

Wm Rowe



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VERBATIM REPORT

Thursday, April 20, 1972

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The House met at 3:00 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER: Members of the hon. House it is indeed a pleasure for me to welcome to the hon. House today I understand a group of students from Rushoon, Terrenceville Branch, forty-five students - thirty-five from Fortune District and ten from Placentia West, grades IX, X and XI. I certainly welcome you here today and hope that your visit is a most interesting and informative one.

PETITIONS:

HON. T.A.HICKMAN (Minister of Justice): Mr. Speaker, I ask leave of the House to present a petition on behalf of the people of the greater Lamaline Area. The prayer of the petition, which has been signed by a large number of voters in the area from Point May through to Lord's Cove, is that the road be upgraded and paved.

Mr. Speaker, in supporting this petition which I do so very enthusiastically, I should point out to this hon. House that the area in question is really the dormitory towns for the industrial areas of Fortune - Grand Bank and St. Lawrence. There has been a very strong indication that the people of the greater Lamaline Area intend to continue living in their towns and do not want to be resettled. This government has indicated to the people of this area that under no circumstances will they be asked to do so.

It follows therefore, Mr. Speaker, that the people living in that area, who are making a good strong contribution to the economy of the Burin Peninsula, are entitled to some of the services that many other parts of this Province take for granted.

A few years ago, two years ago I guess or a year-and-a-half ago when the special DREE areas highway grant, or whatever agreement was signed, regrettably and inexplicably the area from St. Lawrence to Fortune was excluded. This has met with total disapproval on the part of the people of the South Coast, because, they believe you cannot separate economic units.

Mr. Speaker, I therefore move that this petition be laid on the table of the House and referred to the department to which it relates.

HON. E.M.ROBERTS (Leader of the Opposition): Mr. Speaker, while the pages are getting the petition from the member from Burin, perhaps I could say a word or two in support of it. I am always delighted to support any petition presented by the hon. member, particularly one for a cause as worthy as more pavement on the Burin Peninsula. There are still some roads down there that are not paved and the petition certainly refers to one of them. Obviously they should be paved. All of us on this side, Sir, are very much in favour of pavement.

MR.ROBERTS:

I have said some words in the past and I will again on the subject of the Northern Peninsula Highway, the 300 miles of it. I know that it will go ahead at least as speedily as work on the Burin Peninsula. I am also pleased to hear the hon. gentleman say that he and his colleagues are going to make some representations about the DREE areas. My colleague was formerly the Minister of Community & Social Development. He is an old hand at making representations on this. We certainly were not happy with the eight DREE areas as they originally were. I think the records will show that we asked for more, and we pressed for more. I wish the hon. gentlemen who now form the government all success in getting more areas because any money we can get from DREE for Newfoundland, for any part of it, is good for Newfoundland. So I have much pleasure in supporting the petition.

MR.SPEAKER: I have been passed an order for another group to welcome here today, the deputy mayor of Main Brook, Dorman Coates and councillors George Simms and Isaac Williams, I indeed welcome them here on behalf of the hon. House.

Presenting Reports of Standing and Select Committees:

MR.BRETT: Mr. Speaker, I beg leave to table the report of the Select Committee to draft a reply to the gracious speech from the Throne. I move, seconded by the hon. member for Labrador West, that it be received and adopted.

MR.CROSBIE: Mr. Speaker, I would like to table the annual report of the Civil Service Commission for the year ending March 31, 1971. according to Section 10, of the Civil Service Act. There are copies in the clerk's office, a sufficient number to be distributed to each member and to the press.

I also wish to table, Mr. Speaker, the annual report for the year ending March 31, 1971, the Newfoundland & Labrador Power Commission. There are also sufficient copies of these in the clerk's office to be distributed to all members and to the press.

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Also, Mr. Speaker, I would like to table in the House three copies of all the special warrants that were issued by the Lieutenant Governor in Council during the last financial year.

In addition Mr. Speaker, I would like to table three copies here of a special warrant issued on April 11, 1972 for the present financial year.

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in the amount of \$17,420,000. We have also had prepared, Mr. Speaker, because we are soon going to be into Supplementary Supply, forty-four copies of a summary of the special warrants. That will be useful for the members of the House. If one of the page boys here could distribute these to the opposition and also to the press and the rest of the copies of this side. There are not enough copies for every one.

