. Speaker, I beg leave to give notice of a Bill on tomorrow, A Bill, "An Act To Repeal The Department Of Municipal Affairs (Amendment) Act, 1969."

HON. G.A. FRECKER (Minister of Provincial Affairs): Mr. Speaker, I give notice that I will on tomorrow beg leave to introduce three Bills entitled as follows; "An Act Further To Amend The Insurance Companies Tax Act." An Act Further To Amend The Insurance Companies Contracts Act, 1961." "An Act Further To Amend The Fire Insurance Act, 1957."

HON. E.S. JONES (Minister of Finance): Mr. Speaker, I give notice that on tomorrow I will ask leave to introduce a Bill, "An Act Further To Amend The Stamp Act."

HON. W.J. CALLAHAN (Minister of Mines, Agriculture and Resources): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill, "An Act To Amend The Livestock (Health) Act, 1964."

HON. S.A. NEARY (Minister of Social Services and Rehabilitation): Mr. Speaker, I give notice that I will on tomorrow ask leave of the House to introduce five Bills, titled, "An Act Further To Amend The Children Of Unmarried Parents Act, 1964." "An Act To Amend The Elevators Act, 1969." "An Act Further To Amend The Annual Vacations With Pay Act, 1969." "An Act Further To Amend The Child Welfare Act, 1964." and, "An Act Further To Amend The Adoption Of Children Act, 1964."

HON. W.N. ROWE (Minister of Community and Social Development): Mr. Speaker, I

give notice that I will on tomorrow ask leave to introduce a Bill, "An Act To Amend The Department Of Community And Social Development Act, 1966."

ORDERS OF THE DAY:

HON. F.W. ROWE (Minister of Education): I am sorry Mr. Speaker, did you ask for answers to questions?

MR. SPEAKER (Noel): Yes I asked for notice of motions and answers to questions.

MR. ROWE: I see, I am sorry. I just have a couple of answers to give. Mr. Speaker, I have the answer to question no. (76), asked by the hon. member for Burin. The answer I give here is a general one, and applies to all that type of petition. The Department of Education of course, does not build water and sewage systems in communities, either for the community or institutions. When a petition of that kind does come in we refer it to the appropriate authority, which in this case would be insofar as the school is concerned, the Board of Education concerned, and the Denominational Educational Authority concerned, in this case the Integrated Educational Committee. Also, since it might be a municipal involvement we send copies, or send the petition or copies of it to the Department of Municipal Affairs for their information, and in some cases I suppose possible action. That is no. (76), the hon. member who asked that is not here, but perhaps his colleagues could pass on that information to him.

I have the answer to question no. (84), which was asked respecting pharmaceutical courses at the College of Trades and Technology. On that I should like to remind hon. members that the College of Trades and Technology is now enjoying the same status as the university. It is under the control by act of this Legislature of a Board of Governors. It is therefore independent academically of the Government in the same way as the university is, and naturally there has to be of course at times, when additional expenditures are involved, there has to be collaboration between those institutions and the Government, through the Department of Education or the Department of Health or what ever department is directly involved.

This information, therefore, that I have here now is in a sense not mine. I forwarded the question to the President of the College, Mr. Duggan, and he was kind enough (he did not have to do it) but he was kind enough to send

along the information. I am going to table this, Mr. Speaker, because, it is a little lengthy. There are some matters of interest, and if with the permission of my hon. friend from St. John's West, I would like, however, to make just two short references there. If he does not intend to rise to a Point of Order, I would like to draw the attention of the House to the fact that this information states that the College is now instituting a three year course in pharmacy, that is number (1) Number (2), that they have recieved applications from 103, interested parties not all of whom, of course, necessarily will have the required academic qualifications. Number (3), that the course will accommodate twenty-five first year students starting, of course, in the coming year. If all goes well we hope to see, in the next three years, a very good expansion to our pahrmacy services in Newfoundland.

I am going to table this. I have enough copies here for the press and for some hon. members that may be interested as well.

HON. J.R.CHALKER (Minister of Public Works): Mr. Speaker, I have the answer to question no. (320), on the Order Paper of March 31st. asked by the hon. member for St. John's Centre, and I wish to table same.

MR. SPEAKER: Further answers to questions:

ORDERS OF THE DAY:

HON. J.R.SMALLWOOD (Premier): Mr. Speaker, there were two or three things said in the present debate to which I would like, as briefly as I can, to reply. The first is what was said in this debate by the hon. the member for St. John's East about a piece of land in the area where Holiday Inn now stands.

I was greatly surprised, and at least tentatively shocked, I was not actually shocked because, I felt that there might be a perfectly reasonable explanation. I did not know whether there was, but I felt that there might very well be a reasonable explanation, but I was certainly surprised.

This morning I telephoned to the man in question, Mr. Arthur Lundrigan, at his home in Corner Brook. I began to tell him of the statements made in the House by the hon. member when he interrupted me and said, "yes I know, I heard it on the radio this morning." I said, "yes, well, I do not know how thoroughly the radio account covered what was said by the member for St. John's

East," so I said, "I will tell you my recollection of what he said." He said, 'all right,' and I did. I think I reported faithfully what the hon. member said in this House. Having done so, I said, "now Arthur, what happened?" and Mr. Speaker, I will tell you what he told me. I do not know that what he told me is true. I believe it to be true, but I do not know. He told me that a couple of years, approximately a couple of years before there was any thought at all of Holiday Inns coming to this Province, he, as representative of AVIS, the AVIS Motor Car Rental Agency in this Province, bought a piece of land at the spot where Holiday Inns later, a couple of years later, was built.

It seems that AVIS bought a piece of land in British Columbia precisely at the western terminal of the Trans Canada Highway, precisely, and that they wanted a piece of land precisely at the eastern end of the Trans Canada Highway which happens to be exactly where Holiday Inns today stands. That is the end of the Trans Canada Highway. We had a sign here in front of this building saying, with a map of Canada, British Columbia to St. John's and showing the Trans Canada Highway, "The Trans Canada starts here." Well, it does not start here, it starts at Holiday Inns, and it ends at a point in British Columbia. Or, if you prefer, it starts at a point in British Columbia and ends here at Holiday Inns.

SOME HON. MEMBERS: (Inaudible)

MR. SMALLWOOD: Who is the Newfoundland minister? Modesty prevents you from telling. I have not seen this sign in British Columbia.

AN HON. MEMBER: It is at Vancouver Island.

MR. SMALLWOOD: On Vancouver Island.

Avis wanted, for advertising reasons I suppose, to own a piece of land at each precise end, western and eastern, spanning Canada, so they could say for instance; 'we have all Canada between us, between our two Rental Agency offices, bookends.'" So, he bought the piece of land for \$15 thousand. They did not get round at once to building the building they planned to do, and before they did the decision was taken by the Government to build a Holiday Inn there. A Crown Corporation was set up for that purpose. The Crown Corporation looked around to see who owned the land at the point where they wanted to build the hotel. They discovered some owners, including Arthur

Lundrigan or, if it was not Arthur Lundrigan, it was the Lundrigan firm acting for AVIS. He said, "well, I do not want to sell it. I did not buy it to sell it. That was not my reason for buying it. I want to use it." "But we want to build a big hotel there." "Well, I cannot stand in the way of that." And obviously the building corporation, I suppose it would be Mr. Dustan, would say to him; "It would not be much use your trying to stop it, it is the Crown and we are going to have it anyway." So he said, "well all right, get me an equivalent piece of land and you can take it, but it has to be a piece of land here in this immediate neighbourhood, because it has to be precisely at the eastern end of the Trans Canada Highway." The Government said, "all right."

The Government paid him one dollar for the piece of land, and the remainder of the payment was to consist of an equivalent piece of land, so he would make one dollar cash profit. He would get an equivalent piece of land and also one dollar. Well he got the one dollar, the Government were not able to deliver him a piece of land. They could not find a piece of land, or if there is still a piece of land still there at this moment, a piece of land.... (I wish that baby crying was my grandchild or great-grandchild, but however, she is awfully welcome, or he is, whoever he or she maybe, could not be more welcome. No one could be more welcome than that child. Do not mind a little bit of crying. I am used to much worse than that from over there.

MR. MURPHY: The baby is not a stranger.

MR. EARLE: The baby is on the right side.

MR. SMALLWOOD: There is a piece of land there, immediately beside Holiday Inn, with an old barn on it. It is still there at this moment. The Government, or the Crown Agency for the Government, tried to buy that piece of land and they wanted \$90 thousand for it. The Government would not pay \$90 thousand. The Government were not able to buy a piece of land at a price that would have been scandalous, and told Lundrigan so. Lundrigan said; "well, all right, in that case, if you cannot get me an equivalent piece of land, pay me cash for it, \$50 thousand.

The Crown Agency paid him \$50 thousand, which was a lower rate than a number of pieces of land were bought all around in that immediate area. Three, four, five different sales were made of land, bits and pieces of land, right there in that immediate vicinity, at prices higher than the price paid to Lundrigan.

Of course, I am only repeating what Mr. Lundrigan told me. I do not know if other pieces of land were bought, and if they were, I do not know the prices at which they were bought. I do not know who bought them, and I do not know who sold them. I am merely repeating to the House what Mr. Lundrigan told me on the telephone this morning.

He added this, " I still want the piece of land. I would rather have the piece of land to serve the original purpose that AVIS had in mind. I would rather have that than the money. Give me the piece of land and I will hand the money back, but I want one or the other." So far the Government has been able to give him only the money, at a rate of pay lower than that for which land was bought all around that immediate area.

MR. SMALLWOOD:

Now I having got this account from Mr. Lundrigan invited my colleagues to a Cabinet meeting this morning and reported these alleged facts to the Cabinet. I suggested to the Cabinet that we appoint a Royal Commission of one, it is hardly a big enough matter for a Royal Commission of more than one, preferably a lawyer, definitely a lawyer who would be independent, most assuredly a lawyer who had no connection whatever with the Government or with Mr. Lundrigan or the Lundrigan Firm or Avis, a competent, independent lawyer of admitted and acknowledged integrity. My colleagues concurred unanimously in my recommendation and we made the decision, the decision has been made, we have decided to appoint a Royal Commission and furthermore I have approached a very prominent lawyer, quite independent of the Government and quite independent of the Lundrigans and quite independent of Avis and asked him to accept appointment as a Royal Commission of one to take such steps as he please to investigate the statements made in this House by the hon. member for St. John's East.

A copy of Hansard would be found and delivered to the Royal Commissioner. He would hold such sessions as it pleased him to hold, the sessions would be private or public as it pleased him to do, He would invite such persons as he cared to invite and such documents and such witnesses as he wished to have. He would have a completely free hand and the report he would make would be published, would be made public and he would asked, he has been asked, to do this thing immediately, not take a year, not take six months, not take three months, not take one month for surely even a busy lawyer in the next two or three weeks should be able to hold the necessary hearings and get the necessary evidence and then write a report.

That lawyer has expressed a willingness to do it but asks that he might have a few hours to think it over before giving me a final answer. I do hope that he will accept the appointment so that he can begin at once.

I know that his name, if he does accept it, will be honoured by the Opposition and by the members of the House, the members of the House on this side and by the public in general. I do not know what the Royal Commissioner will find. I suspect what he will find but I certainly do not know. The hon.

MR. SMALLWOOD:

gentleman who made these statements in the House yesterday offered no opinions of his own. He merely cited facts that he had gathered in the official Registry of Companies and Deeds and Documents and he had searched these documents or had someone do it for him and merely recited the names and dates and figures of the various transactions and he may perhaps have expressed some opinion. Certainly he did declare that the Government ought to answer these, the Government ought to explain these transactions, and in this I could not agree more heartily and my colleagues could not agree more heartily and we have determined that the matter will be thoroughly looked into and publicly reported.

MR. MARSHALL: Would the hon. Premier permit a question?

MR. SMALLWOOD: Yes, of course.

MR. MARSHALL: Would the hon. Premier also perhaps, while he is speaking on this matter, explain why the powers of expropriation were not used, why the sum of \$1.00 was also used in a transaction from Lundrigans, Limited to this Crown Company, which is really the Government, with respect to the transfer of land over in Corner Brook as well?

MR. SMALLWOOD: What in Corner Brook?

MR. MARSHALL: Will the commissions terms of reference be expanded?

MR. SMALLWOOD: Of what in Corner Brook?

MR. MARSHALL: The land in Corner Brook, I believe, in Corner Brook, on Park Avenue, was acquired from Lundrigans, Limited and \$1.00 was used as well.

MR. SMALLWOOD: Well, I will find out about that. I did not hear about that before any more than I had heard of the matter that the hon. gentleman mentioned here yesterday.

MR. MARSHALL: The hon. Premier realizes then that it is not the entire area as he intimated to the House before, it is only a small portion of the area involved.

MR. SMALLWOOD: The area involved is the area on which Holiday Inn is built and the area surrounding it, and the area that Mr. Lundrigan is involved in is only an acre or half an acre or something between half an acre and an acre, and the amount of land involved is six, seven or eight acres. It is a fair

MR. SMALLWOOD:

siice of land under and surrounding Holiday Inn.

MR. MARSHALL: What about the power of expropriation?

MR. SMALLWOOD: The power of expropriation is there and it is frequently used but not always.

MR. MARSHALL: May I ask why it was not used in this particular instance?

MR. SMALLWOOD: I do not know. I have no idea. The Royal Commission could find that out, why the Government did not or the Crown Corporation did not expropriate the land, which they frequently do and frequently do not do. I dare say they negotiate the purchase of land as frequently as they expropriate it.

MR. EARLE: It usually costs more to expropriate.

MR. SMALLWOOD: We have found, our experience has been that land costs us more when we expropriate and follow with an arbitration. A Board of Arbitration, nearly invariably, almost invariably awards a higher price than we could have bought it for. Again and again we have had the unfortunate experience, the Minister of Highways and other Ministers of the Crown, the Minister of Public Works especially, again and again on dozens and perhaps on scores of occasions, maybe hundreds but certainly on scores of occasions the Government have negotiated to buy a piece of land and the owner was not satisfied or the Government was not satisfied. The Government offered this much and the owner would not accept it or the owner asked this much and the Government would not pay it and it ended in arbitration and, invariably, invariably we have had to pay more for it than we tried to negotiate.

MR. MARSHALL: \$83,000. an acre ever paid?

MR. SMALLWOOD: I do not know about that one case, that is for a Royal Commission and the hon. gentleman might save his snide remarks until the report is made.

MR. MARSHALL: When the report is made.

MR. SMALLWOOD: When the report is made, yes he might save his snide remarks, his snide little remarks until then.

MR. MARSHALL: I will look forward to it with anticipation.

MR. SMALLWOOD: Perhaps now he is a little dismayed over the action we are

MR. SMALLWOOD:

taking in the matter, be that as it may, Mr. Speaker, I am going to ask this House to attempt an exercise in imagination to make a conscience effort to imagine Newfoundland, this Province, without the 6,000 miles of new roads that have been built since Confederation, including the Trans Canada Highway, I am going to ask the House to try, by a deliberate and conscience effort of the imagination, to picture Newfoundland without the 1,400 miles of paving that has been done since Confederation and I am going to ask hon. members to try to imagine Newfoundland this morning, with 800 different settlements in it that are connected now by road that were not connected by road at the coming of Confederation, no 6,000 miles of road, no 1,400 miles of paving, no Trans Canada Highway, no 800 settlements connected by road - you can get into them only, as you did (before they were connected) get in by helicopter, get in by boat, you could walk in over the bogs and rocks and through the bush but no road. I am going to ask the House to try to imagine what would be the state of this Province this morning if there had not been built the 1,000 new schools that have been built since Confederation, to imagine the state of Newfoundland if we did not have these twelve great Trade Schools that we do have and the tens of thousands of young men and women who have gone through them, if we did not have the College of Fisheries and the 12,000 young men and women who have gone through that, if we did not have the Technical College and if we did not have the University.

I ask the House to try to picture Newfoundland this morning if we did not have even one of the thirty-nine new public libraries that we have built, the five Arts and Culture Centres, the nine recreational centres - rinks and so on. I ask the House to try, if they are capable of doing it, I am not capable to imagine what Newfoundland would be like today if the thirty-nine new public libraries and twenty-five new hospitals and clinics were not here, if we did not have them, if we did not have the great new section of the hospital down at the General, if we did not build a great new Mental Hospital in here, if we did not build a hospital in Grand Falls or Gander or Corner Brook or Springdale or Bale Verte or Fogo, if we did not build one in Happy Valley or Labrador City or the equivalent of two new hospitals in Corner Brook, if we

MR. SMALLWOOD:

did not build one in Springdale, if we did not build one in Port aux Basques, if we did not build one in Grand Bank.

I ask the House to try to imagine what Newfoundland would be like, in addition to the lack of all these things, if it also lacked the great new parks, thirty, forty parks we have built, the 30,000 new houses, 30,000 new homes, new houses, new dwellings that were not here when Confederation came when we took office, and ask the House to try to imagine too 60,000 new houses, not new houses, houses that had no electricity in them twenty-two years ago, no electricity they had kerosene oil and some of them, the better off, had aladdin lamps but ordinarily they had the ordinary old fashioned kerosene oil lamps twenty-two years ago, try to picture the 60,000 homes there are, that have been given electricity since Confederation, if they did not have it today. At the coming of Confederation exactly one half of the homes there were in Newfoundland had electricity, one half, slightly more 50.2, fifty and two-tenths over one per-cent say fifty and one quarter per-cent, today it is ninety-seven per-cent, ninety-seven homes out of every hundred have electricity.

I ask the House to try to picture what Newfoundland would be like this morning if we did not have the 65 new water and sewer systems that have been built, try to picture Newfoundland without it. I ask the House to try to imagine what Newfoundland would be like today if she did not have the 181 new hotels, motels and tourist homes with 2,400 beds for tourists and travellers, that we did not have at the coming of Confederation, 181 new hotels, motels and tourist homes. I ask the House to try with all those things lacking, try to picture Newfoundland lacking also, on top of all that, lacking the thirty-eight new fish plants with draggers, most of them with draggers, thirty-eight new fish plants that have been built since the coming of Confederation and to imagine Newfoundland without the more than 500 longliners we have today and without the more than 500 new smaller sized fishing boats that we have today and without the 1,600 new fishing boat engines, 1,600, all of these - the fish plants, the draggers, the longliners, the smaller fishing boats, the fishing engines, all of these giving jobs to 16,000 wage workers and fishermen each year now -

MR. SMALLWOOD: And then also without some fourteen industrial plants and mines that we have, try to picture Newfoundland without them, those industrial plants and mines which employ 200,500 men and women, mostly men, and paying out over \$1 million a month in wages. Picture Newfoundland without it.

Mr. Speaker, we would have none of these things, but for the Public Debt. It is the Public Debt that gave us these things. We had to thank the Public Debt for them. There was no other way to get them. There was no other way, there is no other way, but by creating Public Debt. But you see these things cost hundreds of millions of dollars to put there, hundreds of millions, and certainly it would have been totally impossible to get that money by taxing the people for a very good reason, the people did not have it. You could not have got that money, those hundreds of millions out of the people by taxation, with which to build those roads and schools and hospitals and houses and water and sewer systems and hotels and fish plants and factories and mines and, if these things that I have recited did not exist there would be no Newfoundland today. There would be no Newfoundland. There might be an apology for our present day Newfoundland, a pale shadow of it. A miserable wretched shadow of the Newfoundland of today, there might indeed be, if we had not had those things, which we did get and have now got, thanks to the Public Debt. I asked the House what would the people of Newfoundland rather have? Not have these things and no debt, or these things and the debts.

Now is there any rational-minded man, who is not half insane with hatred or jealousy or frustration or humiliation, is there any man in his sane condition of mind, any Newfoundlander who would not say we were right, we Newfoundlanders were right, we were right to get these things and to contract debt to get them? Because without the debt we could not get them. There is no way to get them without creating debt. Yes, we have debt. We have debt. We have a Public Debt. It is a big Public Debt, but 600,000 miles of roads is a big asset. Fourteen hundred miles of paved road is a big asset. A thousand new schools is a big asset. We have

MR. SMALLWOOD: the liability of the debts, but we have enormous assets. We have something to show for the debts. And if we had not had them, would you suppose, Mr. Speaker, do you think there was a chance in Hell or Heaven that the people of Newfoundland would now number over 500,000. Almost 200,000 more than the day I became Premier of this Province; Do you think we would have half a million here, if we had not built the thousand schools and the twenty-eight, thirty-eight hospitals, and the roads and the paving and the fish plants and the mines and the factories and the electricity and the water and sewer systems and the housing? Do you think you would have the population you have today? Was this not an absolutely necessary spending? Was it not absolutely necessary for us to have these advantages, if we were to keep Newfoundland alive? If the young generation growing up have not been given these advantages, do you think they would have had stayed here? If they had to crawl on their bellies to get out of Newfoundland, they would have crawled.

To hold our Province, to hold our people these things had to be done. And there had to be a debt created to do them. There was no other way, no other way.

Now I spoke of these fish plants, and druggers and longliners and smaller fishing boats. engines and gear. We spoke of these giving employment to 16,000 Newfoundlanders, 16,000 that would not have jobs. They would be unemployed, but they would not be in Newfoundland. They would be unemployed somewhere else or employed somewhere else, but they would be somewhere, they would not be here. At this moment, Mr. Speaker, \$29 million of our debt, our Public Debt, our own Debt and the Debt of others that we have guaranteed call it all one if you like, \$29 million of it that is owed at this minute, either owed by the Newfoundland Government or owed by the plants on our guarantee, the total is \$29 million. You look at our Newfoundland Debt and you can mark off immediately \$29 million of it that is at present in the fishing industry. The fishing industry, the fish plants and fish establishments, and the druggers and the boats and all the rest of it.

MR. SMALLWOOD: Mr. Speaker, they are worth today \$61 million. We do not own them. I think, we do own one or two. I think, we own the plant at LaScie. The Government built that and we own it. It is our property. We own the fish plant in Marystown, we built that and it is our property, through a Crown Corporation, and we have made a deal whereby that big company that is operating it are allowed to buy it, when they pay off the debt. But the debt is still there. So we own it. But, the big part of the fishing industry we do not own. It is owned by companies and individuals, fishermen and groups, companies of all kinds. And it is worth \$61 million. But \$29 million of our Public Debt is part of that \$61 million. Please bear that in mind when I come to another point a little later in talking about the Public Debt. Sixty-one million is the value of the industry, the property in the industry and of that \$29 million is in our Public Debt and accounts to that extent, for our Public Debt.

I would like for the House to remember these two figures "61", "29".

I have a note here to answer a point made by the hon. the member, the hon. the jealous member for St. John's West, when he talked about tax, our piling up the tax, especially in the last five years. Income tax, for example. Personal Income Tax that the individual pays on his income to the Canadian Government and to the Newfoundland Government. Corporation Income Tax, the tax that corporations, companies pay to the Canadian Government and the Newfoundland Government on their profit, their income, their net income. And the Sales Tax, what we pay in Newfoundland. How we pile these taxes sky-high, especially in the last five years.