NOTICE OF MOTION

HON. T. A. HICKMAN (Minister of Justice): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill, "An Act Respecting The Application And Effect Of Certain Acts Passed In The Present Session Of The Legislature Upon The Revised Statutes Of Newfoundland, 1970."

ANSWERS TO QUESTIONS

HON. F. D. MOORES (Premier): Mr. Speaker, Question No. 2 on the Order Paper from the hon. member for Bell Island. The answer is no. The government will, however, be setting up an investigation committee to study the ferry systems throughout the Province and Bell Island because of the unique difficulties and lack of unemployment will be given priorities under that committee.

HON. J. C. CROSBIE: (Minister of Finance): With reference to Question No. 3 on the Order Paper of today, Mr. Speaker, the answer is that steps are constantly being taken to see whether there is any opportunity of reducing prices particularly of beer. It is quite obvious that due to the financial condition of the Province that we will not be able to reduce the price of beer if there is to be any loss of revenue to the government.

MR. S. A. NEARY: Mr. Speaker, because of the apparent deterioration of labour-management relations in the Province over the past two or three months, would the Minister of Labour indicate to the House when he proposes to table the Cohen Royal Commission Report on labour legislation in the Province?

HON. E. MAYNARD (Minister of Labour): Mr. Speaker, I intend to table the Cohen Royal Commission Report on the 27th. April.

MR. NEARY: Mr. Speaker, a supplementary question, the minister has already announced publicly that he has twenty-five copies of the Cohen Royal Commission Report.

MR. CROSBIE: Mr. Speaker, this is not a question.

MR. ROBERTS: Mr. Speaker, to a point of order, it is a question. The hon. gentleman is allowed to prefix it by an explanation. The Minister of Finance knows that better than I do.

MR. NEARY: Mr. Speaker, when I was so rudely interrupted, would the minister indicate why it is necessary to delay the tabling of the report when he has twenty-five copies in his possession?

HON. W. W. MARSHALL (Minister without Portfolio): Mr. Speaker, on the point of order, that particular question I would submit is out of order. The minister has already answered the question that was initially put to him and I would submit that the hon. member is really getting into the realm of making a speech with respect to the original question.

MR. NEARY: Mr. Speaker, it is a rather urgent matter because of the rash of wildcat strikes that we have had in this Province over the last several weeks. I think the minister should table the report at as early a date as possible.

MR. SPEAKER: The Chair rules that the hon. minister has given an answer to the question concerned.

MR. NEARY: Mr. Speaker, I would like to direct a question to the Minister of Social Services and Rehabilitation.

MR. NEARY: transportation. Is it the intention of the government to turn the operation of the Department of Social Services and Rehabilitation out of the hands of the elected representative, the representatives of the people and the people's House to a commission, as reported in today's edition of "The Free Press" and "The St. John's Daily News," this morning.

MR. HICKEY: Mr. Speaker, I suggest the hon. minister direct that question more appropriately to some of his friends in "The Free Press" and "The Daily News." I am sure they might give him the answer.

MR. NEARY: Is it the hon. Minister's answer that this report in "The Free Press" is not correct?

MR. WOODWARD: Mr. Speaker, because of the anxiety and demoralizing effect caused by the uncertainty of the future of Goose Air Base, would the hon. Premier inform the House and the people of my district, Labrador North, what representation have the Province made to the United States authorities or the Government of Canada under certain matters. Can the Premier reassure the people in the Happy Valley - Goose Bay area what the provincial government is doing to allieviate this uncertainty and the rumors that it would cause.

MR. MOORES: Mr. Speaker, representation has been made to the federal government to find out what the situation is. We will be doing whatever is possible to make sure that there is not any reduction and I would suggest that the hon. member could have found this out if he had contacted the appropriate offices before rather, than in the House and if it took this long to ask a question, I would suggest in the future he put it on the order paper.

MR. ROBERTS: Does the Premier feel that we should not have questions.

MR. MOORES: Of course, but he could have found out all that information before.

MR. WOODWARD: Mr. Speaker, this is a very urgent matter and maybe I would like to say to this House today that the future of the community, of the whole Lake Melville area...

MR. HICKMAN: The hon. member for Labrador North has asked a question of the hon. the Premier and the hon. the Premier has answered it, surely that is the end of the line.