Mr. Speaker, our Newfoundland Government or our Newfoundland House of Assembly: Corporation Income Tax, the tax that was imposed by this House, this House passed the Law, imposing a tax on the profits of corporations, a Newfoundland tax of thirteen percent. Now they pay more than that because they pay Ottawa a lot and we get back a share of what they pay Ottawa. In addition to what they pay us, we get also a share of what they pay Ottawa.

MP. SMALLWOOD: But our tax is thirteen percent of the profits of corporations on their taxable income. Thirteen percent, remember the figure. That is the highest in Canada, of any province, except for one province, the Province of Manitoba, which also imposes a tax of thirteen percent. The Province of Quebec imposes a tax of twelve percent. The Province of Saskatchewan imposes a tax of eleven percent. The Province of Alberta a tax of eleven percent. But, we are the highest, we and Manitoba. Remember what I am saying, the highest corporation tax on the profits of corporations is collected by this Government and by the Government of Manitoba, which is an NDP Government at the moment, it was Tory.

But now take the Personal Income Tax, the tax on individuals, what the members of this House, on both sides, pay. What the general public pay. The people, the fishermen, the loggers, the miners, the railroaders, the teachers, the clerks, the civil servants, everyone what they pay, the Personal Income Tax. In Manitoba it is thirty-nine percent. In New Brunswick thirty-eight. In Saskatchewan thirty-four. In Newfoundland thirty-three. We are among the lowest Personal Income Tax in Canada. I have an uneasy feeling that I have reversed these figures. No, I have not, no. No, these are correct.

Now take the Sales Tax. New Brunswick has an eight percent sales tax. Eight percent. Quebec has an eight percent sales tax. Nova Scotia has a seven percent sales tax. Little Prince Edward Island has a seven percent sales tax and Newfoundland has the seven percent sales tax. There are two other provinces that have the same amount as we do, and there are two that have more than we have.

Yet to hear the hon. gentleman speaking passionately, with indignation, with his voice ringing with anguish for the fate of the people, you would think to hear him, his words and his tone and the look on his face, you would think that this Government have gone mad in heaping the taxes high on

the shoulders of our people, they have not.

MR.CROSBIE: Would the Premier permit a question? The Provinces that he mentions with high rates of personal income tax, is it a fact that they also have much higher per capita income, much higher personal disposable income per capita.

MR.SMALLWOOD: Yes, they have they are older provinces and they have had the benefits of Confederation much longer than we have had. We are only trying and we have much more lost ground and lost time to make up for, much more. We have narrowed the gap between them and us, twenty-two years ago the difference between us on the one hand and Nova Scotia on the other was a world of difference. A world! An Age! A whole Age in between us and them! But not today! Not today! Today that gap has been greatly narrowed. We are much closer today to the standard of Nova Scotia than we were and the standard of New Brunswick. I do not know but we have a higher standard than New Brunswick.

MR.CROSBIE: We fell behind, Nova Scotia advanced much further than us 1965 -1970, personal disposable income

MR.SMALLWOOD: I did not hear that. Nova Scotia has advanced and we have advanced and all Provinces in Canada have advanced and Canada as a whole has advanced but Newfoundland has advanced more, much more, much, much more. I wish I had my own book here - if I had thought of it I would have brought it along - I gave the figures there from DBS, Dominion Bureau of Statistics, of the percentages of increase in twenty things, comparing all the Provinces, Newfoundland leads all the Provinces in about twelve of them. In Housing we lead all Canada, away ahead of any other Province. In the number of new cars ahead of all other Provinces. In the number of the amount of investment in

natural resources, away ahead of all Provinces. In the development of schools, in the development of Hospitals, in a number of absolutely essential, vital, fundamental things the things that make the difference between a growing Province and a dying Province in these matters we have led all Canada. "Have I a copy of the book here?" "No, I have not."

MR. CROSBIE: What about the gasoline tax?

MR. SMALLWOOD: Perhaps someone would be kind enough to go down in my office and bring me up a copy of my own book, "To You With Affection."

Mr. Speaker, I heard here in this House, from the Hon. gentleman who represents temporarily in this House the District of St. John's West. Having gone Tory of course he is a goner, becoming a Tory. He has announced publicly that in the coming election he is going to vote Tory. He hopes his friends will vote Tory and I may tell him he has two friends sitting over there with him who are not going to vote Tory. They will not follow him, one has quit altogether, Mr. Wells. The other two that are left are not going to vote Tory. They are not going to follow him. If the hon. gentleman would do today what he intends to do after the House closes, if he would do that now, then the two that are there would walk away from him now. They would refuse to sit with him if he would do now what he intends to do afterwards, to join the Tory Party, which is what he intends to do. He is going to join the Tory Party and become a member of it. He is that now in everything but name. He is a Leader now. If he joins the Tories he serves under the Leader and do not forget it. If he can hang on while the House is in session, until the House closes he is a Leader, he can make speeches, he gets extra time. He is a big shot. So you see the two leaders walking back and forth and conferring with each other. Oh, what a glorious feeling to be a

Leader, at last he is a Leader. At last he is a Leader. He fought hard to become a Leader and the people would not have it. But he is a Leader now until the House closes. He may be a Leader then -

MR.CROSBIE: That galls the Premier -

MR.SMALLWOOD: No, it does not gall me, I am so delighted to see the hon. gentleman admit that he is a Tory. I am so glad he admits, he confesses, he is a Tory. He called a Press Conference the other day and in the Press Conference he announced that he is going to vote Tory, he hopes his friends will vote Tory in the next election. He was asked; Are you going to vote Tory yourself, join the Tory Party? He said; "I will tell you when the House closes, later on."

Well I do not need to wait until later on. I know now what he is going to do. I know what he is going to do. He is going to join the Tory Party. he may -

MR.CROSBIE: That upsets the Premier.

MR.SMALLWOOD: No, that does not upset me I am so pleased because I do not mind a wolf in sheep's clothing, I do not mind sheep in wolf's clothing, but I despise a sheep in sheep's clothing.

MR.CROSBIE: Bah!

MR.SMALLWOOD: That is it. That is it, He can ba^h and laugh all he likes but I can tell him something here this morning that every real Liberal in Newfoundland that did give him some support has now turned finally and flatly against him.

MR. CROSBIE: Oh sure!

MR.SMALLWOOD: The only people who are still with him are those who are Tories anyway. Those who are Tories anyway, they are still with him. They are charmed with him. They are delighted with him. They love him to death. My Heavens, how happy they are that he has now confessed, an open confession, he is going to vote Tory. They are delighted but

the Liberals are not, and there were decent sincere Liberals, devoted, and devout Liberals and Loyal Liberals in Newfoundland who voted for him and supported him for the Leadership and continue to be friendly to him until he made that confession, that he is going to vote Tory.

MR.CROSBIE: Like Mr. McCurdy - one of the N.T.A. people - hate monger.

The Premier is -

MR.SMALLWOOD: A man who stood down there and made the Nazi salute would you call him a hate-monger?

MR.CROSBIE: No, I would not.

MR.SMALLWOOD: I would.

MR.CROSBIE: Passionate Liberals - with a smile -

MR.ROWE: All passionate Liberals use the Nazi salute?

MR.CROSBIE: Some do and some do not. We can see dictatorship in this House.

MR.SMALLWOOD: That is not his statement. Aw, come on, come on with the deceit. The press are not stupid. No, they are not.

MR.CROSBIE: Official Liberal Statement.

MR.SMALLWOOD: Yes, I would not be surprised if the hon. gentleman tried to make that stick, that he announced that. When in fact, he was quoting them, and everybody in the House knew it.

Let me give the hon. and doubtful member -

MR.CROSBIE: The book of misleading statistics -

MR.SMALLWOOD: They are true and they may mislead or they may lead. It depends on the brains of the one who reads them. I can explain a thing to anybody but only God can give him the brains to understand it when I do explain.

MR.CROSBIE: Or twist it into pretzels - those statistics -

MR. SMALLWOOD: Newfoundland, since she became a Province, she had in 1949, \$115 million in Life Insurance in force, our people's lives, the people of Newfoundland had taken out Life Insurance with all the Life Insurance Companies, they have taken out Life Insurance running to a grand total of \$115 million. As long ago as 1968, that is three years ago, it had risen to \$770 million, from \$115 million to \$770 million. That is a higher rate than in any Province of Canada.

MR. MURPHY: Has the Premier got -

MR. SMALLWOOD: No, I have not. I would not be a bit surprised, I would not be a bit surprised to learn that it was a substantial amount because there has been a substantial amount of unemployment in the last three years. That is right. This is true up and down the whole Nation of Canada and up and down the whole Nation of the United States of America. The day we became a Province of Canada we had thirty-seven branches of banks, bank branches, thirty-seven, three years ago we had 106, and they took a thousand people working in them just to count the Newfoundland people's money. It took a thousand Newfoundlanders, in 106 Banks just to count the Newfoundland people's money.

Business Enterprises in Newfoundland, the whole lot of them put together, all of them, just, not 1949, I could not get that figure, but I did have it for 1951, which was four years after Confederation started. In 1951, there were 4,500 business ventures in Newfoundland, business establishments, 4,500. In 1968, 8,700, from 4,500 to 8,700.

MR. MURPHY: Liquor licenses included I guess.

MR. SMALLWOOD: No, they are not. Yes they are included in restaurants, snack bars, taverns etc., they are included in that line.

MR. MURPHY: Twenty-five per cent -

MR. SMALLWOOD: No. Nonsense, the total number out of 8,700 is 1,100 of all the restaurants and snack bars and taverns in the whole Province.

MR. MURPHY: How many did we have in 1949?

MR. SMALLWOOD: Two hundred and fifty. The number of snack bars and restaurants in Newfoundland after 1951, up to now, the increase is staggering. You cannot travel around Newfoundland today, one of the most amazing phenomena is the number of snack bars. The number of jukebox joints where the youngsters in hundreds of thousands or in scores of thousands congregate in to drink their soft drinks and dance and buy their chocolate bars. They are in hundreds upon hundreds of them., as well as beer taverns.

The personal income of the Newfoundland people, their personal income, and this is what the hon. gentleman mentioned in particular the much higher personal income, in say Manitoba, than in Newfoundland. True. True. True. True. Absolutely true. Too true, It is true and pity it is true, but it is true that our income is lower than the income of other Provinces. That is true, but it is not when you see where you are going, what direction are you headed in, what is happening to you, not just as you are at this moment. The personal income of the Newfoundland people from 1949, the first year of Confederation to 1967, which is the latest year I had it when I wrote this book. The latest year the DBS were able to give it. The personal income of the Newfoundland people increased three hundred and thirty seven per cent - 337 per cent - Now the second highest was Quebec.

MR. CROSBIE: What are the figures?

MR. SMALLWOOD: We were the highest - we were the highest - the absolute figures would be pitiful compared with the absolute figures of Quebec. The personal income of the seven million in Quebec would make the personal income of the half million of us Newfoundlanders look sick. But it is not the absolute amount it is what is happening, it is the direction we

are going in. In that period of time 1949 to 1967 our personal income in Newfoundland, our people, increased 337 per cent. Quebec, 297 per cent, Alberta was third, 296, almost the same as Quebec. British Columbia was fourth, 295, Ontario was fifth, Ontario, the Empire State, the industrial heartland of Canada, the source of the most of Canada's wealth, Ontario, in the same period, her people's income increased 283, and Newfoundland led all the Provinces in the rates of increase - the rate of increase - True, after doing that, we were still the lowest, but we were increasing at a faster rate. We were catching up, we were bridging that gap, we were narrowing the gap all the time, that is what counts. That is what counts.

Motor cars. The number of motor cars for 1949 to 1967, how many years is that - sixteen years, seventeen years, sixteen years, how many? Eighteen years, I was pretty well in the middle was I not? I said seventeen, in eighteen years the percentage increase in the number of motor cars in Newfoundland was 696 per cent. Nearly sevenfold, seven times as many cars at the end of the eighteen years as at the start of it; 696. Quebec was second; British Columbia 303 - sound like a rifle - Alberta 240; and New Brunswick 229. Now admittedly we have further to go to catch up so did Quebec. But Thanks Be To God we did catch up, not completely, we did not overtake those rich provinces, but we narrowed the gap - that is in the number of cars.

In the twenty years, the first twenty years of Confederation our Newfoundland people spent \$800 million - \$800 million to buy cars - \$800 million - over three-quarters of a billion - to buy cars. In the consumption of gasoline - now if you get all these extra cars and these extra trucks you are going to use up an awful lot more gasoline. Our increase was 776 per cent increase in the consumption of gasoline, nearly eight times, nearly eightfold of an increase and that was almost double the rate of the next highest Province which happened to be British Columbia,

MR. SMALLWOOD (J.R.): in investment, in utilities, such as electricity, telephones, telegraphs, Newfoundland's rate of increase was 750 per cent and the next highest was British Columbia 532 per cent. Now, the development of primary industries, investments in primary industries, as fisheries, mining, forestry and so on, development increased at a faster rate in Newfoundland than in any other Province of Canada. In Newfoundland, the increase in those years, those twenty years, the increase in investment, in natural resource development, the increase in Newfoundland was 1529 per cent, fifteenfold, fifteen times as much investment in natural resource development as twenty years earlier, 1500 per cent, in British Columbia 433, in Saskatchewan 414 and in Alberta 387.

Here is a test for you, a yard stick, a measuring rod, of how the people's income went up, how it increased, here is a measuring yard for you, In the first year after Confederation / now we had Confederation for about a year, 18,000 Newfoundlanders filled out income tax returns, they declared an income of \$58 million for the year, 18,000 Newfoundlanders declared an income of \$58 million between them and \$23 million of that was taxable and they paid \$4.5 million tax. Try to remember that. 18,000 Newfoundlanders who had taxable income paid taxes and the taxes they paid came to \$4.5 million.

Now come down to 1967, that is the last year we had them for, the number of people who filled out their returns jumped from 18,000 to 94,000. The total income they declared jumped from \$58 million to \$436 million. The taxable income, the part of the income that would be taxable, jumped from \$24 million to \$230 million and the tax they paid jumped from \$4.5 million, \$46 million for the year. Now you do not pay tax on income that you do not have, the more income tax you pay the better off you are. You would not be paying it if you were not well off, If you did not have the income, you would not be paying tax on your income, the more income you have, the more tax you pay, so the more tax you pay the more income you have.

MR. SMALLWOOD: Oh yes, Oh yes, our public debt is gone up, irrefutable, irrefragable, indubitable, not to be questioned, no argument, the public debt is gone up, so have the roads and all the other things. This is what we do not hear, and so have the people's income, so is our ability to service the public debt. Our economy has grown stronger, it has grown more varied and it is more robust and vigorous than it was. Now, talking about our economy, the same hon. gentleman from St. John's West deplored the fact. If there is any doubt about what I am going to say, if the hon. gentleman challenges it, we will get Hansard and find his exact words, but I remember his words, his words were that it was too bad, it was deplorable, it was to be regretted. That most of the jobs, most of the employment was in construction. I was startled when I heard that, because Sir, it seems to me in my simple way of thinking, unsophisticated, and rustic, and bovine, illiterate and uneducated, knowing nothing, a sort of walking ignoramus, I, in my simplicity, have had the feeling that it is an awfully good thing to see roads getting built and roads getting paved. It is a wonderful thing to see schools getting built and houses getting built and water and sewer systems being put in. It is a wonderful thing to see rural electrification and improvements of all kind that have to be built, that form part of the construction industry, the more of it the better, But one of the ways to tell whether a place is growing is not how many houses you repair but how many new ones you build. One of the best ways to tell whether you are going ahead or standing still is not how many roads you repair and patch but how many new miles you build and how many new miles you pave. Surely to God, the construction industry is one of the best measurements, one of the best yard sticks to tell the state of a land, a country, a province, a state or any other segment of society. Surely, surely, not something to be deplored, furthermore, the more backward you are at the start, the more down you are at beginning, the more

MR. SMALLWOOD: handicaps you have been living under for a long long time, then the more is the need, the greater is the need then for growth, for expansion, for development, for construction, If you look at the ten Provinces of Canada with that thought in mind, what Province of Canada would you expect to find least construction from the standpoint of the need for it, the need to overtake long years, lost years, what would be the Province that needed it least of all, would it not be Ontario, would not British Columbia be high up in that list and what Province would be at the bottom of the list, would it not be Newfoundland? Would not Newfoundland be precisely the Province that should, if it is growing, if it is progressing, show highest proportion of construction and employment?

For 1968, the latest year we have D.B.S. for the whole of Canada, the percentage of the Canadian economy, represented by construction, houses, shops, hotels, office buildings, roads, paving, water and sewer systems, all kinds of construction in 1968, for the whole Nation, our great Nation of Canada; that construction industry accounted for 16.6 per cent, not much more than one-eighth, certainly well under one-quarter, of the whole activity, economic activity of our nation, was represented by construction. That adds, that makes sense when you begin looking at some individual Provinces. The lowest Province was, as you would expect, Ontario. 13 per cent, lower than the National average. Why? Why would that be? Because Newfoundland helped to make up the National average and other backward Provinces helped to make up the National average, so did Quebec and so did British Columbia and so on, and Ontario was below the average for the whole Nation. The whole Nation was 16.5 and Ontario was 13.5. So Ontario, as you would expect, was the lowest in Canada.

MR. SMALLWOOD: She needed it least. Now mind you, her 13.5 per cent of her economy would be equal to about 3,000 times as much as our much higher percentage, in actual figures. 13.5 per cent of Ontario's economy, I suppose Ontario's economy would be a total of \$20 billions, \$20,000 million, \$20 billions and 13.5 per cent of \$20 billions is a lot of money. In Newfoundland, the whole economy, including construction, would fall far short of the 13 per cent of \$20 billions. Ontario was the lowest. The highest was Newfoundland. 29.2 per cent, approximately 30 per cent, of our whole economy. Thanks be to God, I thank God for this, that in 1968, 30 per cent of every bit of work we did, every effort we made in Newfoundland, was building, building, building, construction, creating, schools, hospitals, homes, roads, water and sewer systems, and all the rest and it will so continue for years to come because we have not yet overtaken the long lost years, a century or more. We have a long way yet to go to narrow that gap still more, that separates us from Nova Scotia, that separates us from Quebec, especially that gap that separates us from Ontario, Alberta and British Columbia. We have a long way to go and so, for long years to come, the construction industry, I pray God, will continue to be a great part of our efforts, the efforts this Province puts forth, this efforts this Government puts forth and the efforts that the Newfoundland people and the business men and the industries of Newfoundland put forth.

God give us more Andrew Crosbies, Arthur Lundrigans, and Ken Goodyears, and all the rest of them! God give us more of them! The builders, the men who build, who create. They make money out of it. Good, because if they do not, they have to stop doing it. Good, I hope they make lots of money out of it, because if they do not, that is the end of it, they will not go on, and others will not be encouraged to follow them.

Mr. Smallwood.

What an argument, Mr. Speaker! What an argument! What an argument from an educated man! What an argument! A thing that should be our pride and joy; a thing that should give everyone of us deep satisfaction, at last, after those sluggish years, the dead years, the years of depression, the years of standing still, the years of slipping back, the years of never knowing when your country of Newfoundland was going to be washed down the drain. After all those laggard years, at last, thirty per cent of everything we do, we are doing not just to stay alive, not just to shovel snow, not just to go out on the rock sheds and crack rocks with a hammer - no, sir. Thirty per cent, almost one-third of every bit of our physical energy and our mental energy, our organizing ability, our business acumen, the Government's drive, nearly one-third of it used to build up Newfoundland. Is not that what building up means? What do you mean building up Newfoundland? What do you mean? Do you mean piling money into the banks? Building up Newfoundland means building houses and furnishing them, building schools, universities, trade schools, fisheries college, technical college. It means building roads. It means paving them. It means building water and sewerage. It means building electricity. Yes, it means creating a million horsepower in six years, the Power Commission - a million horsepower. That is building! That is construction! That is the way to build the Province! There is no other way! There is no other way! Do I make myself clear, Mr. Speaker? Did you understand what I said? There is no other way to build a province.

Oh! I know, "Cape St. Mary's pays for all." There has to be someone to pay for it. But do not tell me; do not try to kid me. Kid me not with any fancy story that we are going to build Newfoundland, we are going to build all the things we need by taxing the people and not borrowing. Do not tell me that because it would not be true.

Mr. Smallwood.

Now I want to say a word in reply to the piffle, the stale wind, the smelly wind, the nonsense Charlie Bailey once, in the National Convention, called 'heifer dust.' We have been hearing from the other side about the public debt. I marvel at the fierce intensity of their determination to be clear, to help the people to understand, to clear the people's minds so that the Newfoundlanders will understand about their province and how we stand in connection with the public debt.

I am lost in admiration at the super-human efforts they make to try to make everything crystal clear, using what I like to call, "baby talk." Men's ideas but expressed in baby talk, not obfuscation.

MR. CROSBIE: That is the whole speech so far. Obfuscation.

MR. SMALLWOOD: He still has not got it. Cannot - there is something wrong. He cannot! I am inclined to think, Mr. Speaker, if a man, after having it drawn to his attention say eighty or ninety times, that he keeps on saying, "R" Government, obfuscation, that he must have something wrong with his thinking as well.

MR. CROSBIE: What about the gasoline tax, the S.S.A tax?

MR. SMALLWOOD: Ah! ah! ah! ah! ah! The hon. gentleman reminds me of a famous story of an election which took place in Newfoundland, in a district, many years ago, long before the days of Commission Government. Those were the days when frequently the opposing candidates in a constituency would decide to hold one joint meeting. It would be held the night before polling day, as a rule. It would be held in the capital town of that district. It would be an interesting thing to have now, to try now, would it not? It used to be done quite commonly and at that meeting - I would try to hold my own. I would try to hold my own. I would try to present my views. I would try to prevent them persuasively and convincingly. I would endeavour. I would try. You could not blame me for not trying, I would try to make myself understood.

MR. CROSBIE: You would not come on television with us. You will not come

Mr. Crosbie.

on television. You will not appear on the same programme. The Premier is afraid to be on television with the Leader of the Opposition.

MR. SMALLWOOD: I draw the line. I do draw the line at certain people.

MR. CROSBIE: You certainly do.

MR. SMALLWOOD: I do not like treachery. I do not like traitors. I must say I draw the line. I must draw the line somewhere. I do and I shall. But anyway at that meeting..

MR. CROSBIE: Turn and run.

MR. SMALLWOOD: Yes I run. I am afraid. I am scared. Fraidy cat.

MR. CROSBIE: Right.

MR. SMALLWOOD: Fraidy cat, scarey cat, frightened, timid, shivery

"A wee cowrin' mouse." That is me.

MR. CROSBIE: Only wants to be on Conversation by himself.

MR. SMALLWOOD: The hon. member for Hermitage, have I got it right?

"A wee timorous creature." That is I. It is I, the timorous creature - scared, scared! So they decided to hold this great joint meeting, and there was one of the two candidates who was a very good speaker, very fluent. The other one could not speak for brews. He was like some people I could mention, but I will not. But he was cute. What he lacked in oratorical ability and command of the King's English, he made up with the cuteness - now there are some people who do not even do that. The man who was the orator, they were given a half hour each and then they were given ten minutes each to reply to each other for rebuttal. The orator held forth, He was the government candidate, on the government's side, running for re-election. The other fellow was the candidate for the Opposition. So, the orator for the government's side held forth for a half hour, with a magnificent speech, glorious,

Mr. Smallwood

full of irrelevancies, nonsecular - it had nothing to do with anything. But it sounded good. One of the fellows afterwards, from the audience, met another citizen who had not been there. He said; "What a meeting! What a meeting! You should have been there." He said, "What a speech! (Naming the government candidate) "You never heard anything like it." "Yeah, I am sorry, I was not there. What did he talk about?" "He did not say. He did not mention what it was he was talking about, but it was a great speech."

Yes, I am just like that. I never let anyone know what it is I am talking about. I try to obfuscate it. Yes, I agree, whatever that may mean, I agree. I could not agree more, but be careful, be careful or the hon. gentleman might lose his latest convert. So he made this eloquent speech and sat down and there was a thunder of applause. Then the Chairman called on the other candidate. He got up and said: (stumbling and stuttering and, you know, the words dragging out of him, with ox chains from the four corners of the earth, each word was dragged in slowly, painfully. He said, "Mr. Chairman, just as he said; I am not much of a speaker, like him. But, you know, it is not all just talk. I would say, before he goes any further and before I go any further, I would like him to tell this people here," (naming the town, the capital) "to tell the people here about that \$40,000." He sat down. It was a bombshell! It was a bombshell - that \$40,000? Everybody all over - their heads together - there was a hubbub of conversation all over the hall. Oh! \$40,000, my God! Now \$40,000 then would be like \$750,000 now. That would be the equivalent. "What about that \$40,000?" He got up to rave about it. He did not know anything about any \$40,000. There was not any \$40,000. It was just in this cute politician's mind and on his tongue. He said, "I do not know what the hon. gentleman is talking about." "Ah!" he said; "come on, what about it?" After this went on for a few minutes, the audience began to shout. "Yeah, what about it? What about that \$40,000? Tell us about the \$40,000.

Mr. Smallwood.

Who got it? They felt that he had got it. It had gone in his pocket somehow or another. He made away with \$40,000. I have seen that stunt done here in this House, across the way, but we have a little better audience now.

The public debt - \$ 1 billion, a thousand million - \$1 billion, over \$1 billion. Well \$1 billion and a few paltry millions, \$50 million. I think - a billion and fifty million." It is some large sum of money - \$1 billion, a thousand million. Mr. Speaker, our debt on the 28th. day of February - no. Our debt now, because since the 28th February, 1971, there has been a \$20 million issue in London; a \$25 million issue in New York; and a \$2 million issue by the Canada Pension Fund, for a total of \$47 million. I have these penciled in here on the sheet. This Province's debt, today, this day (What date is this), the 16th April, Friday, at 12:35 - our public debt at this moment is \$482 million. That is our debt. That is our own, the Newfoundland Government's own net direct debt.

MR. CROSBIE: Direct.

MR. SMALLWOOD: Incorrect?

MR. CROSBIE: No, direct I said.

MR. SMALLWOOD: Correct, yes. It is far short of \$1 billion.

MR. CROSBIE: Direct.

MR. SMALLWOOD: That is the Newfoundland Government's public debt. That is what the Government of Newfoundland has its name on, its bonds, its borrowings, as of this moment - \$482,600,000. So it is nearer \$483 million.

Now we have certain Crown corporations that we own, and they are us. They are our alter-egos . They are the Newfoundland Government in another name - Crown corporations - Newfoundland Government Corporations, Crown, owned by the Queen, in right of Newfoundland. Call it \$62 million. Now that is

Mr. Smallwood:

all. That is the lot. That is what the Newfoundland Government owe. That is every last cent of what the Newfoundland Government owe. That is what the Newfoundland Government owe, directly and through its own Crown corporations.

MR. CROSBIE: Not at all. It is ridiculous.

MR. SMALLWOOD: Not at all! Not at all! Now, Sir, there are other people who owe \$307,400,000 - other people altogether: Companies, private companies, private corporations, churches, school boards, mining companies, towns, municipalities, for a total of \$307.5 million. Put that altogether and it is \$851.7 million. It is \$851,700,000. Round it out and call it \$852 million - \$852 million.

MR. HICKMAN: That \$307 million has the Government guaranteed?

MR. SMALLWOOD: The hon. gentleman - do not - the hon. gentleman, I will not even try to obfuscate it.

MR. HICKMAN: I am only asking. I am only asking.

MR. SMALLWOOD: I will answer before being asked. This is not going to be wheedled out of me. It is not going to be bullied out of me. It does not need to be, because I am eager to tell about it.

MR. HICKMAN: Yes, I am sure.

MR. SMALLWOOD: Very eager to tell about it. Mr. Speaker, if you put these two amounts together, what the Newfoundland Government, as a Government owe and what the Newfoundland Government's own bodies, the Crown corporations owe - these two amounts together make up one amount. If you add on to that what others owe, it comes to a total of \$851 million or \$851,700,000. Rounded out it is

MR. SMALLWOOD: about \$852 million.

Now take that \$852 million - do we owe that? For us to owe that, for us to owe \$307 million that others own, we do not, but others do, the others owe it, the others borrow it, towns, municipalities, corporations, and so on, so they borrowed the money. They owe it. It is in their name. They owe it. They borrowed it. They got it. They had it. We did not. They did. It is their money. They borrowed it. Now if you were to add that money that they owe to the money that we owe, it is a total of \$852 million.

Now, Sir, why should, when you are trying honestly to ascertain the Public Debt of our Province - why should you except, when you are talking to a bond house, except when you are talking to a security commission, such as the SEC, and I will describe that in a minute, I will deal with that in a moment, except on that occasion, when you are talking about the Public Debt of a province, why do you add on what others owe? If that is to form part of our Public Debt here is what has to happen, and this must happen. They must all default. And, if they default, we guaranteed that it will be paid. Then it becomes our debt, if they default. For us to owe \$852 million, a lot of people who owe \$307 million must all fail, all. Everyone of them, not just one or two, all must default. We must be called upon to pay all of that debt. Then it is truly our debt. Then truly you would add it on to our own debt. And then truly it would make a total of \$852 million, if those people who owe it all defaulted. If we had to pay it, then it would truly be our debt. But then, Sir, not only would they have to default but their property would have to be valueless, it would have to have no salvageable value. All the fish plants that owe money on our guarantee. (They owe it remember. They owe it) the mining companies that owe money, they borrowed it and owe it, but we guaranteed it. And all the other bodies that owe \$307 million, if they all fail, all of them, then we would owe it. If they failed! But when we would owe it, we would have all the salvageable value of it, some of which would be worth, some of which would be very valuable, very valuable

MR. SMALLWOOD: indeed.

So to say to the Newfoundland people that the Public Debt, your Public Debt, my good dear Newfoundland friends, and fellow Newfoundlanders, your debt that the Government have contracted in your name, the debt that your Government have piled up for you and on you and on your children and your grandchildren for generations to come, the debt that your Government have piled up on you is \$852 million; for them to say that is a lie.

Now a lie is something that is meant to deceive, it is wrong, it is not true and the person who tells it knows it is not true and he tells it for the purpose of deceiving. So, perhaps, it is not a lie in that sense. Perhaps, it is a lie only in the sense that a man who utters it is just a poor ignoramus.

MR. CROSBIE: It is a hundred percent true. Why does the prospectus of the Government show this.

MR. SMALLWOOD: I said, I would deal with that.

MR. CROSBIE: Yes, ah, well the Premier -

MR. SMALLWOOD: I said, I would deal with that.

MR. CROSBIE: Sure he said.

MR. SMALLWOOD: Yes, and I will, and I am well able to. Well able to! All the brains are not in the one branch of the Crosbie's. I will admit that there is a branch of the Crosbie's brainy, able, clever, constructive, creative, gambling, building. But there is another branch, they are just a skinful of frustration and jealousy and hatred, whose minds become twisted and distorted, out of shape, full of hate -

MR. CROSBIE: What a pile of bushwah. Simple-minded bushwah.

MR. SMALLWOOD: Yes, I am simple-minded.

MR. CROSBIE: Corroded. Corroded.

MR. SMALLWOOD: Sir, is it not fair to say to the Newfoundland people; "look, your Government have run up a debt of \$544 million. Your Government have run up a debt of \$544 million and in addition to that others have run up a debt between them of \$307 million, but you must know about that dear

MR. SMALLWOOD: Newfoundlanders. You should be told about that because not only does the Government itself owe \$544 million, but others owe another \$307 million, and if they do not pay it, then the Government will owe the \$307 million, "But for the Government to owe the \$307 million they must all fail. All the churches that owe the money, and all the school boards that owe the money, and all the town councils that owe the money, and all the corporations that owe it, they must all fail, all of them. It is not enough for one or two to fail, they must all fail the whole lot, if you are going to tack that \$307 million on to the Government's debt. They must all fail and not only must they fail, but they must vanish, their property must vanish. It must vanish into thin air, where the ship must go with no insurance on it, where there was a plant, it has got to disappear, where there was a town, it has got to disappear, where there was a water and sewer system, it must go. Everything must disappear and then and no insurance, and then the Government will owe that \$307 million. Now that is square talk. That is honest talk.

"Your Government have run up a debt after all these roads and schools and hospitals and the rest of it, they have run up a debt of \$544 million and others have run up a debt of \$300 million, and if they do not pay it, your Government will have to pay it." And then your startled public says, "yes, yes, you mean that the Government will have to pay that \$300 million in addition to what they borrowed themselves, in addition to what they owe that they will have to pay what other people owe?" Yes. And they will scratch their heads and say: "funny, that is strange. Why the Government did not borrow it. Towns borrowed it, companies borrowed it, school boards borrowed it, mining companies borrowed it, why should the Government pay it?" Oh, they will not have to pay it unless those people go broke or unless they fail." "Oh! oh! that would be bad would it not? But, look, old man, are they all going to fail? Just have a look at the town councils. Who are they? Who are they? Let us have a list of them." They send over the list, "My God, man! You do not think they are all going to fail do you? What are these companies?" And you will look at the list of companies and the fish

MR. SMALLWOOD: plants and the druggers and the mines. "You say, did you say?" Now he begins to smarten up; "did you say, Mr. Torv, did you say, Mr. Imitation Liberal, did you say that the Government, that all these must fail for the Government to have to pay?" "Yes, that is what I said." But, you did not make that very plain to the Tories. What you just did was just lump it all together, as one big lump and said that that was the debt. Oh, no, the Tories say, no, you are wrong. What I did was this, I said, the Newfoundland Government's indirect debt is \$800 million. The Government's indirect debt is \$800 million. \$1 billion fifty million? Now that is a lie. It may not be intended to deceive, but it deceives. It deceives. The hon. gentleman has not got the brains to follow what I am saying, I know that.

MR. CROSBIE: Inaudible.

MR. SMALLWOOD: I understand that. He does not need to tell you, but do not draw attention to it.

MR. MUPPHY: Inaudible.

MR. SMALLWOOD: He should not draw attention to it. He should not draw attention to it. The hon. gentleman over there understands me.

MR. CROSBIE: Several things you have not added in yet.

MR. SMALLWOOD: I know all about it.

MR. CROSBIE: Do not forget the prospectus.

MR. SMALLWOOD: I know all about it. I ought to, I am Premier. Everyone of these transactions comes before the Cabinet and every minister here knows all about it, and I am a minister too.

MR. CROSBIE: Inaudible.

MR. SMALLWOOD: I will do that too. I will do that. I will do that after lunch.

MR. MARSHALL: The only green hack left in the Government is on the Premier's back now.

MR. SMALLWOOD: It is not green, this is red.

MR. CROSBIE: His shirt is green.

MR. SMALLWOOD: The shirt is red? The shirt is green. The coat is red. The pants are something, I do not know. By the way, there is only time left before lunch to tell the House about this suit. It is in reply to something they have been saying, but I have forgotten what it was, it is rebutal. It is rebutal. On the way back from Toyko there in December my colleagues the Minister of Health, the Minister of Economic Development, and I stopped over at Bangkok, a long, long trip from Toyko to St. John's and in fact you leave one day and you fly right clean around the world, and there are still back the same time you left, that is because of the International time change. So it is better to break the trip we broke it at Bangkok and I went in and I bought a piece of handmade, Thailand silk. All the people over there keep worms, silkworms. They are all turning out billions of miles of silk, spun from silkworms, not rayon, and then they have millions of looms and every house is making, so everywhere you go, in every shop in the hotel everywhere, you walk over it, you trip over it, all you can see is not the worms, all you can see is the cloth, silk.

MR. CROSBIE: Inaudible.

MR. SMALLWOOD: Mushrooms feed the silkworms.

AN HON. MEMBER: Inaudible.

MR. SMALLWOOD: I do not know. It would be good if we could get them together. However, I bought this piece, you get a sort of madness, when you see all that silk there. You know, what are you going to do with it, if you do buy it? The first time I was there I bought some and brought it home to my wife and she got a lady to make a suit, for herself, and then never wore it. You know that is a waste of money. And then I had an uneasy feeling that I was wasting money to buy this bit of silk. But, however, I asked Mr. Rowe, the chief cutter and tailor of United Cotten Mills, who made me a suit a couple of years ago, phone him and asked him, if he would drop down to the office. And he did, and I handed him this piece of cloth, silk.

MR. SMALLWOOD: I said, would you make me a coat out of that? And I had something in my mind, like a smoking jacket, not that I would wear a smoking jacket, but you know, you do have a smoking jacket. It is nice to have one in the House, even if you never - unless a Tory came in and you put on the dog, and then you would put on your smoking jacket to try to impress him. So, he said, all right -

MR. CROSBIE: Mr. Shaheen or Mr. Doyle.

MR. SMALLWOOD: Both. So I will make it, and he measured me and he made this coat for me. When he came down yesterday at half-past two, yesterday afternoon with the coat, for me to try it on, he brought down this pair of pants, which he made as well. Now they do beautiful work at United Cotton Mills. I think it is the great tailoring establishment of Newfoundland. There is the place you can go and get measured for a suit and get a perfect fit at a reasonable price. I am not getting any commission or anything, but it is a wonder place to get a suit made. So I put on the pants and the coat and I fell in love with both of them. The shirt I already had on, I bought the shirt when I was in the South, in the United States, the other day. A beautiful shirt and it does not show the dirt. You know, you do not have to get it washed so often, and I had on this shirt and I put on this and I said, "my God what will Crosbie say?" So I said, "I will wear it up to the House and I came up here and the first Leader, I am only speaking in chronological order now, the first Leader of the Tories,

AN HON. MEMBER: Inaudible.

MR. SMALLWOOD: And do you not forget it, you know, blinked, blinked, and the other Leader, in chronological order, the second Tory Leader, from St. John's West, turned scarlet. He blinked, he turned white, you know because he had me put down for a fellow who had one leg in the grave and on the other one was standing on a bannana peel, he thought, and here walks in this youngster, walked in this trim atheltic looking young man, and it killed him. He has not had a wink of sleep ever since.

MR. MURPHY: You cannot judge a book by its cover.

MR. CROSBIE: I had two nightmares.

MR. SMALLWOOD: The hon. gentleman will have more than two nightmares yet. I will give him many a nightmare yet.

AN HON. MEMBER: Inaudible.

MR. SMALLWOOD: Well that is devastating and I will be polite and laugh. Haw, haw, haw.

MR. CROSBIE: We think the Premier looks good in that.

MR. SMALLWOOD: I will try and oblige.

Now I do not intend to have a marathon speech.

MR. CROSBIE: Oh, oh!

MR. SMALLWOOD: I know I must disappoint the House. I know, but there you are. I will not, I refuse. No, I will not. I will take up ten or fifteen minutes, maybe twenty. you know how it is when you get going, you intend to be ten or fifteen minutes. The hon. the member for Bonavista South knows that, he knows what it is like. You get up intended to speak for eight or ten minutes and you end up three or four hours later.

MR. BARBOUF: Inaudible.

MR. ROBERTS: Inaudible.

MR. SMALLWOOD: A thousand ages in thy sight, but an evening gone, and I will not even be half a thousand ages.

Mr. Speaker, I want to finish my discussion of the Public Debt, trying to throw a little honest daylight on the facts, and perhaps, Your Honour will be willing to call it one o'clock.

MR. ROBERTS: Mr. Speaker, just before we leave could I make a very brief comment, which I think would be of interest to the House.

MR. SMALLWOOD: Not on the debate.

MR. ROBERTS: No, no.

MR. SMALLWOOD: Ah, well, may I move the adjournment of the debate, Mr. Speaker, and Your Honour does not have to leave the Chair instantly. But the hon. Minister could then make his statement. I move the adjournment of the debate.

MR. ROBERTS: By leave. I mentioned yesterday, I think, in answering the question that a gentleman was very badly injured in Mary's Harbour. The gentleman in question did not lose both of his arms, I thought the House would like to know, He did lose one arm. They got him in to St. Anthony by one of the Government helicopters at six o'clock last night and I just had a note that says that the gentleman, his name is Mr. Wilfred Pve, he lost a considerable amount of blood because of the delay involved in getting him across the straits. He has lost his arm and has several muscles in his arm severed in addition to the amputation, just below the elbow, apparently. But Dr. Thomas tells me that Mr. Pve, as of a few minutes ago, is in good condition, and I thought the House might want to know.

MR. JOHN NOLAN: Mr. Speaker I wonder if I could make an announcement which I think would be of some interest to the House concerning an aircraft instance yesterday that I have had quite a number of inquiries about. It is quite short. Actually what happened, with your permission, was that an aircraft ambulance flight made a landing on the straight stretch to the Durin Peninsula Highway. At about 4:30 yesterday afternoon, the aircraft departed from Frenchman's Cove, a Turbo Beaver and about twenty minutes after take off, with the stretcher patient and the nurse on board destined for St. John's, the pilot got an indication of low oil pressure at that time, and it was decided to make a landing on the highway and they did this without incident and, after minor adjustments to the oil pressure warning indicating system were made, the aircraft took off and continued to St. John's without further incident, and they all arrived safely and well. I might say that the take off was made possible by quite a number of motorists in the area at the time, who assisted the pilot. I would like to express my sincere appreciation to the motorists concerned for their help and assistance to the pilot and making it possible for the aircraft to take off and to bring the patient into St. John's safely and I hope well.

Thank you, Mr. Speaker.

MR. SPEAKER: (NOEL): It is now one o'clock I do leave the Chair until three o'clock.

LEGISLATIVE ASSEMBLY
PLEASE RETURN



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VERBATIM REPORT

FRIDAY, APRIL 16, 1971

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House resumed at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order!

HON. J.R. SMALLWOOD(PREMIER): Mr. Speaker, we have the great honour of being visited in our Chamber this afternoon by one of the most distinguished of Canadian statesmen in the person of the Premier of the great neighbouring Province of Nova Scotia. The hon. Gerald Regan, the Premier of Nova Scotia, has in short order become one of the most prominent of all the public men of our Canadian nation. He is in Newfoundland to have discussions with some of my colleagues and me on the subject of oil and gas and other mineral rights lying off our shore because these rights concern not only this Province but his Province as well and still other Provinces and in dealing with the Government of our nation we have thought it prudent and wise to have a common approach and a common policy. We have had talks and discussions in Ottawa and elsewhere but now we have been having them today here in St. John's and we will have them again tonight.

Mr. Regan, besides being the Premier of Nova Scotia, is, in a sense, himself a Newfoundlander. Now he did not have the great good fortune to be born in Newfoundland but he did the next best thing that you can do if you are not born in this Province, at least you can choose one or both of your parents and he did that. He chose a Newfoundland lady to be his mother. She came from the Southern Shore of the great Ferryland district, and he had the great good luck to be a nephew of three rather famous Newfoundlanders, one of whom I fear lost his life in the first war, Walter and the other two were Gus and Gregory Green, Walter Green, Gus Green and Gregory Green.

The hon. gentleman on the other side of the House will be happy to know that one of Premier Regan's uncles, namely Gregory Green, on the Southern Shore was a very, very prominent, energetic and indeed aggressive Tory. On the other hand, to balance the matter out, the other uncle, Gus, was an even more aggressive and certainly more militant Liberal. I must say that Gus Green, who was a great personal friend of mine, was an ardent confederate. He fought by my side in the great battle, the greatest of all wars ever fought.

MR. SMALLWOOD:

on this island, the war for Confederation, and I think he was our first Liberal candidate in the district of Ferryland. Ferryland at that time was not quite ready for a Liberal candidate and so Gus Green went down to defeat, but he was a pioneer. He laid the foundation, he did the fundamental work, with the result that that district turned liberal and has been liberal from that day to this.

However, Premier Regan inherits from his Tory uncle, Greg Green, a certain amount of sentiment and good will which I know will be shown him from the other side today and from his other uncle Gus Green an equally great liberal tradition. The Premier is going up tomorrow to the Southern Shore to visit his ancestral home or the ancestral home of his mother, and I am sure that the people up there will be warmly glad that he goes.

Your Honour, I know that the Leader of the Opposition if he were present would join with me and, in his absence, his colleagues, I am sure, will join with me in an expression of the hope that Your Honour will be pleased to invite the Premier of the great Province of Nova Scotia into the Chamber and offer to him the opportunity to address us.

MR. T.A. HICKMAN: Mr. Speaker, in the place of the hon. the Leader of the Opposition, we on this side of the House would very much like to hear Premier Regan of Nova Scotia address this House. We have been following his political career with a great deal of interest, particularly in the last year or so. He has brought to Nova Scotian politics a youth and vigor that in these days we find to be the yardstick for success. He has had his problems, obviously, since assuming office but it is equally clear that he is discharging these responsibilities very fairly and most efficiently. It is very heartening to see at long last a unity of effort and a unity of spirit on the part of the various Premiers of the Atlantic Provinces. Not only do we hope that they will be unified in their desire and in their fierce determination to protect the interests of the Atlantic Provinces insofar as royalties and other benefits are concerned that may accrue and that should accrue and that must accrue if we have the good fortune to find oil off our shores, but it is equally important and I avail of this opportunity to implore, to try and

MR. HICKMAN:

convince the hon. Premiers who are here today and others that it is equally and I believe more important that we have the same fierce nonpartisan determination to protect the waters off our shore and to preserve these waters for Canadian fishermen, which in effect means fishermen of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

We are very pleased to have Premier Regan with us. He was a distinguished broadcaster and lawyer before he entered the political field. Many of his classmates are practising in the Province of Newfoundland now, and I know they are very happy that he has had the time to come and visit and work with us. We most assuredly join with the hon. the Premier in inviting Premier Regan to address this House.

MR. J.C. CROSBIE: Mr. Speaker, I would also like to join in to welcome Premier Regan. It is good to see the Atlantic Provinces getting younger and more energetic leaders. It was welcome news when he won his election last year and it is good for every Province to have a change of Government, whether it changes from Conservative to Liberal or Liberal to Conservative. I notice that there is now a great precedent set in three of the Atlantic Provinces, three of the four Provinces have Premiers who are graduates of Dalhousie Law School — it is Nova Scotia — Premier Regan; Prince Edward Island — Premier Alex Campbell and New Brunswick — Premier Hatfield, who was a classmate of mine. We can only hope that in the not too distant future there will also be a Dalhousie Law School graduate Premier of this Province.