MR. WINSOR: Mr. Speaker, may I direct a question to the hon. the Premier, in view of the disruption of ferry services in certain parts of the province, is it the intention of the Government to appoint a transportation officer to deal direct with Ottawa on those matters.

MR. MOORES: I will have to take that as notice, Mr. Speaker, but I can tell the hon. member from Fogo that it is, as I said before, the intention to study the ferry systems generally in the province, not to set up an individual as a transportation officer, that is not the intention but rather a committee that will bring in firm recommendations with deadlines which will cover the ferry services for all areas of the province.

ORDERS OF THE DAY:

MR. CROSBIE: Mr. Speaker, I have a message here from his Honour the Administrator.

MR. CROSBIE: I move that Mr. Speaker do now leave the Chair.

MR. SPEAKER: I do now leave the Chair and call upon the member for Placentia West, if he will take the Chair of Committees.

COMMITTEE OF THE WHOLE ON SUPPLY:

MR. CROSBIE: I move, Mr. Chairman, the following Resolution: Be it resolved by the House of Assembly in Legislative Session convened, as follows:

That it is expedient to introduce a measure to provide for the granting to Her Majesty for defraying certain expenses of the Public Service for the financial year ending the 31st day of March, 1972, the sum of forty-six million, five hundred and twelve thousand, seven hundred dollars (\$46,512,700). That is the Resolution before the Committee.

I believe, Mr. Chairman, that the practice is, and I stand to be corrected if I am wrong, we debate the principle of the Resolution and all the details at the Committee stage and that if the Committee passes the Resolution that the Bill would not be debated then, of course, second or third reading, but that would all be dealt with in the Committee and that the three readings be given the day the Resolution is approved. I think that is agreed by the other side.

I am not sure, Mr. Chairman, whether everyone has a copy of the Supplementary Supply Bill. Has that been distributed? Everyone has one.

Well, supplementary supply, Mr. Chairman, is the sums that were spent last year, the last financial year ending March 31, 1972, that were not authorized in the original estimates presented to the House last spring. As the members of the House know that during the year there may have been expenditures made by government either that were not provided for in the estimates at all or sums may have been spent of which there was not sufficient amounts provided in the estimates

MR. CROSBIE:

and in that event, of course, the House has to approve these additional expenditures after they have been made. In some cases the money is voted under a subhead if found inadequate and there are not counter-vailing savings or it may be a new programme that was not approved by the House in the first place. In that event the Lieutenant Governor-in-Council requests or recommend to the Lieutenant-Governor that he issue a special warrant and under the Revenue and Audit Act that is done.

MR. CROSBIE: This is now the Supplementary Supply Bill that the committee is considering, Mr. Chairman. The amount is \$46,512,700 the Bill shows under which departments these amounts have been voted and of course the warrants that have been tabled here show in each case what the additional expenditure was for.

It has been the practice in the past and part of the reason for the amount of the supplementary supply requested now, Mr. Chairman, is that, the estimates of expenditure have been artificially cut so as the financial position when the budget is presented will look a bit better than if these cuts had not been made. That has been the practice. Some of the additional amounts spent under Supplementary Supply now or to be authorized now were known, it was known last year by the government that they would have to make these expenditures. Some of them are for amounts that could not have been foreseen and in some cases a provision made was inadequate.

In any event the total amount is \$46,512,700 and these of course were monies that were spent by the previous administration by and large are somewhat special warrants authorized by the present government after the fact, because we had to after we came into office.

So the members on the other side are bound to be quite familiar with the reasons for the supplementary supply. I would like to say, Mr. Chairman, before going any further, I would like to have a few words on a recent borrowing because this is really connected with the same subject. As the House knows the government arranged a loan, two loans in New York and London recently. There appears to be some confusion as to what the proceeds of those loans were to be. Some people seem to feel that the Minister of Finance has \$75 million in his pocket that he could spend any way he wanted, after those loans were arranged. Fortunately, that is not the case.