However, our Premier does not seem willing to concede that it should be unanimous in the Atlantic Provinces, that there be four Dalhousie Law School graduates as Premier, so we will have to leave that to the electorate. I certainly endorse what the Premier and the member for Burin has said. I hope that this meeting of our Premier and Premier Regan will perhaps mean that in the future our own Premier will attend meetings of the four Atlantic Premiers, which has not been done now for some time, our Premier has not been attending with the other three Maritime Premiers in their yearly or even half-yearly sessions. But I think myself that this should be done and that a united front is excellent on the things that are of interest to us all.

MR. CROSBIE:

I notice that Premier Regan is attending the Liberal Ball tonight and if there are any unfortunate incidents there I am sure he will be able to plead inevitable accident as a defence, if there are any such incidents. It is probably the first one he has attended here in Newfoundland, but they are usually very well attended and very salubrious. I think the hon. Minister of Economic Development is in charge of this year and I do not doubt that it will meet the great performances of the past and that Premier Regan and Premier Smallwood, when they lead of the dance, will both show a pretty pair of heels.

MR. SPEAKER: I take it that it is the unanimous wish of the House that I invite Premier Regan to take a place on the floor of the House and I would ask the Sergeant-at-Arms if he would be good enough to escort Premier Regan to the seat here

HON. GERALD REGAN (PREMIER OF NOVA SCOTIA): Mr. Speaker, members of the Legislative Assembly of the great Province of Newfoundland, it is for me a signal privilege and a great honour to have the opportunity to bring to the members of the House, through you, Mr. Speaker, the greetings of the Government of Nova Scotia and the people of your sister Province of Nova Scotia. I must say that in view of the high esteem in which I have long held not only this Province but in particular this House, it is a moving experience to have the privilege of standing on the floor of the Chamber and to see so many of those various political affiliations whose wit and ability in debate and in Government and in Opposition are well-known to us in the Province of Nova Scotia.

Our Provinces, of course, are interwoven in tradition, in our history and indeed in our people. Those who have originated in the Province of Newfoundland and in other cases those who have one parent, like myself, hailing from this great Province have played very considerable roles in the development of Nova Scotia. At the present time the Chief Justice, of the trial division of the Supreme Court of Nova Scotia, the hon. Gordon Cowan, is, of course, a distinguished native of this Province, a graduate of the Dalhousie Law School who chose to remain in Nova Scotia in the practice of law before

MR. REGAN:

becoming a jurist of distinction and perhaps going forth, as so many Newfoundlanders have, with missionary spirit to help in the improvement of other parts of this great nation.

It might be noted by the hon. Deputy Leader of the Opposition that we have as Mayor of the City of Dartmouth, Mr. Roland Thornhill, who recently made a very good run at the leadership of the Conservative Party in Nova Scotia. While he did not succeed, he certainly made a very impressive showing and has a distinguished record as mayor of our second largest city

Mr. Thornhill also, of course, is a native of the Province of Newfoundland. Many other distinguished Nova Scotians have the same background. We are in the position that we have common interests and common bonds, common industries and indeed in many cases investments by the same people and the same companies in the economy of our two Provinces.

I want, through you Mr. Speaker, to extend to the hon. the Premier and to Mr. Hickman and Mr. Crosbie, (I may break the rules, in naming names on the floor of the House, as a stranger) my warm thanks and gratitude for their kind words of welcome here today. I share the sentiments that have been expressed with reference to the importance of the co-operation of these two great Provinces in the months and years ahead, as we strive to improve the economic conditions of the people in both Provinces, so that we might take a more proper role and play a more full part in the prosperity of Canada, to which we are justly entitled.

I am confident that for the Eastern portion of our nation the opportunities exist in the future that did not in the past, if we move now wisely and thoroughly to prepare ourselves to take advantage of those opportunities. Words have been said today in relation to the contingent benefits that may flow in very bountiful fashion from the development of our offshore mineral resources and particularly with reference to oil.

MR. REGAN: No one, of course, can know the time or the exact location at which oil will be found on the continental shelf of our Province. But on the basis of the most expert opinions, I think that we all can look forward with great confidence to that occurring in the next very few years.

Part of the reason I was eager to accept the invitation of your Premier, Mr. Speaker, to discuss a mutual approach, not only to the ownership of these resources, subject to the way we may prepare for them to be developed in the interest of all the people, it is because I think that history has shown us that there are countries where substantial oil reserves have been found and exploited with very small advantage for the local people. There have been other jurisdictions which have thrived to a tremendous degree because of the proper balanced development, auxiliary services and auxiliary benefits, in the industries that service the oil industry itself.

I think that, as Eastern Canadians, we must be prepared to see to it that local entrepreneurship, with Government assistance, can take advantage of the servicing of the various facets of the oil industry, and indeed today of the exploration industry. To have the bottoms or the ships that will be needed in such numbers to service the production platforms built in Canada, in both of our Provinces, to see that the provisioning takes place from here and not from the United States or elsewhere, and that as much as possible of the oil dollar can be left here in our region, while, at the same time, recognizing that if we are to have the massive investment in exploration and production by large oil companies that we must allow them a reasonable profit in relation to the risk in investment which they have made.

I look forward, Mr. Speaker, to the opportunity, during my time in public life, of collaborating closely with all those who are in the public life of the Province of Newfoundland, and I am sure that the benefits that will accrue to both of our areas will be greater through the closest type of cooperation.

Reference has been made, Mr. Speaker, to the fact that the maternal side of my family, that my ancestors resided in this Province and I think contributed in some way to the life of Newfoundland. My grandfather, Thomas Green, was Chief of Police on Bell Island during the turbulent years at the turn of the

century, when I think that that particular post was a very trying one. I note that the hon. Mr. Neary smiles, perhaps with some appreciation of some of the incidents that were involved in those days.

I want only, Sir, to say, through you, that the words that were expressed by the late Winston Churchill, when he addressed the American Congress I find very fitting, in my own small and I hope humble way, to the situation that I find myself in today in addressing the Newfoundland Legislature, because I grew up in circumstances where I knew, from the time that I was three years old, the significance of the expression "Blue Puttees." I grew up knowing just as much about bakeapples as I did about Nova Scotian type products, I grew up knowing exactly the spot where the goat spoke in Mobile, on the southern shore, and of the circumstance that led the farmer to believe he had said; 'are you diggin 'em, Dillon?' And many, many of the other fine stories and history of this Province.

In my early youth I read many of the writings of your distinguished Premier, with admiration, and watched the battle for Confederation. So I say, Sir, that it is a very moving experience for me. I think perhaps partly because my mother was a dominant influence in interesting me, in the earliest days of my youth in public life. That is perhaps part of the Newfoundland heritage, where everyone is surely interested in politics, and deeply involved in one way or the other. So, if I might just read the words of the late Sir Winston Churchill, on December 26th. 1941, when he addressed the American Congress, words that I think express my feelings here today: "I wish indeed that my mother, whose memory I cherish across the vale of years, could have been hear to see." By the way, I cannot help reflecting that if my father had been (and I substitute the word Newfoundlander, instead of American) a Newfoundlander and my mother Nova Scotian instead of the other way around, I might have gotten here on my own."

In that case, this would not have been the first time you would have heard my voice. In that case, I should not have needed an invitation, but if I had, it is hardly likely that it would have been unanimous. I do feel that those words of Churchill's, with relation to his common British and American ancestry, apply in some small way in my case, having been the product of a

Newfoundland mother and a Nova Scotian father.

I ask the pardon of the hon. members, Mr. Speaker, for having intruded on the time of the House to such a degree, and I again say that it is a great privilege to have the opportunity to address a group of Newfoundland citizens of such distinction, of all parties, and all of whom I have admired greatly for many years. Thank you!

MR. SPEAKER: May I, on behalf of all the members of the House, Premier Regan, express to you our very sincere thanks for your taking time out to come in and give us such a delightful address this afternoon.

The adjourned debate on the Address in Reply.

MR. SMALLWOOD (J.R.): Mr. Speaker, before we recessed for lunch, I was talking about our public debt, and I was analyzing it, and I was dividing it chiefly into the two broad headings under which it falls. One being the actual debt of the Province itself, the Government, which falls into two classes, (1) what the Government by name went out and borrowed, and what some of the Government's agencies, the Crown Corporations, went out and borrowed in their name for the Province. The two put together, running to a total of \$544 million at the present moment.

The other heading, being money that had been borrowed by other people, who had gone out on the market and borrowed it in their own names, and who have to pay the interest on it in their own names, and who have to pay back the principal when it falls due and do it in their own names, an amount of \$307 million. These two separate debts, one a debt of \$544 million that is owed by the Government of this Province and the other a debt of \$307 million owed by a number of people, but payable by the Government if they fail to pay it and not otherwise.

All this I was saying before we recessed for lunch. Now I would like to give the House some idea of who those others are. If the Leader of the Opposition goes down to the bank tomorrow to borrow some money, and the manager of the bank says, "well, I will lend you the money but suppose you cannot pay it. Suppose when it falls due you are not able to pay it. I

cannot take the risk. I am sorry I cannot lend you this money but, if you can get the Premier or someone to endorse a note saying that if you cannot pay it he will. we will lend you the money." That is exactly what happened with a number of Town Councils around the Province, with a number of School Boards around the Province, with a number of private corporations around the Province, industrial plants, fishing plants, mines, a number of hotels and motels around the Province. They went to the banks to borrow money. The banks said, "we will lend you the money provided the Government will guarantee that if you do not pay it back they will."

Now Sir, by what kind of reason, when you talk to the Newfoundland people about the debt, the public debt of the Province, by what kind of reason do you include the debts of the towns, the corporations, the school boards and others, who have gone and borrowed the money, who received the money, and who spent the money, who owe the money, who pay the interest on the loans and who have to pay back the loans, by what kind of reasoning do you add that up and say, "that is part of the Province's public debt?"

You can do it of course if you have a political motivation. If you are in the Opposition and you are trying to paint the Government as a crowd of fools, a crowd of incompetents, a crowd of scatter-brained fools who do not know what they are doing, who do not know how to manage the Province's affairs, if that is your motive you can say to the people of Newfoundland, "look, the public debt of Newfoundland, of the Government of Newfoundland, the Province's public debt is \$852 million, \$852 million." Then you can exclaim about it, you can say; "that is so much ahead that every man, every woman and every child in the Province is burdened down with, this awful load of debt that the spendthrift Government, the incompetent Government, the poor managers of Newfoundland have piled up. Not only that, but children that are not born yet are burdened down by that same awful debt."

You can talk that way to the people of Newfoundland if what you are trying to do is make political propaganda. But, if what you are trying to do is enlighten the Newfoundland people, let them know how they stand, what the true position is, what you will do is, you will say to them; "look, your Government either or through their Crown Corporations have gone out and they

have borrowed \$544 million."

MR. CROSBIE: Plus.

MR. SMALLWOOD: Plus nothing.

MR. CROSBIE: Plus another half million.

MR. SMALLWOOD: Plus not a nickle. The Government of this Province have not gone and borrowed one single nickle more than \$544 million.

MR. CROSBIE: What about the \$130 million at Come by Chance?

MR. SMALLWOOD: The Government have not borrowed more, not one nickle more, not one cent more, as of this afternoon.

MR. CROSBIE: Tripe.

MR. SMALLWOOD: Than \$544 million

MR. CROSBIE: Plus another half million.

MR. SMALLWOOD: I am talking about what the Government of the Province have borrowed, and they have borrowed it in two ways. (1), they have put out bonds of the Government, and (2), they have put out this - the Crown Corporations have borrowed it. When the two are put together, \$482 million by the Province, and the \$62 million by Crown Corporations, when they are put together it is a grand total of \$544 million, as of this moment.

MR. CROSBIE: What about the Crown Corporations?

MR. SMALLWOOD: Never mind, what about anything. I make the categorical statement.

MR. CROSBIE: It is an incorrect one.

MR. SMALLWOOD: It is a truthful statement, it is correct, it is accurate, it is complete, and it is total.

MR. CROSBIE: It is not.

MR. SMALLWOOD: As of this moment.

AN HON. MEMBER: (Inaudible)

MR. SMALLWOOD: I will deal with that too.

MR. CROSBIE: What about Crown Corporations and Come by Chance.

MR. SMALLWOOD: I am not pulling any punches, I am hiding nothing. I am not repeating the Opposition's game.

MR. CROSBIE: What about Provincial Buildings?

MR. SMALLWOOD: What about this and what about that, and what about your great-grandmother?

MR. CROSBIE: We do not want to forget it.

MR. SMALLWOOD: We do not want to forget anything. We want the complete truth, and I am giving the complete truth.

MR. CROSBIE: As far as you know.

MR. SMALLWOOD: The Government of the Province and the Crown Corporations of the Province, and remember that a Crown Corporation that is wholly owned by the Province, is the Province. So the Province as a Province, and the Crown Corporations as such, together, have to this moment gone out and borrowed in their own names, directly, \$544 million, and that is

MR. SMALLWOOD: the net debt of this Province at this moment. That is the net debt. Now I will deal with the red nose.

MR. CROSBIE: Would the hon. minister permit a question?

MR. SMALLWOOD: Sit down.

MR. CROSBIE: What about Provincial Buildings?

MR. SMALLWOOD: Sit down. Sit down. The hon. gentleman took two days here. Two days he took. He took the whole morning, the whole afternoon, and I think he took the whole night and then the next day he took the morning and he took an hour in the afternoon, that was yesterday. Now he wants more time. He will wait for it. That is all. That is the limit, that is the total amount, \$544 million.

Go on, bring in the Auditor General, bring in the Controller of the Treasury, bring in the Deputy Minister of Finance, bring in anyone you like, put them on oath and they will tell you that the grand total debt, net debt, the gross debt is a bit bigger but there is an amount of money to pay off the debt, that is the sinking fund, so the actual amount is \$544 million. I know that is what they will tell you. That is the debt of the Province. Now it is true that there are others who owe money and I am going to tell you who they are. There are other people who went out and borrowed money, not the Province, not the Government, not the Crown Corporations, here is who went out and borrowed money.

The Municipalities, the Town Councils, all over the Province, went out and borrowed a total \$41.5 million, they borrowed that money. The Town Councils all around the Province, they have gone out and at this moment they owe \$41.5 million, they owe it, they borrowed it, they received the money, they spent the money,, we never saw the sight of it. Do not include that in our public debt, it forms no part of it. This is the public debt of the Town Councils, who went and borrowed, who had it and spent it, and spent it and I have no doubt spent it wisely and gave pretty good value for it and the people living in those Towns are very pleased and very

MR. SMALLWOOD: happy that the money was borrowed by those Town Councils to do good things with the money, \$41.4 million. Then School Boards, around \$1 million. E.P.A., that is a private Company, Eastern Provincial Airways, of which we are very proud in this Province, we are very proud indeed, they went out and borrowed money to buy planes, to buy accessories, to buy spare parts, to buy equipment of all kinds they went out and borrowed money. E.P.A., that is a private Company. They borrowed the money, they received the money, they had the money, they spent the money, they are paying the interests on the money and when it falls due they will pay off the debt. Do not include that in the Newfoundland Government public debt. Newfoundland Light and Power Company is a private Company. They borrowed \$1.4 million, they received the money, they spent the money, they owe the money. Do not put that in with our public debt. Oh Atlantic Fish Products, Bonavista Cold Storage, Burgeo Fish Industries, Burgeo Trawlers, Fishery Products (that is the Monroe Empire), Philip James and Sons, Ocean Harvesters, John Penney and Sons, Gaultois Fish Industries Limited, Newfoundland Quick Freeze, all of these are private Companies. They are not Government Corporations, they are not Crown Corporations, the Government had no shares in them, we do not own them or any part of them, they are private Companies, like Bowring Brothers, like Ayre and Sons. If Ayre and Sons had gone out and borrowed money, would you include that debt in the Newfoundland Government public debt?

These private Companies have borrowed that money. They owe it and they have to pay the interests on it and pay back the principal when it is falls due. Mount Peyton Motel Company, the Paragon Hotel Limited,

AN HON. MEMBER: That is in default.

MR. SMALLWOOD: Whether it is in default or making a million a year, these are private Companies, they borrowed the money, the only time the Newfoundland Government comes into that picture is, if, as and when they default. That is

MR. SMALLWOOD: all. That is the only time we are in the picture. Fogo Island Motel, Hotel St. George's Limited, Moorland Limited, Signal Hill Motel, Crossroads Motel and so on. The Gander Hockey Association, Harbour Grace Recreation Centre, St. John's Trotting Park Limited, Corner Brook Ski Club, Dougald Duffett, George Humby, Newfoundland Association for the Help of Retarded Children, Newfoundland Iron Works Limited, L & D Spracklin, Harbour Grace Water Company, Newfoundland Co-operative Services, Bonavista Recreational Association, St. Clare's Mercy Hospital, and a large number of pig farmers, Valley Properties Limited, all these private enterprises have gone out and borrowed money. Why include their debt with the public debt of Newfoundland? But this is what the Opposition do, they go to the Newfoundland people and they say my dear, good-hearted, innocent Newfoundland people, we as Her Majesty's Loyal Opposition, so eager, so anxious to educate you, to inform you, to let you know what is going on, we come to you and we tell you that the Government's debt is \$1,000 million, the public debt is \$1,000 million. Now to do that, as I said this morning, it would be necessary if you are going to add the \$307 million to the \$544 million that the Government borrowed, if you are going to add what the others borrowed, if you are going to add that on to \$544 million, you will bring it up to \$852 million, but for us to owe \$852 million, it is necessary that every one of those private loans would default, all of them default, the whole lot of them default. Can you imagine, Mr. Speaker, have you got enough imagination, Mr. Speaker, has anyone in the house here got enough imagination to imagine a failure, a defaulting, a failure of E.P.A., Newfoundland Light and Power Company, Hotel Holdings, Artic Fish Products, Bonavista Cold Storage, Burgeo Fish Industries, Fisheries Products Limited, John Penney and Sons, Gaultois Fisheries, Newfoundland Quick Freeze Limited, Mount Peyton Hotel, the Paragon, Skyways, Fogo Island Hotel, St. George's, Moorland,

MR. SMALLWOOD: Signal Hill Motel, Crossroads Motel, and on and on.

Can anyone in this House imagine all of them defaulting? They have to default, everyone of them, the whole lot of them, if you are going to add the \$307 million that they owe to our public debt, because we do not come into the picture unless they default, and they are not going to default. There will be an occasional one that will, there always was, there always will be, but they are not going to default, it is madness, it is insanity, it is lying propoganda and foul lying at that, filthy lying, to insinuate, to suggest, that all these concerns and organizations are going to go into default, they have got to go into default, before we come into the picture. Why shove us in the picture? Why railroad us into the picture? Why ram and gag us into the picture where we do not belong? We will belong if they all fail, remember this, even then, even then, remember this, not only must they all fail but the property they put there with the money they borrowed, ships they built, the fleets of draggers, the great fish plants, thirty-eight of them, some of the best in the world, some of the finest fish plants in the whole world, some of the finest draggers in the world, mines, hotels, Town Councils, water and sewer systems, all of these must not only fail so that the \$307 million that was borrowed by those people to build those things, not only can they not pay that, but the property itself must disappear, it must vanish into thin air. There must not be a sign of a fish plant anywhere in Newfoundland, not one. There must be no sign of a dragger, not one. All the property must disappear, must have no salvable value. The lights must disappear, the power must disappear. The whole thing is just crazy, it is just crazy.

There is famine upon the land. There is famine upon the land. indeed, the assets are worth far more than the guarantees. The money that was borrowed to put them there was \$307 million, within the last twenty-two years. That is what is owed at this moment. But Sir, Sir, a lot more than

MR. SMALLWOOD; that was borrowed. That is what is owed at this moment. But ten years ago, twelve, fifteen years ago, eighteen, twenty years ago, twenty-two years ago, much more than that was borrowed, but it has been paid off and this \$307 million is only part of what was borrowed by those Companies and Town Councils and mines and so on and so on. They borrowed much more than that and spent it, they got something to show for it. It has been paid back. They pay no interest on it, the principal is paid off, so the \$307 million that they owe at this minute is not anything like the value of the property that they have. For this \$307 million they have at least a half a billion dollars worth of property, worth of assets. But these assets must disappear. They have all got to vanish, it is not enough for them to default on what they owe, the different things, and bond houses from whom they borrowed the money, that is not enough for them to default, for us to be stuck, the property that was put there got to vanish as well.

Now, does any hon. member of this House think that that is possible? It is possible, yes. If ten atomic bombs were to be dropped simultaneously on this island and wrecked and destroyed every bit of property that was put there with that money, then not only would the people who owe the money default and the Government have to pay it, but the Government could not salvage anything because it would be all gone. But could anybody imagine that?

There is not a person within sound of my voice at this moment, not one person, but knows what I am saying, the rock bottom common sense and truth, but Sir, is this the way it will be put to the Newfoundland people? No Sir, what is owed by E.P.A., what is owed by Fishery Products, what is owed by Gaultois Fisheries, what is owed by all the Town Councils,

MR. SMALLWOOD: will still be described, in spite of what I say, will still be called the Newfoundland Government public debt.

MR. CROSBIE: The Auditor General shows it that way.

MR. SMALLWOOD: He does not, He does not show our debt as being one nickle more than \$544,300,000. as of today, what he shows was less than that.

MR. CROSBIE: A year ago.

MR. SMALLWOOD: A year ago what he showed was \$402 million, as at March 31st., 1970.

MR. CROSBIE: \$766 million.

MR. SMALLWOOD: He did not, he showed \$402,559,000 after you took off the \$61.25 million of sinking funds, it left us with a net debt, a net direct debt, on March 31, last year, of \$402.5 million. Then, in addition to that, in addition to that (let me read it) I am able to read. I learned it in school. \$63,920,000, that was the debt. That was \$465 millions, say \$466 millions. That was the Newfoundland Government's debt, \$466 millions, net debt, both our own immediate debt and our crown corporations brought it to that total at the 31st of March 1970. Since then, the figure has come up from \$402 million to \$482 million and it has gone down from \$63.9 million to \$61.7 million, for a grand total of \$544 million dollars today, this day, this afternoon. That is the debt

MR. SMALLWOOD: that is the debt that includes all our borrowings in London \$20 million, in New York the other day \$25 million and from the Canada Pension Fund \$2 million, \$47 million add it on to the total of \$804 million, brings it to \$851 million, and yes there is another three-quarter million and I round it out and I call it \$852 million. That is the grand total of our debt and the other peoples debt, E.P.A.'s debt.

MR. CROSBIE: Would the hon. the Premier permit a question? Why does the Auditor General report on the direct and indirect debt of the Province and show it, a year ago, as \$76 million if there is not some relevance to the fact that the Government have got an indirect debt plus a direct debt? And why is the hon. the Premier including Crown Corporations, such as the Provincial Buildings, Provincial Refining at Come-by-Chance who are borrowing \$130 million? Why include just some Crown Corporations and not others?

MR. SMALLWOOD: Now, Mr. Speaker, the hon. gentleman will still go on, I prophesied, I forecasted, because I know as surely as I am standing here now that he will go on telling the Newfoundland people that our Public Debt is \$1 billion fifty million, gone over \$1 billion, gone over one thousand million dollars.

MR. CROSBIE: That is a hundred percent true.

MR. SMALLWOOD: It is untrue. It is false. I will not say it is a lie, because if I say it is a lie, what I am saying is something very unparliamentary, namely the hon. gentleman knows the truth, telling the opposite for the purpose of deceiving. That would be unparliamentary. That would be a lie. So I have to assume he is a complete ignoramus, that he really does, therefore, he is speaking in ignorance. He is not lying. A lie is something told with the deliberate intention of deceiving. I do not accuse him of having a deliberate intention to deceive. All I say, that he speaks in ignorance.

MR. CROSBIE: Why does the hon. the Premier not answer the questions. He has

MR. CROSBIE: not answered a question yet, he gets into abuse. He cannot answer it, it is unanswerable, or he will not attempted to answer it.

MR. SMALLWOOD: Now, Mr. Speaker, when you go to the SEC and you give an account of your finances.

MR. CROSBIE: Yes, but, tell the truth.

MR. SMALLWOOD: When you do that.

MR. CROSBIE: We have got it here.

MR. SMALLWOOD: When you go to the SEC and give them an account of your finances, it is no use, it is useless to say to the SEC, look it is true that our debt is so much. That is true, you cannot deny it. That is the truth. That is our debt. We owe it. We borrowed it. We have not paid it back yet. So we owe it, it is our debt. We had to admit that. But, but, Mr. SEC, but hold on, we have got 6000 miles of roads we built with that money.

MR. CROSBIE: That is the truth there.

MR. SMALLWOOD: We have built a thousand new schools with that money. We have built twenty-eight new hospitals with that money. We have built sixty-odd water and sewer systems with that money. We have a lot of assets. They say, "Oh, no you have not. Oh, no you have not. You have not got any assets. These are not assets. These involve you in further spending. They are not assets. They are a drag on you. They cost you money to plow the snow off them in the winter. They cost you money to keep them up in the spring and in the summer and the fall. The roads are no asset to you. They are only involving you in still more money. They do not earn any revenue for you. Your hospitals, you are not going to tell us, Mr. Government, surely you are not going to tell us that your twenty-eight new hospitals are an asset." Yes, we want to tell you that they are an asset. We spent \$6 million to build a great new hospital in Grand Falls. It is a magnificent asset. No, Mr. Premier, it is not an asset. It is a liability. It does not earn any money for you. In fact, you had to spend money every year to keep it going. That is no asset. That is a liability. Your roads are a

MR. SMALLWOOD: liability. Your water and sewer systems are liabilities. Your rural electrification is^a liability. These are all liabilities. You borrowed the money and spend them not on profit-earning things. You have spend them on things that will not earn any profit, but you will have to spend money on year in and year out, forever. These are liabilities. And, of course, so they are, in the eyes of an organization that looks at a balance sheet. A balance sheet shows assets as things that earn money for you. So you can pay a dividend at the end of the year to your shareholders. We say, "yes, Mr. SEC that is true. We are suppose to pay dividends, if they are going to be called assets. then they should earn dividends, but Mr. SEC, they do earn dividends. What dividends do they earn? They help the people. They earn dividends, more education for our youth. They earn dividends more civilized living for our people in our towns. Ah, yes but, they are not dividends. They are not dividends where you issue a cheque to every shareholder at the end of the year after you declare a dividend. So, therefore, they are not assets."

Therefore, when you go to the SEC, you cannot put down assets, the things that would be assets, if they were earning a profit. But, they do not earn a profit they involve you in an endless loss. The day will never come when the millions of dollars we spent to build roads, and we have spent, on the building of roads and the paving of roads, at least a quarter of a billion dollars. At least quarter of a billion. When a private company goes and invests a quarter of a billion dollars, they expect to earn profits from that, so that they can pay dividends out to the people who gave them the quarter billion dollars. Are the Newfoundland Government going to pay dividends on the roads? Yes, we are. We are paying them, but not the kind of dividends that business firms, and private companies, profit-making, balance sheet companies regard as dividends. You can get aboard of your car here today and drive to Halifax, I do not why you should want to do it, but if you wanted to do it, you could drive to Halifax, What

MR. SMALLWOOD: Is more pertinent is that you can get aboard your car today in Halifax and drive here to St. John's. Or you can drive from here in a car to St. Anthony. You can go from here to Grand Bank. You can drive up to Cape Race. You can drive to Corner Brook. You can drive to Port aux Basques. You can drive all over the Island today that is the dividend. That is the dividend, a pretty good dividend, but it is not cash. It is not dividends on shares.

So, when you file your statement with SEC, you cannot show any dividends or any assets. Now furthermore the SEC says to you; "look, besides these debts that you have incurred, the money that you have gone out and borrowed, \$544 million in addition to that there is \$307 million that other people borrowed, you see. You say; 'yes, that is right, other people borrowed the money.' Well they say; 'look, if they default, you have to pay it.' That is right." "Well, all right, in that case your debt is not \$544 million, it is \$852 million." "Oh, but, Mr. SEC, hold on a minute. Wait a minute now. Who says they are going to default?" They say, "We do not know. We do not know if any of them will default, we do not know hut they will all default. We do not know anything about them. We do not want to know anything about them. We are not interested in them. We are not lending money to them. We are lending money to you. And we do not know whether you will have to pay that money in or not. We do not know. We are going to take the safe course of assuming that there will be a complete default on the \$307 million. That you will have to pay off those debts that are owed by other people."

So they draw no distinction between the debts that the Government owes and the debts that other people owe that the Government have guaranteed and they just lump it all together under two headings, direct and indirect debt. Now indirect debt means debt owed by somebody else that we will have to pay if they do not. That is all it means. There must be forty, fifty, sixty town councils in Newfoundland today who have gone out and borrowed money and owe it, and will have to pay it off when it

MR. SMALLWOOD: falls due. But if they fail to do it, we will have to pay it.

Therefore, SEC says, "just because it is a contingent liability, you might one day have to pay it. We do not know, we hope you will not, but someday you might have to pay it, therefore, we will put it down as a contingent debt, as an indirect debt."

There is another way of looking at this amount, this total amount of \$852 million. That is this, if money is owed, if debt is owed, money has been borrowed and it is owed and until it is paid off you pay interest on it every six months. You pay interest on it. Who pays the interest? That is who owns the money, is it not? The one that pays the interest is the one who owes the money. Well, let me tell the House this that if you take the total amount of \$852 millions the Newfoundland Government, this House, when the estimates are brought down soon, this House will be asked to vote enough money to the Government for the Government to pay the interest on 68.1 percent of that money. Who pays the interest on these 38.2 percent? Who pays the interest on that? The people who owe it. Is that the Newfoundland Government? No, we do not owe it. So we do not pay the interest. The people who pay the interest are those who borrowed the money and who owe the money and who have to pay the principal off and pay interest on it, until they do. Remember the figures, will you please, of the grand total amount direct and indirect debt, \$852 million, as of today. That is the total as of this moment. Of that total, the Newfoundland Government have to pay interest on 61.8 percent of it, 61.8. Call it 62 percent, if you like.

MR. CROSBIE: They are our biggest department.

MR. SMALLWOOD: And others pay the interest on 38 percent of it. Sixty-two percent we pay and thirty eight percent others pay. Who are the others? The people who borrowed it. Who are they? Private companies, E.P.A. Fishery Products, Councils, School Boards, Recreational Associations, they borrowed the money. They are paying the interest on thirty-eight per cent of it, of the total, in other words, they are paying the interest on the part that they borrowed, the part that they owe. Now why add that on to our Public Debt? We do not owe it.

MR. CROSBIE: The Auditor General is wrong, Mr. Speaker.

MR. SMALLWOOD: He is not wrong.

MR. CROSBIE: He should not show it at all.

MR. SMALLWOOD: He should show it, and he does. He is quite right to show it. It is a contingent liability. It is a debt that we would have to pay, if those who owe it fail to do so. If E.P.A. failed tomorrow, Newfoundland's great airline, \$600 million of whose capital, no, \$525 million, if E.P.A. were to fail today, go bankrupt, then they would not be able to pay the interest on that debt, we would have to pay it. They would not be able to pay back the principal, we will have to pay it. And the same thing applies to all these companies, all these outfits. We will have to pay it, if they did not. But, as they are the ones who borrowed it, they receive the money, they spent the money, they owe the money, they are paying the interest on the money, and when it falls due they will pay off the loan. Why say that that is part of the Province's debt? Except for pure bookkeep purposes. Pure bookkeep You say, you put it down, you say, here is the Province's debt, direct and net, here is the debt \$544 million. But, we are obliged to tell you that in case all those firms should fail the Government will also have to pay on \$307 million more dollars that other people borrowed.

Why? Why did the Government have to pay it? Because the only way they were able to borrow the money was to get the guarantee of the Newfoundland Government. The Government said, all right to this Town Council. We said to E.P.A., E.P.A. were not able to go out on the market and borrow the money on their own credit. They could not do it. They were not able to do it. No one would lend them the money. So they came to the Government and said -Well, in fact they did not come to the Government, we went to them and we urged them and press them and said; "Come on build up, build up this airline. Make it a proud Newfoundland airlines that all Newfoundlanders will be proud of. Let us do that. Let us make everybody proud of it.

AN HON. MEMBER: Mr. Speaker, there is no quorum.

MR SMALLWOOD:

Yes, there game is, everybody stay out, except one. The one, keeps count. The minute there is not fourteen in the Chamber, no quorum, Mr. Speaker. I mean they are sitting there watching like a rat. Wednesday, Private Members' Day, maybe you will not be able to get a quorum anymore than ten minutes for the whole of Wednesday. Maybe for the whole of Wednesday, Private Members' Day, you will not be able to get a quorum in this Chamber for more than say ten minutes. Because they cannot make a quorum over there. There are not enough of them to make a quorum. We must make up the quorum. We might spend the whole afternoon just counting, counting and nothing happening except in and out, in and out, no quorum. Look! at them coming back now. Look! at them all coming in. Look! See that! See that!

MR. CROSBIE: There are supposed to be twenty-nine over there.

MR. SMALLWOOD: That is very cheap, very, very cheap. It is not convincing. It is not persuasive. Let me put it to hon. members. If someone were to come to you and say to you, "look, there is \$100 that is owed, \$100, that has been borrowed and it is still owed, \$100 and interest is being paid on \$100." Say it is eight dollars or nine dollars a year interest on that \$100. Who owes it? He asks you the question, "who owes it? Who owes the money? Who owes the \$100?" Would you not say: who owes it? I suppose the fellow that owes it is the fellow that borrowed it, is he not? Would he not be the one who owes it?" You might say to him, "well maybe yes, maybe no." So then when you say, "well look, who is paying the interest on it?" "Ah, two people are paying the interest. One is paying sixty-two per cent of the interest and the other fellow is paying thirty-eight per cent." Well then you would say, "would you not say "the fellow who is paying thirty-eight per cent of the interest, owes thirty-eight of the debt?" Would you not say that? You have your total. It is \$852 million. The Government are paying interest on 61.8 per cent - 61.8 per cent of the interest the Government

Mr. Smallwood.

are paying. So that is what we owe.

MR. CROSBIE: \$50 million last year.

MR. SMALLWOOD: We are paying the interest on what we owe. We are not paying the interest on what EPA owe. Eastern Provincial Airways, a great airline, are paying interest on millions of dollars every year. Why are they paying the interest? Why are we not? They borrowed it. They owe it. They got the money. They spent the money. It is their money, EPA. Why should their debt that they owe be included in our debt that we owe? What? They borrowed it. They owe it. They are paying the interest on it. When the principal falls due, they will pay it off, without a doubt. If they do not, we will have to. But just because there is the bare possibility that one day EPA will fail, and we will have to pay it - just because of that bare possibility, do you throw their debt in with our debt? For book keeping purposes, yes. But what is the reality? What is the reality of it? What is the practical reality? The fair way to describe our debt is this: (There is only one fair way to do it, only one)

MR. CROSBIE: Astronomic.

MR. SMALLWOOD: The fair way to describe our debt is as follows: "The Newfoundland Government, itself, owes \$544 million and a number of other people owe \$307 million. The Newfoundland Government are paying interest on what it owes. Those others are paying interest on what they owe, but! but! but, if they fail, the Government must. So there are two classes. What the Government owe and what others owe. but the Government guaranteed. Why throw that in with our debt? Now that is the honest way to tell the people. There is only one honest way to tell our people about our public debt, not go lying to them.

MR. CROSBIE: \$1 billion. What about Come-by-Chance, \$130 million, two Crown corporations? The Premier is not including that.

MR. SMALLWOOD: One billion, fifty million?

MR. CROSBIE: Why does it cost us 1.5 per cent more than Nova Scotia to borrow? What is the answer to that one?

MR. SMALLWOOD: The answer to that is: Nova Scotia has had the great good fortune to be part of Canada since 1867, and we have been part of Canada for twenty-two years.

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

MR. SMALLWOOD: It has everything to do with it! It has all to do with it! All, to do with it! If we had been a Province of Canada for forty-four, instead of twenty-two years and better, if we had been a Province of Canada for 102 years, instead of twenty-two years, we too would have a better rating than we have. We would have a much better rating. It has all to do with it. It has all to do with it. Nova Scotia for 100 years has enjoyed the stability, the good reputation of Canada, the prestige of Canada. There are people to this day, in the world, who still do not know that we have become part of Canada. We are so new. We are so recent. We have not yet really come to be known throughout the world, really, as part of Canada. Half of the earth today do not know; four-fifths of the people of the world do not know that Labrador belongs to us. They think it belongs to Labrador.

MR. CROSBIE: A natural investment.

MR. SMALLWOOD: People are surprised to hear that it does not belong to Quebec, that it belongs to Newfoundland. Newfoundland has been under a cloud for centuries. We have had a reputation of being a land of fog and bog and cod.

MR. CROSBIE: That has nothing to do..

MR. SMALLWOOD: That is all they have known about it. That has everything to do - it has everything to do. Let us find oil off this shore here, and you will see how our rate will go up.

MR. CROSBIE: It cannot go up much further.

MR. SMALLWOOD: You will see how our rate will improve.

MR. CROSBIE: It is one and a half per cent worst than Nova Scotia.

MR. SMALLWOOD: Oh! stop it over,whiskers.

MR. SPEAKER: Order please!

MR. SMALLWOOD: Mr. Speaker,..

MR. CROSBIE: It really gets him. Answer the question. Never mind the personal abuse. It is a greater risk - that is the one and a half per cent.

MR. SMALLWOOD: Now, Mr. Speaker, I am prepared to ..

MR. CROSBIE: What about the Crown corporation?

MR. SMALLWOOD: I am prepared to admit that to lend money to Newfoundland is a greater risk in the eyes of the lenders than it is to lend money to Nova Scotia.

MR. CROSBIE: Because of our debt rate.

MR. SMALLWOOD: I am prepared to admit that. I am prepared to admit that in their eyes, it is a greater risk. In their eyes, it is a greater risk. I do not think it is a greater risk, but in their eyes, it is a greater risk. I do not think it is a greater risk. But in their eyes it is, and it will continue so for sometime to come. It takes time to educate the money lenders as to the credit-worthiness of Newfoundland. Do not forget that Newfoundland once defaulted and was saved from default only by the Canadian Government and the British Government, in 1934. Nova Scotia never defaulted. Newfoundland..

MR. CROSBIE: Alberta did.

MR. SMALLWOOD: Alberta never defaulted. Saskatchewan never defaulted. No Canadian Province ever defaulted.

MR. CROSBIE: Alberta did.

MR. SMALLWOOD: Never! Never! No Province of Canada ever defaulted but Newfoundland did default because Newfoundland was a poor, poor, barren rock. People, populated by brave, hard-working, industrious, poverty stricken people. We were a poor, poverty stricken rock, with practically nothing but codfish.

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And we came down..

MR. CROSBIE: Alberta defaulted.

MR. SMALLWOOD: And we came down to death's door. Newfoundland ran on the rocks. She was destitute. Over one-third of the entire population were on six cents a day dole. Over one-third of the population were on dole, down and out, destitute, berry-berry, tuberculous. We were a destitute, barren rock. That is what we were, and we went broke. We went on the rocks. We were wrecked. We had no credit. We defaulted. England and Canada came to our rescue and paid off our debts. That is not very many years ago. Nova Scotia never defaulted. She was part of Canada. She was part of Canada for over 100 years, and we are part of Canada for twenty-two years. Give us another ten, fifteen or twenty years. In fact, give us far less than that, if we have a few breaks, we only need a few breaks. Do not forget that even as of this day, today, we have a higher proportion of our people unemployed than in any other part of Canada. That is because we are only twenty-two years a Province. If we were not a Province, instead of fifteen per cent being unemployed and eighty-five per cent employed, today it would be the reverse. If we were not a Province of Canada, it would be eighty-five per cent unemployed and maybe fifteen per cent, civil servants employed and practically no one else. We have not been a Province of Canada long enough yet. We have made great strides. We have narrowed the gap between us and the rest of Canada. We are continuing to narrow the gap. We are improving year in and year out. Year after year we are improving. We are getting to be almost as good as the other provinces and in some things we are getting to be better.

Mr. Speaker, it is a dirty bird that fouls its own nest.

MR. CROSBIE: The Premier should know.

MR. SMALLWOOD: We have always had the misfortune in politics in Newfoundland to have men who are willing to blacken Newfoundland's name, if in so-doing they could hurt the Government in power. We have always had men

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like that.

MR. CROSBIE: The Premier does not care..

MR. SMALLWOOD: I remember a member of the Tory Opposition in this House, after I was Premier; since I became Premier, I sat in my place in the House of Assembly and I heard the Leader of the Opposition stand up in his place in the House and move a motion, a resolution calling on the financial world to refuse Newfoundland a dollar of credit. Look, it up in Hansard. It is there. That it not nonsense. I will give you the name of the Leader if you want it.

MR. MURPHY: It would be better...

MR. SMALLWOOD: All right. It was Senator Hollett. It was Senator Hollett. When he was Leader of the Tory Opposition, he moved a motion in this House calling on the financial houses of the world not to lend Newfoundland a dollar. I pleaded with him. I said, " In God's name, for the sake of Newfoundland, do not blacken Newfoundland's name." There have always been men who ..

MR. MURPHY: The Premier did not think of that in 1928 ..

MR. SMALLWOOD: There have always been men in Newfoundland politics who, to hurt the Government of the day that they did not like, (There would always be someone in Opposition) would blacken (On the Government side, naturally, there would not be anyone. It was always someone on the Opposition side) Newfoundland's name, blacken her, defame her for the sake of hurting the Government. I remember when Sir Richard Squires was Premier - when Sir Richard Squires was Prime Minister of Newfoundland, I remember a public meeting that was held in the "Majestic Theatre." In that public meeting, in the Majestic Theatre, they stood up on the platform and they said that Newfoundland was bankrupt. Newfoundland was insolvent. Newfoundland was down and out. They held a parade the next day. They marched through the streets of St. John's, on the House of Assembly. They brought along a truck load of rocks and bricks and they flung them through the windows and then they invaded the building and they jumped on the Treasury table. The members had to scoot and run. They wrecked the building. They went to the library, ripped all the books out, slammed them out on this road, beside the building and made a bon fire of them. They took the piano

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and they slammed it out through the window, down on the ground. Then they took over St. John's. They rioted and they looted. They looted the bond stores. They went down on the wharf. They got wharf sticks and twenty, thirty men would hold the wharf sticks, as a battering ram, and they beat in the doors of the controllers, and they passed out the liquor in hundreds and hundreds of bottles and until finally the police could not cope with it. The G.W.V.A. called for volunteers and a volunteer police began patrolling the streets. Out of the bitter, undying Tory hatred of a Liberal Premier, the bitter, savage, vindictive, unscrupulous hatred they had of Squires, they were willing to wreck Newfoundland. They were willing to wreck our good name. They were willing to wreck the country's credit just so that they could get Squires. Do you think there are not men who are willing to do anything to get me? Do you think there are not men who are willing to do almost anything to get me? I know there are, but they will not get me. They will not get me. They will not get me. I am telling them now that they are not going to get me. They are not going to. They are not going to. They are not big enough. They are not clever enough. They are not able enough. They are not patriotic enough.

MR. CROSBIE: Oh, the Premier..

MR. SMALLWOOD: I will have no stroke. I will outlive most of the little creatures over there.

MR. CROSBIE: The first refuge of the ..

MR. SMALLWOOD: I will outlive them.

MR. CROSBIE: The first refuge of a scoundrel, patriotism.

MR. SMALLWOOD: And there are a lot of scoundrels.

MR. SMALLWOOD:

a lot of scoundrels around.

MR. CROSBIE: There are a lot of patriotic scoundrels.

MR. SMALLWOOD: All that was in the name of patriotism when the leader of the Tory Opposition stood up in this House and moved a motion calling on the banks and the financial houses to lend Newfoundland nothing, not a dollar. That was done in the name of patriotism.

MR. CROSBIE: What does that have to do with this resolution the non-confidence motion?

MR. SMALLWOOD: It is non-confidence in the hon. gentleman.

MR. CROSBIE: Non-confidence in the Government, non-confidence methods, as far as other people are concerned. They have not answered any of the questions raised about Come By Chance, Provincial Buildings, the customs duties, the \$5. million that was not paid back, the \$10. or \$15. million possible custom duties, Crown Corporations. That is what we want the Royal Commission for.

MR. SMALLWOOD: It is not a brain that is speaking now it is whiskers.

MR. CROSBIE: That is right, put out some more abuse and get everybody's mind off the issues. They never answered the issues.

MR. SMALLWOOD: Mr. Speaker, it is quite futile, quite useless, a sheer waste of time and effort on my part to speak as I am speaking. It is not going to convince them across there, even if they are they will not admit it, so I will have no success over there. The whole subject is too complex to be covered in a six minute newscast that has seven or eight other items in it. Two or three or four sentences in a newscast is not going to tell the Newfoundland people the truth about our public debt.

MR. CROSBIE: Fifteen minutes every morning.

MR. SMALLWOOD: Therefore, I am only wasting my breath insofar as they are concerned but I was anxious that my own friends on this side of the House would know. If they have not bothered, if they have not made the effort to get the figures or to get the facts, I thought I would save them the trouble and get it for them and state the simple truth, the simple truth of the matter so that everyone would understand it. If you are sitting here in this

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House over here no matter how loyal you are to the Government, if you are here, a Tory member from St. John's East gets up here and make statements, as he did yesterday, you could be shocked until you know the truth, maybe you will still be shocked, I do not know, but you sit here for days and you hear men who are alleged to be educated, although there are times when you have serious doubt about that because it gets to be awfully obfuscated, you have your doubts about it but, however, when you get over the doubts and you hear them talking about \$1. billion debt, \$1. billion it is time to know the truth. At least we can know the truth here on this side of the House, they can but they will not admit it and -

MR. MURPHY: Upper Island Cove, the Premier was a darn sight wrong.

MR. SMALLWOOD: There is another side to it and that is this -

MR. CROSBIE: Come By Chance.

MR. SMALLWOOD: Perhaps not in the eyes of the SEC but remember that -

MR. CROSBIE: They got the truth out of you.