The situation is this; the 1971-1972 estimates, that is the estimates for last year prepared by the Liberal Administration provided that the

MR. CROSBIE: Government of Newfoundland borrow for purposes of the budget an amount of \$153.9 million. That is what had to be borrowed under last year's budget. Of that amount, that is \$153.9 million altogether, an amount of \$116.5 million was to be financed by means of borrowing in the capital market, borrowing under debentures or bonds, under the various capital markets and the rest had to be borrowed from the Government of Canada by way of DREE loans or under the Canada Pension Plan where the Province can borrow under the Canada Pension Plan or from Development Loans. But \$116.5 million had to be borrowed, according to last year's budget, from the bond markets.

In the last financial year the Smallwood Administration placed a public Deutschmark bond issue in Germany in an amount of \$80 million deutschmarks, the Canadian equivalent to that is \$23 million. That borrowing was done on July 26, 1971. So that the Liberal Administration had one long term

MR. CROSBIE: Loan during the past financial year. July 26, 1971, \$23 million. This meant that there had to be an amount of \$93.5 million borrowed in the bond markets last year to cover the budget. That is \$116.5 million that had to be borrowed in the bond markets. The previous government arranged \$23 million so that left \$93.5 million. The rest of the \$153.9 million came by way of DREE loans and so on.

During the first week in August, the Government of Newfoundland issued a guarantee to Mr. John C. Doyle of the Javeline Companies, the government guaranteed to borrow additional funds for that project. This having been done the government was not able to go to the same bond markets to borrow money in its own name as it could not disclose that information at the time. In addition, I presume they did not want to disclose some advances that had been made. In any event, the fact that the government agreed to give Mr. Doyle a guarantee prevented the government from borrowing itself on the bond market.

Then of course, last October the election resulted in uncertainty and it did not appear to be a very good time to go to the bond market either. It was not until March 31 that another long-term loan was arranged for last year. This government then being in office, it was our responsibility to find the necessary funds. For last year's budget there was \$93.5 million that had to be found on the bond markets. On March 31, 1972 as the House knows, this government arranged a loan in the United States of \$50 million. This is the largest loan ever arranged at one time by the Government of Newfoundland. \$15 million of that was at eight percent. They were sold at par, eighteen year term and \$35 million of that amount bore an interest rate of eight and three-eighths percent at a term of twenty-five years. These are very good rates for the present condition of the bond markets.

Having borrowed that \$50 million on March 31, Mr. Chairman, the government still had to arrange another \$43.5 million for last year's spending, or money that had been spent last year. As the House knows, we did arrange a loan of \$25 million in London, the Euro-dollar loan. It is a five year term, the loan is for five years. The interest rate can

change every six months. The interest rate is three-quarters of one percent over the London Inter - Bank rate. That rate has now been set, so the total interest for the first six months on this loan will be six and seven-eighths percent which is a very good term. The loan is for a period of five years and we can repay the loan every six months. We have the choice of each six months if we wish to retire the loan - if we arrange a long-term loan in the meantime. The interest rate was very good.

Since then, Mr. Chairman, we have been successful, the people who provided, who arranged that loan for us and put up the money asked us whether we would be interested in a further \$25 million they found us so good to deal with. We have agreed, so the amount of that loan is now \$50 million. As April 17, I believe the loan was taken down so that amount is now \$50 million at the same rate of interest and the same terms.

AN HON. MEMBER: A pretty good credit rating.

MR. CROSBIE: We have a pretty good credit rating and we were successful. They have confidence in the new administration and how we are going to tackle these problems. So the money raised, Mr. Chairman, unfortunately is nearly all for last year's spending. The money is spent, \$93.5 million the money that was spent last year.

Now, how did the government last year finance their expenditures? What they did, apart from the one long-term loan which I explained, the \$23 million, the Liberal Administration not being in a position to go to the bond markets, borrowed on the short-term markets, that is thirty day, sixty day, ninety day treasury bills. During the year the treasury bill borrowings went as high as \$40 million and in addition the government had a lot of credit with the Bank of Montreal for another \$40 million.

Last year's spending was arranged through short-term loans until such time as the long-term borrowing could be arranged. The long-term borrowing we have arranged for, the proceeds are used to retire these short-term loans. The money the borrowing of which has been arranged by this government in the last few weeks is required almost in toto to repay short-term financing of last year and to repay expenditures made last year.