MR. SMALLWOOD: Newfoundland Government are not a corporation, we are not a corporation -

MR. CROSBIE: There it is, right there

MR. SMALLWOOD: The Newfoundland Government are not a company, the Newfoundland Government are a Government. The Province of Newfoundland is not a company, it is not a corporation with a lot of shareholders who have bought shares and are looking each year for dividends, a cheque to cover their dividends, that is not what the Province is. The Province is a community of human beings, of husbands and wives and children and grandchildren and great-grandchildren. It is a community of families and what are dividends, for a community, for a Province are not cheques, they are roads to ride on and hospitals to get cured in and schools to get educated in. These are the great assets of a community.

Now you look at our public debt, no matter what it is, big or small, you look at our public debt and the real question to ask about the debt, when you have discovered precisely what it is, how much it is, when you

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have separated the wheat from the chaff, the truth from the lying propaganda, the political propaganda, the election year propaganda, the stuff that is meant to fool people, when you separate that stuff from the truth and you look at the truth and you see what the debt is, the actual amount of the debt, then the next question is this, here is the next question; What have we got to show for it? The money that has been borrowed has been spent, it is gone. What have we got to show?

This Government have borrowed, in twenty-two years, \$544. million, half a billion, and do we have anything to show for it? Well, we have 6,000 miles of new roads, 6,000 miles, we have put roads in to connect up 800 settlements that had no roads, we built a network of roads, a great Trans Canada across the Island. We did not pay for it all, Ottawa paid for over half of it, That cost \$160. or \$170. million to build, it took twelve or fourteen years to do it and then we built a network of roads connecting on to that great Trans Canada Highway and then we built other great highways right down the Northwest Coast from Deer Lake to St. Anthony, 300 miles, 300 miles of a highway, more. Yes 300 miles of road that cost, I think, \$15. million, that road, for a smaller population than you will find in any 300 mile road except in Alaska. We have the roads to show.

Go and tell someone, go and tell that woman in Lumsden who when the road was punched through finally coming up the North side of Bonavista Bay to Wesleyville, to Pound Cove, to Templeman, to Newtown, to Cape Freels and then keep on and then finally punched through so that they could walk up from Lumsden and ask the woman who got down on her knees and kissed that road. Tell her about the public debt. We have something to show for the public debt. We have built 1,000 schools, 1,000, we have built a great University that cost \$60. million, It is the tenth biggest university in Canada today. There are sixty universities in Canada and we are number ten. There are only nine universities in Canada bigger than ours. That cost us \$60. million. We have something to show there. We have the great Fisheries College, we have the great Technical College, we have twelve great Trade Schools, we have twenty-eight new hospitals, water and sewage,

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houses, public libraries. We have an awful lot to show for our public debt. But do not talk about that, just talk about the debt and when you are talking about the debt double it, double it. The average poor innocent listening will not know but some big educated fellow says our debt is over \$1. billion, it is gone over one thousand million, This awful Government, this God-awful crowd, this crowd of mismanagers, this crowd of incompetents who are gone mad, they do not know what they are at, they do not know what they are doing, they are a crowd of madmen or they are a crowd of scoundrels, they put us in debt, The Government now are in debt over \$1.billion.

So after talking about the debt and doubling the amount of it, do not mention anything about, oh what is there to show for it, do not mention that, do not talk about that. Ah, if you have to say it say, "Sure they built a few miles of roads." 6,000 miles comes down to a few miles of roads and a bit of paving that is, 1,400 miles of paving, that becomes a bit of paving and a water and sewer system here or there. Do not talk about it. Let us not hear about what we have to show for the public debt, just talk about the debt and double it, always double it, always double it and when you are trying to prove how much the Newfoundland Government owes, add in what EPA owes and Fishery Products and all kinds of fish companies and mines and town councils, add it all in, \$300. million, throw that in on top of it all and say, "Here is your public debt, there is what your Government have done for you."

The savage injustice of it, the savage unfairness of it, the savage untruth of it. Give light and the people will find their own way, give light and the people will find their own way. Is that giving light? Is that giving light? That is giving confusion, that is giving misrepresentation, that is taking the truth and twisting it and distorting it, that is holding a mirror up to nature but the mirror is cracked. How many here have gone to a circus? How many here have gone to Coney Island, had the great fun of walking past a distorting mirror? The mirror stands straight up even higher than yourself and you walk past it and you are that high, you look in the mirror and you are that high and you are that wide and you are that high and

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you move it just an inch and you are eighteen feet high and you are that thick, well up eighteen feet, every little way you move in the mirror you are a different shape and you see people there standing, dying with laughter and their friends around them convulsed, turning weak from laughter as they look at their friends in the mirror. That is the kind of a mirror for Tories to hold up to nature, that is the kind of mirror when they want the Newfoundland people to know what Newfoundland is really like, hold up one of those mirrors, especially when you are talking about the public debt.

The savage unfairness of it. I do not mean unfair to the Government, I do not mean unfair to me, I mean unfair to the good, decent people of this Province. They deserve better than that but you know there are not very many people left really that are fooled by it. Too many people today are around to say, "Ah well, maybe Joey has borrowed a lot of money, yeah I would not deny it, all right, so he has borrowed a lot of money but my God look what he has done!" Now they simplify, because it is Joey you see, I borrowed it. I have not borrowed a nickle. The Minister of Finance or whoever happens to be the Minister of Finance he borrows it, but "Joey borrowed it." I did not build any roads, but "Joey built the roads," you know.

"So well maybe Joey did borrow a lot of money, but God in Heaven look what Joey has done! Did any man ever do as much for Newfoundland?" There are too many people around who say that.

MR. CROSBIE: They never had the money before.

MR. SMALLWOOD: Maybe it is because they did not have the money, and we still would not have it if we had not become a Province of Canada.

MR. MURPHY: With Confederation.

MR. SMALLWOOD: Do not forget that we have Confederation to thank for an awful lot of it, in fact all of it. We would be a down-and-out wreck today, just a wreck of a country, if it were not for Confederation. But the point is that all over this Province a man says to his two sons and his three daughters, five of them voters, says, 'the Tories you hear them now, hear what they are saying now. Do not forget it my son, do not mind my dear, Joey took this country right off the rocks and look what he has made of it.

MR. SMALLWOOD:

We never had it like this before." You have thousands of people who say that. They know it, they remember it, they lived through both Newfoundlands, the old Newfoundland and the new one, they have seen it.

MR. MURPHY: Wishful thinking.

MR. SMALLWOOD: Oh, wishful thinking. Yes, there is one thing about me I do not know our Newfoundland people, that is one thing about me, I live in a sort of gap, in a vacuum, I am not in touch with people, I do not see them, I will not talk to them, I will not answer them on the phone, if they come to my house I have police dogs to turn them away, I will not see them in my office, I will not see them on the street, I refuse to talk to them, I am out of touch with everybody. That is why I am so ignorant about how the Newfoundland people feel. Oh, yah!

MR. CROSBIE: Yeah!

MR. SMALLWOOD: Oh yeah!

MR. CROSBIE: Yes.

MR. SMALLWOOD: If the hon. gentleman had only been in Carbonear last night.

MR. CROSBIE: Oh boy!

MR. SMALLWOOD: Oh boy! Oh boy again.

MR. CROSBIE: We will see later this year.

MR. SMALLWOOD: We will see, indeed we will see.

MR. MURPHY: Pope John's special representatives.

MR. SMALLWOOD: What about the hon. member for Bay de Verde, he was there to dinner last night? Poor show, what? Poor show?

MR. MURPHY: Will he be there after the next election?

MR. SMALLWOOD: I got a hard reception, did I not? Your Honour was there. Your Honour cannot take part in the debate but Your Honour can enjoy it and especially when Your Honour remembers that dinner last night. Oh yes, I am out of touch with the people, I do not know what they are thinking, never did, never did understand the Newfoundland people, never did understand them and they never understood me. I have always been a stranger to them and they have been strangers to me. I am only a sort of a foreigner around here, oh yah!

MR. SAUNDERS: Mr. Speaker, if the hon. Premier would yield for a second, for the information of the hon. House the Premier gave us an address last night, non-political,

MR. MURPHY: Who did?

MR. SAUNDERS: The Premier.

MR. MURPHY: At what place?

MR. SAUNDERS: At Carbonear to raise funds for the crippled children. We have raised about \$1,500. and the hall was packed, the large auditorium in Conception Bay and we paid \$10.00 a plate just to hear him.

MR. MURPHY: Just to hear the Premier?

MR. SAUNDERS: That is right.

MR. SMALLWOOD: I would like the Leader of the Opposition, do not forget it the past leader, I would like him to go on living in the beautiful, beautiful, never, never land, the beautiful dream land he is living in because I have become convinced in this present session, looking at him and listening to him, that he is completely convinced that he will be coming over here on this side after the next election.

MR. MURPHY: (Inaudible).

MR. SMALLWOOD: Not a doubt, I know it, I know it, I know that he does not have and I would not want to disturb that and I would not be surprised if everyone of them except Tom, but one, two and the one that is missing, three except for the four, all of these agree with the hon. gentleman but I will tell you someone who does not -

and when it does not agree with them over there. He knows, he knows, he knows what is going to happen. He knows what is going to happen.

MRSPEAKER: May I suggest this is not entirely relevant to the -

MR.SMALLWOOD: Mr. Speaker, to the subject of confidence in the Government or non-confidence in the Government I would have thought it was very relevant. But perhaps if you stretch it a little you will have to do that. No, I do not think so, no. The hon. gentleman had a whole day - I heard by the way that he wanted to know how, what was the record - he came in here last for a whole week wearing a bow tie I had to stop wearing bow ties - I could not do it, I could not bring myself ever since to put on a bow tie. I cannot do it. He came in here for a whole week with a bow tie on. Yes, a bow tie.

MR.CROSBIE: The Premier was all shook up.

MR.SMALLWOOD: I was all shook up. I have not been able to wear a bow tie ever since, after twenty years, twenty-two years wearing a bow tie I - you know - maybe imitation is the sincerest form of flattery - but it did not feel that he was trying to flatter me. But, however, he got up here the other day and he made a long speech and I believe he set out to establish a record, until he discovered that the record that already existed was one that I had set up of speaking five days on one subject, the fisheries of Newfoundland, for five days in this House, it may be some little while yet before that record will be equalled and if it is it will not be equalled by the hon. gentleman. He will not equal it. But he made a vigorous attempt and then collapsed. He spoke for a morning, a couple of hours in the afternoon, another couple of hours; and the next morning another couple of hours and that afternoon I think an hour. Then he -

MR.CROSBIE: (inaudible)

MR. SMALLWOOD: And - and - it was heifer dust - that is what it was heifer dust - and the heifer dust from an heifer that - I will not give way - I will not say what I feel like saying - I will not, I refuse, I just keep myself under control and I will not describe the hon. gentleman's speech. I will not describe his speech, I will only say that it was something like the great story that Mark Twain tells in I think "Roughing It" I think that was the name of the book "Roughing It".

He arrived in the early spring at a mining camp in California. As his horse was seen approaching on the prairie, two or three miles, the whole population of miners turned out to meet him at the edge of the little mining town. They said, "how do! how do! how do!" they could not say it fast enough for the spokesman to put the question to him, "have you any books?" Books, miners, in the spring of the year, books, "yes," he said. "Well, they said, Thanks Be To God, come in." They brought him and gave him a drink, got a big feed for him and they wanted to see the books. It so happened he had in his bag, on the horses, five or six books. Glory Be To God they were never so happy to have some books to read, because they had been there all winter and nothing to read except one book. They said it was a fine book, one of the best books they ever read, they had all read, every man in the camp took turns and borrowed the book, next man would read it he would read it, someone else get it and it went right around the camp. They all read the book and they loved it. It was a grand book one of the best they ever read. There was only one trouble with it, it changed the subject too often, it was a dictionary. They were all reading a dictionary the whole winter and it was a grand book, and the same thing with the hon. gentleman's speech, he spoke, about ninety-seven different topics, and each of them he spoke seven times. So seven times ninety-seven, until we were all sick to the stomach, we were all dizzy, we could not stand it, we could not tolerate it. We, everyone of us felt like resigning from

the House , from the Government, retiring from politics altogether it is too much to take. You may be willing to sacrifice yourself on the altar of your country, you may be willing to do anything to help the Newfoundland people but there are prices too great to pay; to listen to that - to that - to listen to that - that - to listen to that speech - oh! oh! Was this hard to take, and it is only a start.

He is just getting warmed up, he is practicing on us. I did my practice in the M.C.L.I. I started when I was eighteen and I went up there every winter for three or four months and every chance I got I was up on my feet making a fool of myself. Every kind of a fool that was possible for a man to make of himself I made, because I was practicing. I was learning to speak. I did not wait until I got to the House of Assembly to practice, what those members of the M.C.L.I. had to take, what they had - the hon. the Attorney General he was there and he heard me practice - the hon. gentleman was not there in the earlier days - I tell you, it was appalling. Now I have learned in recent days what it was like, I have learned the feeling of sitting back and listening to an amateur stumbingly trying to learn how to make himself speak. I would not want any more. I would not want any more. I got up the other day, when the hon. member for Burin meandered on here, and we sat here and we took it and we took it until finally, personally, it was one of two things, I would resign as Premier and go down to the Governor and hand in my resignation and recommend the Leader and do not forget it, or some Leader, to form a new Government, either that or get up and say in God's Name will you stop talking, will you close your mouth now, now will you stop it, will you all stop and let us vote on it, hey? It was one or the other. It was get out and give up or pass the darn thing.

MR. CROSBIE: (inaudible)

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MR.SMALLWOOD: The devastating wit of the man, the wit, the wit of the man, he is utterly annihilating, it is utterly, it is utterly, I mean it is irresistible, he carries everything before him, he sweeps you off your feet. It is irresistible. The man is a sheer genius, it is so attractive, it is so, what a crackerjack of a man, what a man, was he not made to be a Premier? Was he not made to be a Leader? Is not it apparent that he was made to be a Leader? I will give him full marks, he tried hard to be a Leader. Now mind you there were some convolutions, there were some backtrackings, there were various ups and downs and ins and outs. Step number one, he left the Government and crossed the floor, step number two, he came back across the floor. step number three, he went back across the floor. step number four, he announces he is voting Tory, step number five, when the House closes he is going over with the Tories. Five steps, five convolutions,

In here in this House last year he had five different hair-dos in the one session. Once he had his hair down over here - another time he had a big whisker, another time he had a short whisker, another time he had a bow tie, the external I am sure revealed the internal. I am sure the confusion and the chaos of his mind and his conviction were beautifully reflected in his get-up

MR.CROSBIE: (inaudible)

MR.SMALLWOOD:The irresistible wit. Aw, the irresistible wit of it. The irresistible wit. Mr. Speaker, there was one thing that the same hon. gentleman kept saying and he will keep on saying; "we cannot get anything out of the Government. They will not tell us anything. They will not answer any questions. They will not give us any information," and he spoke especially of the last five years. Now, in these five years I have had some studies made about the five years. I find that in those five years there were an average each year of 200 written questions from the Opposition, answered, 200 questions put by the Opposition in writing and

were answered, answered in writing or answered orally, 200 a year, for five years was a 1000 questions, and that orally there were 100 questions a year, put orally on Orders of the Day and so on. That is 500 in the five years. On the estimates there were an average of 1000 questions asked by the Opposition and answered by the Government, each year for the five years. That is 5000 questions answered, 1000 written questions, 500 oral questions, 5000 questions on the estimates of expenditure. That is 6500 questions. That is an average of 1300 a year.

Now does this mean that you will never again hear him say, you cannot get any answers from the Government, will this stop him? No, oh no, oh no, he will keep on, he will keep on saying the same thing and like he keeps saying the Government are arrogant. "This arrogant Government." Now, there was a time when in Ottawa, (this is the great originality, it is political originality) there was a time in Ottawa when the Tories kept accusing the Liberal Government of being arrogant arrogant, arrogant and it came every second speech they made, Every second remark they made was that the Liberals were arrogant and so the word arrogant passed into the political language. Now he is reviving it here. He thinks that if it paid off in Ottawa maybe it will pay off in St. John's, so he keeps saying the Government are arrogant. This Government, this arrogant Government. Now most people do not know what that means, arrogant. They know what arrogance is, but what is an arrogant Government? What is an arrogant Government? When is a Government arrogant? When can you call a Government arrogant; Arrogant? If they refuse to speak, if they refuse to explain, if they refuse to give information, if they are dictatorial, if they are arrogant, if they look down their noses at the Opposition, if they will not engage in debate with them, if they will not argue the point, if they will not try to defend themselves, if they will not try to explain their policy then you might say they are arrogant.

But what else would make them arrogant? What other kind of a description could you give of an arrogant Government? But he thinks there is a little political something in it, he can get some kind of political advantage. I have news for him, he cannot, Every country expects the Government to govern, they expect the Government to govern. That is what they are there for, they are there to govern, not not to govern. They are there to govern and Government means firmness. If a Government are not firm, if they are flabby, spineless do not know what they are doing and cannot make up their minds and cannot make decisions, they are weak and flabby. They are useless. The opposite of that is a Government that knows its mind, knows its policy and tries firmly to carry out the policy because it is convinced that it is the right policy. Is that arrogance?

Mr. Speaker, the greatest political fraud that has been perpetrated in this House is being perpetrated in this present session. The fraud is this; The rules of the House say, or, if not the actual rules, the precedents, (these, as Your Honour knows, are almost as binding as the written rules) the precedents say that if you are the leader of a group of members of the House then you have certain privileges, as the Leader, because you are a Leader. For instance, the Leader of the Opposition has no time limit, I think, on his speeches, I think he can

MR. SMALLWOOD (J.R.): speak as long as he likes can he not, the Leader of the Opposition? I think so. That is a privilege that goes with being a leader. A privilege that goes with being Premier, leader of the majority party, the Government, is that there is no time limit on your speech. You can speak as long as you like. A month if you like, if you are fool enough, if you are strong enough, you can take a month, there is no limit. The same thing with the Leader of the Opposition, and any leader, anyone who is recognized as a political leader, the leader of a party, has the same right. He can get up and he can comment briefly on a statement by a minister. He is a leader.

The greatest fraud that has been perpetrated in this House in a long day is being perpetrated in this present session by the hon. the member for St. John's West. He is not a leader. He calls himself...

MR. ROBERTS: He is certainly not a follower.

MR. SMALLWOOD: He is not a follower either. He calls himself the Leader of the Liberal Reform Party. Now, who are they? No party, not a group, party. The Liberal Reform Party. The hon. gentleman is a renegade Liberal who is now a Tory, But the leader calls himself the Leader of the Liberal Reform Party. There is no such thing. To begin with, he has one, two - he had three followers. They were members of his party.

MR. CROSBIE: Point of Order, Mr. Speaker. The correct title, and he should know according to the Standing Rules, is "Chief of the Liberal Reform Group." That was settled last year, that was the four people who sat here. There are three now.

MR. SMALLWOOD: All right, the chief. "Dief the Chief," "Dief the Chief."

AN HON. MEMBER: (Inaudible)

MR. SMALLWOOD: Of course, I am coming to that.

MR. CROSBIE: What is he going to come to next, the \$200 million for Come by Chance?

MR. SMALLWOOD: That fraud that is being perpetrated...

MR. CROSBIE: Answer the question.

MR. SMALLWOOD: Is this, that he is calling himself the Leader or the Chief of a political party, and thereby availing himself of the rules and precedence

of the House to give himself the privileges that a leader has in this House. What is he the leader of? There were four, there were Mr. Wells; the hon. member for Bonavista North, and the hon. member for St. Barbe South. There were three members of the House who supported him and sat with him. One of them has resigned. The other two, however mistaken or not they were in crossing the floor, whether they were right or wrong, one thing you had to say about them, they were both Liberals and they have continued to be Liberals and they will vote liberal.

MR. CROSBIE: That is what you think.

MR. SMALLWOOD: That is what I know.

MR. CROSBIE: Ho! ho! ho! ho!

MR. SMALLWOOD: Oh I know, I know that the member, I know what I am talking about, the member for Bonavista North will vote liberal. The member for St. Barbe South will not only vote liberal, he will do more than that. These are the two followers, the other one quit, walked out altogether because he would not have anything to do with this truck and trade with the Tory Party.

MR. CROSBIE: Bunkum.

MR. SMALLWOOD: Bunkum?

MR. CROSBIE: Bunkum.

MR. SMALLWOOD: He told the hon. gentleman in Gander; he told him, I have a tape recording of it. He told him there, when the hon. gentleman talked at his convention in Gander about leaking out to the Tory Party. Wells told him. I have the tape of it. He told him what he thought of that, and he has cleared out now. Now, he is over there the leader of a party neither one of whom is following him, because he himself has announced publicly in a press conference that he is going to vote tory.

MR. CROSBIE: You are right.

MR. SMALLWOOD: I say more than that, I say that when the House closes he is going to move over and join the Tory Party, which means that he is only bluffing here now. It is fraudulent, he is perpetrating a fraud in this House.

MR. CROSBIE: Bunkum.

MR. MURPHY: How many more? How many more are coming over?

MR. SMALLWOOD: That is what he is doing, he is perpetrating a fraud. He is defrauding this House. He is pretending to be ...

MR. CROSBIE: Who is defrauding the public about Come by Chance? Who defrauded the \$5 million?

MR. SMALLWOOD: The hon. member is defrauding this House, and he is defrauding the people or trying to defraud the people of Newfoundland, but he is not doing it.

MR. SPEAKER (Noel): Order please, order please!

MR. CROSBIE: Who is defrauding the public?

MR. CROSBIE: Are we fighting the next election now, or are we discussing

MR. SMALLWOOD: Yes, always.

MR. MURPHY: I would just like to bring...

MR. ROBERTS: (Inaudible)

MR. CROSBIE: No, the hon. minister...

MR. SMALLWOOD: I was talking a little loudly, but do not call that noise.

MR. CROSBIE: Mr. Speaker, on a point of information for the Premier. He does not know the Standing Orders and Rules. Only the Leader of the Opposition and the Premier are recognized under the rules as having any special privileges. I have no special privileges here as chief of this little group, none at all.

SOME HON. MEMBERS: (Inaudible)

MR. SMALLWOOD: We will see after that now whether...

MR. CROSBIE: Standing Orders.

MR. SMALLWOOD: We will see whether he will act again, and again, and again throughout the remainder of the session as the leader of a party. We will see, we will watch, we will keep careful tabs on him.

MR. CROSBIE: What about the \$100 million?

MR. SMALLWOOD: But Sir, here is what is happening. He may successfully defraud this House by taking advantage, mean and shabby advantage of the rules. He may do that and get away with it to the end of the session, but he is not fooling anybody outside the House, because, the friend he had, the political friends and supporters he had divided instantly he made his public statement.

They divided right and left. To the right those who were Tories and came in with him to help him get the leadership, they have just simply congratulated him, they are charmed, delighted, they welcome him with open arms, they do not have to pretend any more that they are Liberals, reform or any other kind, they are back where they belong with the Tories, and they are charmed and delighted that he is with them. That is one part of it, over half of it.

The other part, rather fewer than half are genuine, honest to God Liberals. They thought that he would be a better leader than I.....

MR. CROSBIE: Come to St. Mary's then, come to St. John's West and run.