I hope that sets people's minds to rest. To think that this government has suddenly gone hog-wild and borrowed \$75 million or \$100 million. There is an editorial in one of the newspapers tut-tutting and worried to death that this government is going to be as bad as the last one in its borrowing. This is borrowing, Mr. Chairman, that we had no choice about, that we had to do. The short-term indebtedness had to be repaid and it has been done very well. I hope that explains the recent borrowing.

AN HON. MEMBER: The hon. gentleman was not foot loose at all.

MR. CROSBIE: I was not foot loose and I am certainly not fancy free now. We will come to the hon. member.

Mr. Chairman, I think I have said a few words on this generally so probably the hon. Leader of the Opposition or somebody else may want to speak

generally and then I presume the procedure would be we take each heading and give an explanation. The opposition can ask questions or make any comments they wish, that would be the way to proceed.

MR. ROBERTS: Mr. Chairman, first of all on the procedural question as I understand the procedure of former years. I think this is correct, except that each head of the ten or twelve in the bill out of the twenty in the estimates is a separate vote so we can debate each one. Of course being in Committee we can be much more informal and can stand a number of times, so forth and so on.

I do not think I need say very much from our side with respect to the supplementary supply. The Minister of Finance has I think put the position fairly accurately. The government last year (I think he put his finger on the reason) once we gave that guarantee to the Javelin people, in effect we debarred ourselves from the access to the markets. This was the advice we received from the deputy minister who was our chief financial advisor. I assume the hon. gentleman has received the same advice.

Whether the guarantee should or should not have been given is another matter altogether. The fact that it was, the government then in a quite normal way financed itself on short term notes and bank borrowings. I, for one, had not suspected the hon. gentleman had taken the seventy-five millions or the hundred millions or for that matter the fifteen millions that the power commission have also borrowed. Perhaps the minister could tell us the total cash borrowings of the government last year including power commission and municipals and any other guarantees. Because the government's borrowings come under two headings - the direct cash needs and the borrowings that are authorized under other pieces of legislation.

The other two points I make generally I have a number of questions that some of my colleagues may on specific heads in the supplementary grants - First of all if the hon. gentleman would tell us how much revenue has been received against these items. The forty six millions of course really represents the expenditure. There are some countervailing

revenues I am sure. I would think in Economic Development the special warrants in respect of Javelin have been repaid of course. I assume they have been, the money was locked in and had to be repaid. The minister announced it had been in fact. There should be countervailing revenue also under the Head 11, the Social Services & Rehabilitation, because much of that money is Canada Assistance Plan and is shared fifty-fifty.

The money for St. Lawrence, part of that is paid by the Alcan people under the arrangements negotiated by my colleague when he was minister of Social Services & Rehabilitation. So it would be misleading to leave the impression with the House, Sir, and with the people of the Province that the forty-six millions is a net expenditure. It is certainly money that has been spent but at least half of it has come back; its twenty-four millions in Javelin advances were repaid.

On the borrowing generally, we will wait and see. I think any of us who know anything of the financial position of the province - I know a little - maybe not more than a little but a little about it, Sir, I have lived with it for a number of years - realize that one of the real problems facing this province is not a partisan one although it is a political one - the amount of borrowing must be done if we are to continue to develop social capital. We will go into this in some length on the budget debate. I have no doubt the minister will have some trenchant comments on it. I have no doubt the Premier and other members of the administration will get into it. But I fear that Newfoundland, if we are going to get the capital facilities, the social facilities we want, Sir, is going to have to go on borrowing. I would not be at all surprised if the hon. gentleman's budget when he presents it to the House will have borrowings of the order of \$150 millions or greater this year. I am not sure that that is either good or bad but I do say that I expect that. I will be most pleasantly surprised if he can get below that. If he does however he will disappoint the devil of a lot of people. The paving on the Burin Peninsula, all the people around the province who are expecting, for example that fifteen miles around the Head of Bay D'Espoir

that is going to be completed this year, the hon. member for Hermitage is familiar with it. All these things would not be able to go ahead quite the same way.

But generally Sir, I think the minister has outlined the position. We have questions on specific items we will come to them as the items are called.

Head of Expenditure 2, Legislative \$60,000:

MR. ROBERTS: Mr. Chairman, the special warrant was early in March. I assume the amount necessary to pay the assessment indemnities for the one day session we will call it, the first, middle and last session of the Thirty Fifth General Assembly of the Province, the one before this. I wonder if the minister could tell us how many sessional indemnities were actually paid and the amount of them?

MR. CROSBIE: You are asking now about March. This is the session in March?

MR. ROBERTS: Right, the one-day session.

MR. CROSBIE: This amount here, this amount of \$60,000 is additional funds required for expenditures and secretarial staff for the opposition. That is the additional \$15,000 the opposition asked the government for a few weeks ago. The government in its great generosity, in feeling that the opposition should have all the funds that are reasonably required to make a nuisance of themselves, agreed to. That was \$15,000, and \$45,000 was for sessional indemnity and travel allowances for members in the House, for the balance of the year.

Now as far as the session of March 24 was concerned - I mean March 1, I had forgotten that is the date.

MR. ROBERTS: It lead to the 24th, but there are some things in between.

MR. CROSBIE: The only payments made for that session were forty-one members received two-thirds of their sessional indemnity and travelling allowance. Whatever the total of that is. The remaining one-third had not been paid,

MR. ROBERTS: Forty or forty-one, it is an interesting point.

MR. CROSBIE: It is forty. There are two members who were not here. The member for Fortune Bay and the member for Bay de Verde.

MR.ROBERTS: Because it has some importance Mr. Chairman.

MR.CROSBIE: You want assurance whether he was paid -

MR.ROBERTS: That is the point because there is a most interesting medical certificate floating about a copy which I have seen, which cast some doubt on the matter. He did not receive any sessional pay, hey? On an act of self-sacrifice Mr. Chairman.

MR.CROSBIE: Statues will be erected in due course. There is no point arguing about the past.

MR.ROBERTS: I just want to know if he was paid or not - no point arguing about what.

MR.CROSBIE: About the past.

MR.ROBERTS: Well it is nice to know just what did pass in the past.

MR.CROSBIE: Any other questions on that item, Mr. Chairman?

The next item, Mr. Chairman, the amount of \$225,000. This was additional funds needed to meet the expenses of the Provincial Election of October 28. The estimates last year only provided \$175,000 in this vote. That was totally spent on the election, but it only meant half of the electoral district and special booth expenses, FOR example, it had not been contemplated before that there would be special booths. The additional \$175,000 was needed to pay returning officers, deputy returning officers, poll clerks, door guards and for higher booth space. Therefore a special warrant was issued for that purpose. So that is why, that is part of the reason for that vote.

Secondly there are additional funds needed at the Lieutenant Governor's establishment because his staff

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salary requirements were underestimated and because the Treasury Board reorganized or approved reorganizing the staff at Government House. Below average salaries were increased for the domestic staff and several other employees were transferred there from other departments so \$36,500 was issued as a special warrant for the Lieutenant Governor's establishment. There are three special warrants there: \$14,000 for the Executive Council. There are all small items there travel, salaries, etc.

MR. ROBERTS: Mr. Chairman, I saw in the press the other day that the Governor's private secretary, Captain Shea had retired because of ill-health and as you know, Sir, and as we all know it, he has had a very serious medical condition. I believe he is well on the way to recovery and that is good. But earlier there was some question as to whether Captain Shea was pensionable. I wonder if the minister either could say anything on it or if not, perhaps he could make a note and look into it. Captain Shea did serve a succession of Lieutenant Governors of this Province almost since Confederation, I believe. It would be pretty cruel indeed in an age when government accept responsibility for pensions for public servants if he were to receive no pension. Perhaps the minister could look into it. It is not a small point but it is the one time I can bring it up.

MR. CROSBIE: I will look into that, Mr. Chairman. I have not heard anything about it so I will have to check.

MR. ROBERTS: I heard about it informally.