MR. SMALLWOOD: For the Liberal Party. They sincerely, they honestly thought, they believed, they sincerely believed that he would make a better leader of the Liberal Party, their party, the party they supported, than I would. They said, "it is time for a change. This fellow has become too old. He has become weary, he is worn out, he has no physical energy or mental strength left, he is just a shell of what a leader should be. Here is a gallant young man, a lawyer, a university man, clever and ambitious, surely he would make a better leader, and therefore, a better Premier." Because, whoever is leader of the Liberal Party is going to be Premier. That follows as night the day. In Newfoundland, the people are Liberal and they elect Liberal Governments and Liberal Leaders to be Premiers." So they said, "this young man would make a better leader, I prefer him to Joey. Now Joey, you know, he has done some good, but it is time for him to go, so I am going to back Johnny." They have heard his confession, his open confession the other day in the press conference, which he has confirmed here several times, including three minutes ago, that he is going to vote Tory. This Liberal is going to vote Tory. Who would vote for the devil, he would vote for the devil, he would vote for the devil's big toe, anything, anything, rather than the Liberal Leader, than the Leader of the Liberal Party. Anyone, anything in human form, and if he cannot find something in human form he will settle for anything, so long as it is not Smallwood.

Now, this is a matter of high principle, very high principle. He is a man of great principle. Here he is, acting on great basic, fundamental, political and constitutional principles. He is a man of high principle. He does not care how the Liberals go so long as Joey goes. He does not care if the Liberal Government are condemned forever so long as he can get rid of Joey. "I will vote for the devil, I will go Tory, I will go N.D.P., I will go anything so long as we can get rid of Joey." A man of high principles, high principles. Nothing personal about it.

MR. CROSBIE: The Premier is sick.

MR. SMALLWOOD: Nothing personal.....

MR. CROSBIE: Sick.

MR. SMALLWOOD: Sick?

MR. CROSBIE: Answer the issue, the \$100 million. Come by Chance, the important things, not the diatribes of personal abuse.

MR. SMALLWOOD: You would think he would be ashamed to mention Come by Chance.

MR. CROSBIE: Why do you not answer some of these questions that have been raised.

MR. SMALLWOOD: Would you not think that of all things in the world..

MR. CROSBIE: The \$5 million deception.

MR. SMALLWOOD: It is like the murderer returning to the scene of his crime. A man commits murder and if he is not caught, you know, he will sneak back in the night, he will sneak back on holidays, he will sneak back to the scene of the crime, and he cannot stop, Come by Chance?

MR. CROSBIE: The Premier will not explain it.

MR. SMALLWOOD: Cannot do it.

MR. CROSBIE: What about the customs duties.

MR. SMALLWOOD: Cannot do it, he cannot do it. He cannot drop it. It is King Charles' head, it has become a fetish, anything at all to get Joey. Do you think I can ever be forgiven for beating him? For giving him the great trimming of his life? No matter how long he lives, can he get such a trimming

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as he got on that occasion.

MR. CROSBIE: Oh yes!

MR. SMALLWOOD: This little fellow here, look, nothing, a nothing from nowhere, not nowhere, from Gambo, but a little outharbourman.....

MR. CROSBIE: He is from Florida now.

MR. SMALLWOOD: A little baynoddy, a little baynoddy, a nothing from the out harbours to beat a Crosbie, to beat a lawyer, a university man. God, there is no justice, there is no justice, and he will never forgive me not as long because in their hearts they love it.

MR. CROSBIE: The little fellow from Florida.

MR. SMALLWOOD: They love it.

MR. CROSBIE: The little fellow from Florida. Where is the.....

MR. SMALLWOOD: They all love it there.

MR. CROSBIE: Condominiums in Florida.

MR. SMALLWOOD: On that, let me say this, that it is my ambition and my intention after serving a number of years more as Premier.....

SOME HON. MEMBERS: Oh no!

MR. SMALLWOOD: Oh yes; a number of years.

MR. CROSBIE: Disappoint is...

MR. SMALLWOOD: After doing that, it is my intention to live for three or four months every years, in the hardest part of the winter, in Florida. 'Yeah.'

MR. CROSBIE: Starting next year.

MR. SMALLWOOD: No, there are at least five thousand Newfoundlanders, at least five thousand from all parts of this Province who go every year to Florida. At this moment, now, three are a thousand Newfoundlanders in Florida.

AN HON. MEMBER: Those are the rich Tories.

MR. SMALLWOOD: You do not have to be rich. It is cheaper to live there than it is here, cheaper. The only cost is the cost of getting down and back. Once you are there, you live for not much more than half the cost of living here. When I go out, when I go out of office, I will go out with a pension. I have one or two modest investments that will increase my income, and I will be able to live, I hope, decently. I hope that even the Tories, you know even

the Tuscons could scarce forbear to cheer. Even the Tories maybe in the end will say," well that little ---- what ever else he is, he worked hard for his twenty-five, twenty-six or twenty-seven years as Premier,"(whatever number it may turn out to be) "and surely he has earned a little comfort, for the winter months, to live in Florida." If he gets a flat down there to live in and he rents it for four months a year, eight months a year and lives in it for four months, and the rent pays for it, surely they are not going to begrudge him that are they?

MR. MURPHY: Certainly not, we are planning for an early retirement now.

MR. SMALLWOOD: All right, the quicker I do that the happier the hon. gentleman will be. Well, I can understand that. Now this is not out of love for me, this is out of love for him.

MR. MURPHY: For Newfoundland.

MR. SMALLWOOD: Well of course, patriotism demands that I go and they come in, just like that. There was an hon. gentleman who was in the Cabinet, look at the smile. He is just dying to get back in the Cabinet is he? And the gentleman who sits next to him, who is absent at the moment, who was in the Cabinet, over here with this party for six years, this diabolical party, this devilish party, this party that has been misgoverning Newfoundland, for six years he was here as a loyal backer and supporter. He was in the Cabinet for two or three of those years, four of those years I think.

The other hon. gentleman came in the Cabinet, never knowing (when did he come in? How many years ago?)

AN HON. MEMBER: Five.

MR. SMALLWOOD: Five years ago the hon. member for Burin, five years ago, came in the Cabinet. But his reason he came into the Cabinet is this; that he knew nothing about the Government up to that time, nothing of our record. He was a blank. From the day of Confederation to 1966, (how many years is that?)

MR. MURPHY: In other words, he was a stranger and you took him in.

MR. SMALLWOOD: Seventeen years of the Liberal Government, and the Smallwood administration. Seventeen years he knew nothing about, he had not heard of us. The first he heard of this Government was five years ago when I invited him to join my Cabinet. He came.

MR. SMALLWOOD: And he came in, in ignorance of the Government. He did not know our records, He did not know our policy. He did not know our performance. He did not know our lack of performance. In complete ignorance of us, a stanger who had just arrived here from the moon, seventeen years of this Government, of my Leadership, he entered the Cabinet. He stayed in it for three years. Now he is a cross over there. He is a Tory now. Now he thinks this Government are reprobates, does not perhaps go quite so far as to call us scoundrels. He does not use that kind of language, he is more snide. He can convey that meaning without using the words. A snide. you know, you are expected to read between the lines, not like Joey, who is jack blunt. He has a snide way of saying it. Of saying what? That the Government that he was in as a minister of the Crown for three years, he has been out of it now for two years, is a Government that is made up of fools, incompetence, do not know what we are about, we do not know how to manage the Province; discovers that after seventeen years before he came into Cabinet and three years in the Cabinet. Now does anybody believe that? Is that believable? Is it believable that a man born in Newfoundland, lived in Newfoundland, worked in Newfoundland, practiced Law in Newfoundland, lived here in St. John's for seventeen years and then joins the Cabinet, without knowing anything about the record of that Government? Is that believable? And after spending three years in the Cabinet and then seeking the Leadership of the party, and failing to get it, walked across and joins the Tory Party. Is that believable? Well, it happened. It did happen.

MR. HICKMAN: I knew all about it. You told me, you said; "come in and clean up Les's mess. I knew about it, you told me. You told me what you wanted done, what you wanted cleaned up. I knew all about it. Then when I got in, I found that I could not.

MR. SMALLWOOD: Such as the policemen?

MR. HICKMAN: Right!

MR. SMALLWOOD: Right!

MR. HICKMAN: Right!

MR. SMALLWOOD: Do you want me to tell that story?

MR. HICKMAN: Yes, why do you not?

MR. SMALLWOOD: Well, all right I will. You really mean it?

MR. HICKMAN: Sure.

MR. SMALLWOOD: All right! I will.

The Chief of Police came to me, because I sent for him. Coming from around the Bay one morning to work, to this Building, the radio turned on, I was startled, it is in the month, I think, of September, startled, to hear a news item that the police were up-in-arms. The first I heard of it. The first hint. The first sign of it in September. Up-in-arms, furious, so I telephone the Chief of Police, and said, "Chief, what was all this I heard on the radio this morning, what is this all about?" The Chief, as it happens, was a man I knew intimately. He has been at my home, and I have been at his home long before he was Chief, long years. I said, "Chief, what is all about?" "Well," he said: "Yes, it is a mess." "What do you mean a mess?" He said; "they are furious, the men are up-in-arms." "They are?" He said; "yes, there is terrible discontent." I said; "what is it about?" "Well," he said; "I better come and see you." I said, "all right do, come down." He came down to my office and he produces, hands me a carbon copy of the brief that the police had prepared setting forth their grievances. Well, I read it, and I said, "My God, it is well stated. It is a good brief, it is well stated." I said, "Is it true?" He said, "yes, I expect it is," he said, "I think, it is true all right." "Well," I said; "why do you not take this to the Attorney General, the police come under him, the Minister of Justice?" "Yes," he said, "I know, but this has been done." "When? Today? Yesterday?" "No, no," he said; "in January." I said, "what, in January." He said, "we delivered this to him in January." And this was September. Well, I said, "what answer?" He said, "No, answer." "We have had no answer. No word at all. No answer." I said, "from January to September, no answer to this statement of grievances, no answer?"

MR. HICKMAN: How about your answer in February? You gave them to Bill Adams.

MR. SMALLWOOD: I knew nothing about it.

MR. HICKMAN: Oh! Yes, you did.

MR. SMALLWOOD: I never saw the brief.

MR. HICKMAN: You certainly did.

MR. SMALLWOOD: I never saw the brief. I did not know that there was a brief. I did not know that it had been taken to the Minister of Justice. I did not know that he had not answered it. He did not mention it to me, his Leader, the Leader of the Government. He never mentioned it to me not a syllable. He never mentioned it to the Cabinet. He kept it completely in his own breast. Then all hell broke loose, from the most appalling neglect, the most appalling negligence, negligence on the part of the minister of the Crown. It was appalling.

MR. HICKMAN: Why, in February did you say, we will not give them any more money?

MR. SMALLWOOD: It was appalling. Appalling! Appalling!

MR. HICKMAN: Why? In February, and then you recanted and said: No, no, we got to have the police - the police force must be friendly, you know. Some Governments have the army - we want to keep the police."

MR. SMALLWOOD: Look! Look! If the hon. gentleman wants a Royal Commission on it, I will be glad to do it. We will bring all the witnesses in. We will have the dates and everything else.

MR. HICKMAN: I know the dates.

MR. SMALLWOOD: I know the dates. It was savage. It was the most savage thing that I had ever run into, that, that strife, the unhappy men, the unhappy police force that were up their, boiling, feeling that they had been ignored, feeling that they had been neglected, feeling that their petition, their brief was being ignored and flouted by the one man and the only man, who could have had done something about it. I could have had, Pff I had known.

MR. HICKMAN: How come they had to go on strike in April of the next year?
Six months later?

MR. SMALLWOOD: Harm ~~was~~ done, the damage was done between late January and September, the damage was done. It was irreparable. There was no way to cure it. It had gone beyond redemption. The men had the bit between their teeth and they saw it, they felt they were being treated as dirt, as dirt. I am not the only one who knows it.

MR. HICKMAN: The strange thing that came out

MR. SMALLWOOD: Yes, they supported, yes, they supported, all right. Yes, sure, I know all about their support.

MR. HICKMAN: Right now.

MR. SMALLWOOD: I know, yes, right now. Yes. Yes.

MR. CROSBIE: Red herring apparently.

MR. SMALLWOOD: Of all that has come to his rescue. Incidentally, incidentally, if I were the hon. gentleman. I told him once to beware of the man who sat next to him, and the man who was sitting next to him is no longer a member of the House. But, now I say, a man who still sits next to him, but a little further along, beware, because here is the amazing story. The amazing story is this, and it is one of the political classics -

MR. CROSBIE: What about the deficit? Why not get on the deficits?

MR. SMALLWOOD: It is a classic. It is a political classic. I do not think the equal has ever happened, and some strange things have happened. I know a case, Mr. Speaker, of a man, the group said; "they wanted a new Premier. They did not like the man who was Premier, "Let us get rid of him. But, who will we get? We will get so and so. Okay, all agreed. Settled. We will get him." God, where was he? They went out searching for him. They found him finally in a shebeen, in a bootlegging joint, poisoned, filthy drunk, where he had been for four days, and he had not washed or eaten just dead drunk for four days. They got him in a bath and they got him scrubbed up and they made him drink coffee and they got him sobered up and he was sworn in as Premier. I will not give any hint of his name. I do not think there is anyone in this Chamber will

MR. SMALLWOOD: he able to guess who that was.

Some funny things have happened, the downfall of the Squire's Government, the day that Sir William Coaker came in with a small delegation FPUA, MHA'S and said; "Sir Richard, here are the documents, you will just have to go." He said; "I do not want to go, I think you should stand by me and let us fight it out together." "No", he said; "we will go down and resign to the Governor" So Squires had to go and resign. Oh. I could tell you so many, but here is one of the great classics.

MR. MARSHALL: Stop reminiscing about the past and get on to the future.

MR. SMALLWOOD: This is a recent past. This is the recent past. Very recent, and it has a strong bearing on the question of confidence.

MR. MARSHALL: Inaudible.

MR. SMALLWOOD: Yes, yes, maybe the hon. gentlemen do not want to hear this.

MR. CROSBIE: What about ERCO?

MR. SMALLWOOD: What about ERCO?

MR. CROSBIE: What about the deficit?

MR. SMALLWOOD: Yes, what about Valdmanis?

MR. CROSBIE: Never mind Valdmanis.

MR. SMALLWOOD: What about Valdmanis?

MR. CROSBIE: The affairs of the last five years are enough.

MR. SMALLWOOD: Now let me tell that the hon. gentleman, who is from Burin, having tried and failed to win the Leadership of the Liberal Party, still wanted to be a Leader. But now the only chance he had to be a Leader was to be Leader of the Tory Party. Mr. Frank Moores was not going to come back from Ottawa. He was not going to run for Leader, and the hon. gentleman was to be the Leader of the Tory Party, and the day that he announced his adherence to the Tory Party, you should have had heard the language of the gentleman from St. John's West. You should have had heard his language.

MR. CROSBIE: It was bugged, was it?

MR. SMALLWOOD: No.

MR. CROSBIE: The Premier is talking about ...

MR. SMALLWOOD: No, no, if it was bugged it was a human bug. It was a human bug.

Now what has happened? The same Mr. Moores who has become their Leader is quite unacceptable to all of them, and they now think that maybe the hon. gentleman over there would make a better Leader. Do you think that makes the member for Burin happy?

MR. HICKMAN: No, no.

MR. CROSBIE: Sick imagination.

MR. SMALLWOOD: Yes, sick is right. Sick. Sick. I agree. I agree. I know just what the hon. gentleman means.

MR. CROSBIE: Fevered, the imagination. Get down to the business of the Province.

MR. SMALLWOOD: Ah!

MR. CROSBIE: He was on the radio whining that the business was not being done the other day.

MR. SMALLWOOD: Bad listening.

MR. CROSBIE: Inaudible.

MR. SMALLWOOD: Bad listening. So do not turn back on to each other.

MR. CROSBIE: It is senility. It is raging senility.

MR. SMALLWOOD: Yes, you will find out how senile before this year is over.

MR. MURPHY: There are a couple on that side whose only regret last year, they could not unload it because the Pension Plan was not big enough, and they are not too far away from the Premier.

MR. CROSBIE: Surrounded by him. Dictated, Premier.

MR. ROBERTS: Do you not forget it.

MR. MURPHY: Do you not forget, because you were one of them too.

I have a memory ----

MR. ROBERTS: A memory and an imagination.

MR. MURPHY: Inaudible.

MR. SMALLWOOD: Look, Mr. Speaker, I would be amazed, if the hon. the Minister

MR. SMALLWOOD: of Health did not want to be Premier of this Province. I would be flabbergasted. I would be amazed. I would lose respect for him. He would go down in my estimation and I would consider that he was not worth, you know, the powder to blow him to hereafter, if he did not have a powerful ambition to be Premier of this Province. The same thing applies to the Minister of Economic Development and the same thing applies to the Minister of Community and Social Development and to the Minister of Mines, Agriculture and Resources. If they did not have - if a field marshal does not have a bunch going around with general's batons in their haversack, if they do not do that then what kind of politicians are they? If they are young, in good health, ambitious and good politicians and they do not want to become Premier, what is wrong with them? There is something the matter with them. Of course they want to be Premier, but here is the difference:

There were two others, not here now, two others - they wanted to be Premier too, even more anxiously they wanted to be Premier, even much more anxiously they wanted to be Premier, but the difference between those two and these four. Oh! No. it is not a matter of money. The difference between those two and these four is this: that these four were patient. They said: "You cannot boot the Old Man out. He is a hard man to boot out. You cannot boot him out. You cannot shoot him out. You cannot blast him out because he has too many friends."

MR. CROSBIE: You are bats.

MR. SMALLWOOD: "He has too many friends throughout Newfoundland, and the man who boots Joey out is digging his own grave."

MR. CROSBIE: His eyes are out.

MR. SMALLWOOD: That is right. He is digging his own grave. One hon. gentleman thought, a bully boy, a bully boy; "that little whipper snapper from Gambo, I do not have to wait. I am going to become Premier now. I cannot wait."

MR. CROSBIE: Get the straitjacket out.

MR. SMALLWOOD: Now the other gentleman who was much shrewder waiting a little longer, but not quite long enough because, look, look what could have happened. Look, what could have happened. What could have happened was this, when the hon. member for St. John's West lost the Leadership, for awhile he sat here. That was fine. He sat over here, as a back bencher. All you had to do, Mr. Speaker, all you had to do in this life was to sit quiet for a year or two. That is all.

Mr. Smallwood.

I am not getting younger every year. I am getting a year older. Unlike other men at the end of every year, I am a year older. You can count on that. All you have to do is wait, support the Government, be a loyal Liberal, be a loyal backbencher and everybody would have said, "you know, Crosbie is a good sport after all. He put up a hard fight. He fought hard to get the leadership and he lost. Joey beat him. But he was big enough. He was man enough to take his defeat and take his place with the crowd and wait his turn," and it would have fallen right into his lap. Nothing could have stopped it. Now, when he did not do that, there was another man who was a cutey. He could have done it. Then he was even sure of getting it. If the cutey had sat here, made two or three speeches each session, be nice and be sweet to everybody, everybody would say; "is he not a darling? Is he not a lovely fellow?" No one would have a word against him - a real cutey, a real smoothey, just sit here and it was - Look, all the Queen's horses and all the Queen's men could not have kept the Premiership from him. But he thought he saw a quicker way and that was to become leader of the Tory Party. He was led up on what he thought was a high hill. It was a dung hill. But he thought it was a high hill. He was led up on a high hill and shown all the world. What was the world that he was shown? The Tory Party that was going to form the Government as soon as there was an election.

MR. HICKMAN: He thought, and he saw his colleague who made one simple sin of saying, "I support you." And who was as welcome as the flower in May on Thursday and who on Monday was stabbed in the back, like no politician has ever been stabbed in the back in the history of Newfoundland - but none.

MR. SMALLWOOD: That is saying a lot because some politicians have been..

MR. HICKMAN: But none!

MR. SMALLWOOD: Some politicians have been given some pretty bad stabbing in the back.

Mr. Smallwood.

MR. HICKMAN: But none!

MR. SMALLWOOD: No politician..

MR. HICKMAN: Thursday, who was as welcome as a flower in May..

MR. SMALLWOOD: No politician has been stabbed so badly in the back as I have. I am the champion (how would you call it?) stabbed in the backer. No, I am not a stabber in the back.

MR. HICKMAN: You are the champion stabber. That is right.

MR. SMALLWOOD: I have been stabbed in the back. I have had my throat cut. I have had ingratitude...

MR. CROSBIE: Joe, the Ripper.

MR. SMALLWOOD: Base treachery displayed toward me more than any other fifty politicians, all rolled together, in our whole history.

MR. HICKMAN: Tell us about the..

MR. SMALLWOOD: Look! they are strewn all over, the men that are around in Newfoundland today who came up from nothing with my help. Then when their purpose had been served, they ripped me across from ear to ear. They stabbed in the back! They stabbed me in the stomach!

As Peter Cashin said here in the House one time, Mr. Speaker - Peter Cashin was making an impassioned speech and he was denouncing the Government on what they had done to the poor down-trodden fishermen. He said, "Mr. Speaker, your Government and so and so and so and so - oh, the indictment. It was fearful. It was frightful. Then he wound up with a grand peroration which was an adaptation of William Jennings Bryant's famous "Cross of Gold Speech." You remember the famous peroration that swept the democratic convention off its feet on the great buy metal issue, silver and gold. He swept them off their feet. They nominated him within an hour, I think, to be their candidate for president. "You shall not press upon the brow of labour, this crown of thorns. You shall not crucify mankind about a cross of gold," as Peter Cashin said. "You have taken the fishermen. You have robbed them and you have fleeced them. You have

Mr. Smallwood.

booted them. You have kicked them. You have taken a golden stiletto and you have stuck it in his guts and it came out through the back and you hung your hat on it." This is his adaptation of William Jennings, Bryant "and you hung your hat on it."

Well I have had more hats hung on, more stilettos and more daggers than any other group of politicians you would like to mention in the history of Newfoundland.

MR. CROSBIE: Human pin cushion.

MR. SMALLWOOD: There is an army of men, and they number hundreds who had been helped by me in one way or another, hundreds of them, who have been helped by me. They sucked me. They sucked my blood. They sucked me dry and when they had gotten everything, out of me or through me, from the public chest that they could squeeze out of it, when they got it, they cast me aside. They went Tory or they went this or they went that. But they knifed me.

MR. HICKMAN: Name them.

MR. SMALLWOOD: No! no! I will not name them. I am too charitable. I am too charitable. I am too full of Christian charity to go naming them. Besides I cannot remember them all. There are too many to remember. They are too numerous. I cannot remember them all. There are scores of them. It is a small army. After all, you know, in twenty-two years leading a Government, leading a Province, you do run into an enormous number of people. I have the misfortune, it is a serious misfortune in a politician, it is one of the most serious flaws in my character, it is a very serious one, it is this: I trust everyone until I find that he is not trustworthy. When I find that he is not trustworthy, I turn on him like a dog. But until then, I treat him as though he were a thorough gentleman, a Christian gentleman, decent, honourable and honest, until I discover otherwise. When I do, then I get rid of him so fast. Because of this weakness I have of assuming that every man you meet is a decent soul, a decent character, decent Christian

MR. SMALLWOOD.

gentleman, no saint, just an ordinarily decent fellow. Look! How could I live otherwise.