MR. CROSBIE: Right. The next item, Mr. Chairman, is \$415,000 for Finance. There are two warrants in the Department of Finance. There are additional funds needed in an amount of \$360,000 for various purposes. I think they are listed in the notes that were disturbed to the members of the House and the press. These are things such as: salaries, equipment rentals, \$2,000; postage, \$5,000; ex-gratia payments, \$200,000. I think that item was required because there was an increase in pensions given to teachers and civil servants who were under pension then. There was an increase in their pensions and that is why that was needed. The rest are

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just small amounts: Royal Commission, \$70,000. In the estimates last year there were not sufficient monies provided for royal commissions. The original estimates provided \$25,000 but in actual fact a lot more than that had to be spent. I think \$129,000 was spent so royal commissions are quite expensive. A breakdown is: Fraser Commission, \$10,000 (these are not the final bills just the money they received during the year), the Royal Commission on St. Lawrence, \$40,000; Forestry, \$400; Family Law, \$5,000; Cohen Commission on Labour, \$25,000; Adam's Commission on Bay Robert's, \$2,600; Dalton Commission on the Arterial Road, \$8,000. There is a commission now sitting in connection with the Blackhead Road, Mr. Kostaszek. That commission has been paid \$38,000 to date. Therefore, there had to be a special warrant on that. The amount of \$55,000 required for salaries is because there was an arbitrary reduction of \$25,000 from last year's estimates. The second special warrant was to pay the government's share under the Revised Unemployment Insurance Scheme for January, February and March this year. The House, I guess, knows that the previous administration had decided to go into the unemployment insurance scheme and our contribution on behalf of employees of the government covered under this scheme is \$55,000 that was not provided for.

MR. NEARY: Mr. Chairman, there are one or two questions that I would like to ask the hon. minister. First of all, as Acting Minister of Labour in the previous administration, I was the one who negotiated with the various groups regarding the new unemployment insurance regulations. At that time the last contact that I had with the representatives of N.A.P.E., (which was the former N.G.E.A.) we came to a sort of an understanding that after they polled their membership, if they did not want to opt in, then their contributions that were made from the 1st. January up to the time they took this decision would be refunded. Could the minister inform the House or give the House the progress report on these negotiations? Did they decide to contribute? Are they finished polling their employees? Are they going to stay in? Are they going out? What is the situation on that now?

MR. CROSBIE: Mr. Chairman, I have not heard anything about it whether the issue is all settled, I do not know what the answer is. I will have to check on it.

MR. NEARY: Well I can inform the hon. minister that the issue was not settled, Mr. Chairman. However, I can go on to the next question. The minister indicated that \$40,000 was paid to the Royal Commission investigating the fluorspar mine in St. Lawrence. I would like to ask the minister how many members were on this commission? Who were the members of the commission? Is this the final payment?

MR. CROSBIE: Mr. Chairman, the hon. minister knows who was on the commission as he was in the government when the commission was appointed. The chairman was the present member for Placentia East. I believe Dr. Murphy and Dr. Parsons were on the commission. I do not have the details of it. Mr. Fred Gover, Deputy Minister of Mines was on the commission. This is the final payment for the commission. I do not have the total amount here. I do not have that information. In any event, this was money paid out while the minister was in the government and he should know all about it.

MR. NEARY: I was not a member of the government, for the minister's information, Mr. Chairman, when this commission was set up. I had a specific reason for asking who the members of this commission were? I wanted to ask a supplementary question of the minister and that is: Has Mr. Gover, the Deputy Minister of Mines received any payment as a member of that Royal Commission?

MR. CROSBIE: I had a list here somewhere.

MR. NEARY: Well while the minister is checking perhaps I could ask the final question?

MR. CROSBIE: I thought I saw something here on it. I do not know Mr. Chairman. I can find this out whether he got an ex-gratia payment or not.

MR. NEARY: I believe the minister indicated that \$25,000 has been paid to the Cohen Royal Commission. Is this correct, Mr. Chairman?

MR. CROSBIE: That is right.

MR. NEARY: Could the minister tell us what the balance is?

MR. CROSBIE: No.

MR. NEARY: The minister does not know? Perhaps if the minister would ask the Minister of Labour he might be able to tell him?

MR. CROSBIE: Mr. Chairman, these are supplementary estimates and I am showing what was spent during the year. I do not have the figures here to show whether Mr. Cohen has put in all his bills or he has not put in all his bills. We will certainly give the information on the estimates. I suspect that this is not the final payment because his report has just come in and he is going to have printing bills and all that sort of thing.

On motion Heading IV, carried.

expenditure assists Education and Youth - \$4,660,500.