Squires often told me - Sir Richard Squires often said to me, "Smallwood, I never go to bed without wondering if I will wake up still Premier." Ha! while he was in bed the plot would go on. Would they knife him? Would they cut his throat, while he was even asleep in bed - politically I mean? The plotting, the scheming - this was the politics of Newfoundland. This is the way politics was. I grew up knowing about that. I knew all about it. I knew Sir Richard Squires, with great intimacy for two years. He held a Cabinet meeting every Friday night. It would end about midnight - every Friday night a Cabinet meeting. He would come from the office to my office, from his Cabinet chamber to my office - midnight, every Friday night for two years. We would sit down and talk. We would talk politics. We would talk. I could look into the man's heart, into his soul - Ha! Treachery, double-crossing, disloyalty, knifing, stabbing in the back, throat cutting - he was surrounded by it. I swore long years ago that if ever I became Premier, I was not going to shorten my life that way. I was going to treat everyone I would meet (Unless now he had a public record, unless everybody knew that he was a crook.) as an ordinarily decent fellow until I found otherwise.

MR. MURPHY: All the rights..

MR. SMALLWOOD: All what?

MR. MURPHY: All rights for beer parlour licences and all the rest of it.

MR. SMALLWOOD: I had nothing to do with beer licences - nothing!

I had nothing to do with it and I know nothing about it. One of these days, if I can remember it, somebody remind me and I will get a list of all the tavern operators in Newfoundland. I will get a list. I will get some politicians to go over the list and tell me how many are Liberals and how many are Tories. My belief is that over half of them are Tories.

Mr. Smallwood.

That is my belief.

AN HON. MEMBER: Over half Newfoundland is Tory.

MR. SMALLWOOD: / No! No! No! No! We will call the election.

MR. HICKMAN: Your afraid to call it.

MR. SMALLWOOD: Oh! ..

MR. MURPHY: No doubt about it.

MR. SMALLWOOD: That is one thing about me. Everybody knows this.

It is notorious. It is no use my trying to deny it or crawl out of it, because everybody knows that I am a coward!

MR. MARSHALL: You are afraid of your ...

MR. SMALLWOOD: I am politically a "fraidy -cat." You know, I am frightened to death of general elections. Because do not think, you know, that if you are in six battles and they are furious battles and you win them and you come out of them - the unbeaten victory of six battles, do not think that that hardens you and that you go into the seventh one, you know, carelessly and you do not care whether you are shot or not. It is not like that at all. You go in timidly, frightened, scared. That is me. I am scared - fraidy - cat, scarey cat, timid, young, timerous, shivering mouse. Is that it? Beastey - a timerous, beastey - where elections are concerned. The hon. gentleman who just spoke only slipped in the other day, the day before yesterday.

MR. MURPHY: He was elected. He did not slip in here. He was elected by the people in his district.

MR. SMALLWOOD: Yeah!

MR. MURPHY: Yeah!

MR. SMALLWOOD: Yeah! I know a lot about that. I helped him to get elected. I will not the next time.

MR. MURPHY: Oh! Oh! Oh! How humble can you get. He is electing the Conservatives now.

MR. SMALLWOOD: I called on all Liberals to vote for him.

MR. MARSHALL: You never have and you never will.

Mr. Smallwood.

Oh! I did.

MR. MARSHALL: You never have and you never will.

MR. SMALLWOOD: Or to refrain from voting but not to vote for the other man.

MR. MURPHY: A wonderful - Do not vote. Do not exercise your franchise. It comes out that everybody votes.

MR. SMALLWOOD: Well after he has a year's experience as a member of the House and now he is going to start advising me about elections, general elections. Now, he does not know the names of the districts of the Province. He does not know the names of the bays. He does not know the names of the districts of the Province. He does not know the names of the bays. He has never been beyond Riverhead or Maggoty Cove. That is the limit, Riverhead and Maggoty Cove. He does not know the names of the bays and he is going to start advising me about winning general elections. That is telling your grandmother how to suck eggs. Yes, the hon. gentleman will see. I used to say that there was one sure Tory district, St. John's East. I do not say that anymore. I do not think there is one safe Tory district in the Province today. I do not think there is one safe one. By that I am not saying that there will not be one Tory district elect a member - I mean elect a Tory member. I daresay that there will be some Tories elected. But I do not think there is one single district in Newfoundland today that is quite safe for the Tory party - not one. So, they are in a bad way. I do not want them to be in too bad a way.

The one thing I am scared to death of, and I am really frightened of this, and that is of over-confidence. If you get cocky then the people soon cut you down to size. Get cocky and tell them that you know you are going to be elected and the average man, in the privacy of his own heart, says; 'Oh, you do, do you? You are a big shot, are you not? You do not need us, ha! You are going to get elected anyhow are you? A big shot, ha! I will cut you down.'" So that is what I am deadly afraid of, that we will get too confident over here.

Mr. Smallwood.

We are going to go in, and we are going to work hard, and we are hoping to get fifty per cent, plus one.

MR. SMALLWOOD:

that makes us the Government, does it not? Fifty per-cent plus one, okay. Fifty per-cent plus one, let us hope we will get that, we will work hard for that. Now if that gives us thirty-six or thirty-seven seats, you know, that will not be our fault will it? You cannot blame the people for voting for us can you? Will you go out in an election and say, " You fine, intelligent people of Newfoundland, you fine, decent, intelligent, thoughtful people of Newfoundland, who love Newfoundland and who understands public affairs, you people please make us the Government," Then when they do not, you do not turn on them and say, "They are all fools, they are clowns, they are ignoramuses, they are illiterates, good God, look what they have done, look at the crowd they have elected!" You know they do not, all of a sudden, sink from being fine intelligent people down to a crowd of curs, yellow dogs. They do not do that. They are the same people and I have heard the Tories more than once in my life describe the people of Newfoundland, who voted for the Liberal Government, in very uncomplimentary terms, very, very uncomplimentary. You would not know but the great majority, last election -

MR. CROSBIE: Let us have an election now and get it over with.

MR. SMALLWOOD: We will have it now, this year.

MR. CROSBIE: Yes, stop the bluffing.

MR. SMALLWOOD: We will have it now this year and the hon. gentleman will not run.

MR. CROSBIE: Right.

MR. SMALLWOOD: Not in St. John's West he will not.

MR. CROSBIE: You will be surprised.

MR. SMALLWOOD: Well, if he does, goodbye, farewell, so long, au revoir, au revoir, goodbye.

MR. CROSBIE: Why does the Premier not come and run there, go back to your old district.

MR. SMALLWOOD: You will not need anyone as heavy as I.

MR. CROSBIE: You will not spend your nomination fee.

MR. SMALLWOOD: You will not need anyone as heavy as I,

MR. CROSBIE: As heavy as you.

MR. SMALLWOOD: Someone a little lighter will trim the hon. gentleman, he will get trimmed.

MR. CROSBIE: Hot air, come to St. John's West.

MR. SMALLWOOD: What a trimming he is going to get. You wait and see, you wait and see.

MR. CROSBIE: Yes, just come on.

MR. SMALLWOOD: However in the last election, which was only five years ago, there were forty-two men elected, forty-two men got elected to the House of Assembly, thirty-nine Liberals, three Tories. That was my election number six, that was the sixth time. Now mind you I was told in that election that we were beaten, we were licked and there was going to be a great Tory victory, I was told, this was common, they made no bones of it, they did not keep it a secret, They advertised it that we were going to be beaten, it was election number six, the people were fed up with us, they were fed up with me and so they were going to turn us out, and when the votes were counted there were thirty-nine Liberals and three Tories. Now there are more Tories over there because they have two converts, two Liberals gone over and joined them and some more Liberals went over there and so they have ten or eleven now but only three of them were elected, three out of the ten or eleven, whatever the number is, only three of them were elected Tories or four because the member for Gander, I think, came in in a by-election was it, I think a by-election, that made the four.

MR. CROSBIE: Yes, that was a recreation convention.

AN HON. MEMBER: (Inaudible).

MR. SMALLWOOD: Yes, yes.

MR. CROSBIE: Yes and it is still out.

MR. SMALLWOOD: Yes.

MR. CROSBIE: It is out around Australia. It used to be in the Mediterranean and it is gone further.

MR. SMALLWOOD: Yes, that is what the Tories were saying last election.

MR. CROSBIE: Nearer to Hong Kong looking for the -

MR. SMALLWOOD: We got thirty-nine out of forty-two, thirty-nine that was election number six. Now if that was election number one, you know the great flush of victory in Confederation and all kinds of people in Newfoundland saying, "My God, how we were deluded, how we were bluffed, how we were fooled! They told us that Confederation was going to be the ruination of Newfoundland, it would be a diaster." People flew black flags, they put on black drape, they put black on their gates, they cried in the streets, the diaster that came on them it was worse than communism, it was the end of everything good and decent, Confederation, "But no it is not, it has come and it is not diaster. Why it is wonderful. Did you get your family allowance cheque yet? Did you get your old age pension cheque? Did you get this, did you get that? Yeah, my goodness it is great, is it not?" -

You think I would have ~~otter~~ you know, a big victory. Well, I did but not as big a victory in election number one as I got in election number six. Thirty-nine out of forty-two. Now it is election number seven. I do not think we will get thirty-nine out of forty-two, I think the Tories will manage to elect more than three, not many more.

MR. MURPHY: Thirty-five.

MR. SMALLWOOD: Thirty-five.

MR. MURPHY: The hon. member for Bonavista South is going to be Leader of the Opposition, I promised him that.

MR. ROBERTS: We would have a better Leader of the Opposition than we have now.

MR. SMALLWOOD: The hon. gentleman from Bonavista South -

MR. CROSBIE: Living in the past.

MR. SMALLWOOD: is like -

MR. MURPHY: Hon. Senator.

MR. SMALLWOOD: is like the little boy who had a dog -

MR. CROSBIE: Stood on the burning deck. The burning deck is over across

MR. CROSBIE:

the House.

MR. SMALLWOOD: and the dog had pups and a man came along, a rich man came along and the boy tried to sell him a pup, one of his pups, and he knew that this man was a politician, he knew he was a Tory politician and he said, "Can I sell you one of my pups, a lovely pup?" "What is his name, my son?" His name is Tory. So he did not buy the pup but a couple of weeks later the politician came along again and the little boy said, "Can I sell you a pup sir?" The man was cute and he did not know whether the boy remembered him or not and he said, "Well, how much is the pup?" He told him. He said, "What is his name?" He said, "His name is Liberal." "You little scoundrel," he said, "I came along here a couple of weeks ago and you told me his name was Tory and now you are telling me his name is Liberal, you are cheating are you not?" "No, sir," he said, "the dog has his eyes open now." You know he was a Liberal with his eyes open. Well, the hon. gentleman for a while was a, for a while the hon. member for Bonavista South wandered in the wilderness, friendless, wandering in the wilderness with the wrong party, it was an accident, I never did hear how it happened but by accident he got mixed up with the wrong crowd.

Then he saw the light because while the light holds out to burn the vilest sinner may return and he was not a vile sinner, He was not even a sinner, he was just misguided. He had not seen the light, and the minute he saw the light over he came to the Liberal party. He has been running down in Bonavista Bay ever since, election after election after election after election, piling up the big majorities as a Liberal. Right? Right!

AN HON. MEMBER: Right!

MR. SMALLWOOD: Going to do it again?

AN HON. MEMBER: Right!

MR. SMALLWOOD: Bigger majority than ever!

AN HON. MEMBER: Right!

MR. SMALLWOOD: Oh, by the way they are down there holding meetings in

MR. SMALLWOOD:

Bonavista South, these great rallies, these monster meetings, like North River, like Spaniards Bay, these great, monster meetings, they are holding them there. Oh, I will give the hon. gentleman a report and maybe he can give me a report. I suppose he will have his men there, I will have some there and we will do some counterchecking, our observers will check on each other, you know and we will find out how many are at the different meetings. Oh what a victory, number seven, seven and then remember I will be tempted really, when we win this one, you know what I am going to be tempted to say? Seven come eleven! You know I am going to be powerfully tempted to say seven come eleven.

MR. MURPHY: This is the business of the House we have been obstructing for days, Mr. Speaker.

MR. CROSBIE: Yes, if this is real business -

MR. MURPHY: He charges us with obstruction, so on and so forth, we want to get the peoples business -

MR. SMALLWOOD: Okay, so on the other side they took up -

MR. MURPHY: Forget about this side.

MR. SMALLWOOD: Hold on now, there are only one, two, three, four, five, six, seven, there are only eight of you, the rest are not here, eight of you and you took up a whole morning, a whole afternoon and a whole night, the next morning, the next afternoon and the most of the next night and I have taken up today that is all, just one day out of all this crowd, one man, and now they are complaining.

MR. CROSBIE: When are you going to discuss the issues?

MR. SMALLWOOD: Now they are complaining.

MR. CROSBIE: As Premier of the Province not Sir Richard Squires.

MR. SMALLWOOD: Confidence in the Government.

MR. CROSBIE: What is happening in the Province today, that is what you should discuss.

MR. SMALLWOOD: Confidence in the Government.

MR. CROSBIE: Come by Chance, the customs duties, the hundred million dollar deficits, the one billion dollar debt, that is what we want to discuss, the issues.

MR. SMALLWOOD: One billion fifty million.

MR. CROSBIE: The one billion.

MR. SMALLWOOD: Fifty million.

MR. CROSBIE: The customs duties.

MR. SMALLWOOD: One billion fifty million.

MR. CROSBIE: The customs duties down at Come by Chance, ten or fifteen million extra.

MR. SMALLWOOD: Valdmanis. Valdmanis.

MR. CROSBIE: The Government has not denied that there is going to be customs duties and sales tax.

MR. SMALLWOOD: Valdmanis, I am Valdmanis. Valdmanis. Valdmanis.

MR. CROSBIE: Not one word of denial to the people of Newfoundland.

MR. SMALLWOOD: Let us hear about Valdmanis.

MR. CROSBIE: Not this junk that has been going on for the last two hours, that is not the issues of the Province.

MR. ROBERTS: The hon. gentleman is an expert on junk, he has given out enough of it.

MR. CROSBIE: The hon. Minister of Health has plebicitis.

MR. ROBERTS: The hon. Minister of Health has received enough of it -

MR. CROSBIE: He has plebicitis of the tongue. Why does he not tell the public about the \$5. million he pretended had come back that is still outstanding.

MR. SMALLWOOD: That is the \$5. million you stole, is it not, that \$5. million?

MR. ROBERTS: I took the \$5. million, I used it down at Hogan's Pond.

MR. CROSBIE: The Government still owes and never will repay.

MR. SMALLWOOD: You promised to split with me, we promised me \$2.5 million for me and \$2.5 million for you and you went and took the \$5. million yourself.

MR. SMALLWOOD:

and he is jealous because he did not get a split.

MR. CROSBIE: Tell us about it, how the cheque went around the table, come on?

MR. SMALLWOOD: He did not get a split on the \$5. million.

MR. CROSBIE: I did not get a wink of it.

MR. SMALLWOOD: Not a chew, he did not get a chew of the \$5. million.

MR. CROSBIE: Let us discuss Sir Richard Squires -

MR. SMALLWOOD: I know of the Minister of Finance, the hon. Edward Spencer here, there was some argument about \$10. million double that, \$10. million and he got here, he broke down and cried and he wept bitter tears as Minister of Finance because these charges coming from the others here about the \$10. million and he got the impression that they thought, they were accusing him of stealing the \$10. million. He said, "I did not steal it," and the tears, the bitter tears flowed down his cheeks.

MR. HICKMAN: No, it was when he was reading the Budget Speech and the Premier made the smart comment, "Why would he not cry, he has never seen it before."

MR. CROSBIE: That is right, that is right, never seen it before.

AN HON. MEMBER: (Inaudible).

MR. SMALLWOOD: Who?

AN HON. MEMBER: Mr. Jim Power.

MR. MURPHY: You mean the Minister of Finance does not write the Budget Speech?

MR. CROSBIE: No, he does not write it, he reads it. The Premier writes all those things.

MR. SMALLWOOD: That so. Does he write anything else?

MR. CROSBIE: He even read it himself last year, read his own work. The Premier wrote how the Government has given the people more than the people were giving the Government, the Government did not cost the Province a cent.

MR. SMALLWOOD: That happens to be true.

MR. CROSBIE: Nonsense, true, not a -

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: The Government does not cost the people of the Province one cent is what the Budget Speech said and then taxes went up, one per-cent on the SSA, five cents a gallon on gasoline.

MR. SMALLWOOD: The amount, the estimated amount that that would bring in was added on and still left a net position, did it not?

MR. ROBERTS: Taxes have not gone up since the hon. gentleman left the Government.

MR. SMALLWOOD: No, the fact of the matter is -

MR. CROSBIE: Having a job to persuade people that the Government is costing the Province nothing.

MR. SMALLWOOD: The actual truth of the matter is this, as that Budget Speech said, the Government were spending a grand total sum of money on the Newfoundland people and the Government were collecting from the Newfoundland people a certain grand total sum of money and the total that they collected was less than the total they were spending, which meant that in fact the net balance - there was a net gain to the people not a net loss.

MR. CROSBIE: The Premier should go to Ottawa.

MR. SMALLWOOD: That is so but the reason is, of course, -

MR. CROSBIE: Save the whole of Canada.

MR. SMALLWOOD: The reason is that the Government of Newfoundland were spending far more than they collected from the Newfoundland people because fifty per-cent of all the Government's revenue did not come from the Newfoundland people at all, it came from the Treasury of Canada, and it will be so in the coming year, in the present financial year. The total amount of money that the Newfoundland Government will spend on the Newfoundland people will be more than the total revenue that the Government will collect from the Newfoundland people. Well, how can you spend more than you collect? By getting it from someone else. About half our revenue comes from Ottawa.

MR. SMALLWOOD:

Is that too hard to understand? Do you have to have a law degree to understand that?

MR. CROSBIE: The Government is costing nothing, not taking a cent from the Newfoundland people.

MR. SMALLWOOD: The Budget Speech did not say that. What the Budget Speech said, quite truthfully, and could very well say again when it is brought down now, could very well say that the Government of Newfoundland spend many millions of dollars more, more, on the people of Newfoundland than they collect from the people of Newfoundland in taxes, many millions more. The reason they are able to do it is that they get these millions from Ottawa but the same thing is true in Nova Scotia, the same thing is true in Prince Edward Island and also in New Brunswick. In the have-not provinces there is enough money coming in from Ottawa to enable the Government in the Province to spend more on the people than they collect from the people.

Now I know it is cheap politics to snare at that but it is the simple truth.

MR. CROSBIE: The statement said the Government -

MR. SMALLWOOD: It is the simple truth.

MR. MURPHY: (Inaudible).

MR. SMALLWOOD: It cost the people of Newfoundland net, net, it cost them nothing, net, net.

MR. CROSBIE: That is not what it said.

MR. SMALLWOOD: Well, that is what it said and that is what it meant and that is the truth, that is the case, that is the fact of the matter. The Newfoundland Government spends far more money on Newfoundland than they collect from the Newfoundland people and if they did not what kind of a Province would we be? If we were spending only there would be roads and schools and hospitals and all the rest of it, if we were spending only what we collect from the Newfoundland people do you think we could have built all

MR. SMALLWOOD:

we built in these twenty-two years?

MR. CROSBIE: It must be six o'clock by now.

MR. MURPHY: Yes, with good management -

MR. SMALLWOOD: With good management.

MR. MURPHY: tenders called on an odd thing -

MR. SMALLWOOD: Well, they are called on an odd thing you know. It is only on an odd thing that they are not called.

MR. MURPHY: The norm -

MR. SMALLWOOD: The norm, the norm is to call them but of course that is another thing. You get a certain number of lying suppositions, lying propoganda, the Government will not answer any questions -

MR. CROSBIE: True.

MR. SMALLWOOD: The Government will not give us any information.

MR. CROSBIE: True,

MR. SMALLWOOD: The Government are arrogant.

MR. CROSBIE: True.

MR. SMALLWOOD: The public debt is over \$1. billion.

MR. CROSBIE: True.

MR. SMALLWOOD: What was this last one? We do not call tenders and they keep saying that, they will keep saying it. It is a lie and I believe in fact it is a lie in every sense of the word, the sense that says, if you tell a thing knowing it is not true and you tell it with the intention to deceive it is a lie. In that sense it is a lie.

MR. CROSBIE: Twenty-two years of it.

MR. SMALLWOOD: To say that we do not call tenders is a lie, it is a lie, it is a downright lie, it is a mischievous lie and there is no truth in it, it is a lie, it is political propoganda, that is just a plain lie, it is not true.

AN HON. MEMBER: (Inaudible).

MR. SMALLWOOD: No, we are not meeting tonight. Do not worry we will adjourn. We do not meet on Friday nights unless the hon. gentleman wants to meet.

MR. MURPHY: My heavens, I have listened to the Premier for three weeks, it is amazing, so long as we can forget the business of the country and enjoy ourselves.

MR. SMALLWOOD: Desperately anxious to do the business of the country, no more speeches. Will we adopt the Speech from the Throne now? Will we vote now on two motions, the amendment and then adopt the Address in Reply?

MR. CROSBIE: Yes.

MR. SMALLWOOD: Now?

MR. CROSBIE: Yes.

MR. SMALLWOOD: Both?

MR. CROSBIE: Right now.

MR. SMALLWOOD: Both?

MR. MURPHY: Yes.

MR. CROSBIE: Yes, right now.

MR. SMALLWOOD: Okay?

MR. MURPHY: Yes.

MR. SMALLWOOD: You are not bluffing? I did not bluff last night so you are not bluffing now. Okay, we put both motions and carry them.

MR. MURPHY: Let us put it now.

MR. SPEAKER: Those in favour of the amendment please say "aye", contrary "nay".

In my opinion the "nays" have it, the amendment is lost.

MR. SPEAKER: Motion, Address in Reply, is the House ready for the Question? Favour "aye", Contrary "Nay". In my opinion the "Ayes" have it - the Motion is carried:

Division:

MR. SPEAKER: Those in favour of the Motion, that is, the Address In Reply, please stand: The hon. the Premier, the hon. the President of the Council, the hon. the Minister of Municipal Affairs, Mr. Noel, Mr. Smallwood, Mr. Hodder, the hon. the Minister of Public Works, the hon. the Minister of Finance, the hon. the Minister of Mines, Agriculture and Resources, the hon. the Minister of Community and Social Development, the hon. the Minister of Provincial Affairs, Mr. Canning, Mr. Barbour, the hon. the Minister of Health, the hon. the Minister of Supply and Services, Mr. Moores, Mr. Saunders, Mr. Mahoney, Mr. Wornell.

Those against the Motion, please rise: The hon. the Leader of the Opposition, Mr. Marshall, Mr. Hickman, Mr. Crosbie,

I declare the Motion carried.

MR. CURTIS: I move that the remaining Orders of the Day to stand deferred.

Motion that the remaining Orders of the Day do stand deferred and the House at its rising do adjourn until tomorrow, Monday at 3:00 P.M.

MR. T. A. HICKMAN: We on this side are very anxious to get on with the business of the House.

MR. SMALLWOOD: Tonight?

MR. HICKMAN: At 11:00 A.M. Monday, this is the Rule established.

MR. SPEAKER: The Motion before the House is that this House at its rising do adjourn until tomorrow, Monday at 3:00 P.M. This House do now adjourn.