MR. CARTER: Mr. Chairman, the 668-02-07 - community sports facilities, the capitol needs were \$962,000. Item 612-02-01 - transportation of school children an extra \$540,000 was needed. Item 620-04 - College of Trades and Technology, an extra grant in aid, - \$625,000. Memorial University grants in aid - \$ 527,000, Memorial University tuition - \$153,0000, students salaries - \$375,000, salaries of teachers \$810,900 for a total of \$1,848,000 then some more capitol expenditures 668-02-07, community sports facilities - \$26,000, 668-02-07 - community sports facilities capitol - \$32,500. Total current - \$3,540,000, capital - \$1,120,500.

If there are any questions on any of these items I have more details here.

Item no. 7 - Justice - \$481,500.

MR. HICKMAN: Mr. Chairman, the items listed there speak for themselves. The only two items that probably require some explanation is the \$325,000 R.C.M.P. service rental contract. That amount was arbitrarily knocked off the contract in last year's estimates for some reason the contract had already been signed and the total amount of something in excess of \$200 thousand was known but this was reduced by 325 and the \$77,000 for fire apparatus included fire trucks that had been ordered in the previous year and did not arrive.

MR. ROBERTS: Are you going to build another fire station in St. John's this year?

MR. CROSBIE: I would imagine it would depend on the budgetary restrictions of the hon. Minister of Finance.

MR. ROBERTS: Hard man he is. He will be very popular after this year is over. Item no. 9 - Public Works - \$1,060,100

MR. CROSBIE: I have the notes here, Mr. Chairman. In this amount here Public Works I have, \$542,000 was required for expenditure on the Corner Brook Arts and Culture Centre all together. I mean Arts and Culture Centre Corner Brook -\$106,000. Community centres at Grand Falls, Gander and Grand Bank - \$435,000. Then \$106,200 resulted from claims from Lundrigan's Limited

MR. CROSBIE: for additional expenditures, drainage pipe and so on, unforeseeable site conditions, reclaim areas beneath the main lobby, sand blasting the waffle ceiling area, revision of the plumbing and so on. That was the Corner Brook amount. \$435,00 at the three other centres were landscaping, outstanding invoices to Lundrigan's, additional funds to pay off construction contracts with Lundrigans, so that is that item. The hon. gentleman opposite would know a lot more about this than we would but that is what that was spent on.

We pointed out last year I think that there was not enough money in the estimates to finish these centres and of course we have been proven right. There is another special warrant in that - September 17th. \$508,100 and that was for the maintenance of public buildings, that was required (1) because there was under estimating, (2) there was unforeseen work performed and (3) there was arbitrary reductions in the estimates. In other words the government had to cut the estimates last year to make it look better, as we pointed out in the spring, and they arbitrarily reduced estimates knowing the money would have to be spent during the year. That is a practice we are going to discontinue this year, we trust.

MR. ROBERTS: Mr. Chairman, the Americans have a motto "In God We Trust" I would rather trust him than the hon. gentleman on that point.

On the expo buildings, is that the last of the cursed things? Are we clear of them now? The member for Gander, the Minister of Municipal Affairs, is not here but I notice during the recent election that he suddenly became interested in the Gander building and there was some question of the swimming pool in it, leak or crack, is that taken care of?

MR. MURPHY: They are working on it now. There was a leak but they are working on it now.

MR. ROBERTS: There are lots of leaks but we will see that in this year's estimates.

MR. MURPHY: Inaudible.

MR. ROBERTS: You should have seen the look on the minister's face when he said that.

MR. MURPHY: You should have seen the look on our faces five years ago when all the buildings were only going to cost \$1,000,000.

MR. ROBERTS: I agree. I agree completely and I think the point is that it was completely unrealistic. Cabinet today passed some sort of order or contract, the hon. gentleman will remember he was in it, to buy the things for \$1,000,000 or \$1.5 million and what do they cost now \$4 million or \$5 million, that is why I ask is this the last of it?

MR. CROSBIE: It is the last of it as far as I am concerned.

MR. ROBERTS: Well I am with you on that point, but the minister might still look it up and one of these days I am sure that he will take delight in telling us, I would be delighted to know because really the cabinet said they would buy them for \$1 million or \$1.5 million and they would come out to be \$4 million or \$5 million, something outrageous. Then maybe we are used to some very good buildings. I want to know if that is the end of it.

MR. CROSBIE: Well, Mr. Chairman, the reason why I do not have information like this today is that I thought I would start out in a kindly spirit towards the members of the opposition. I did not want to embarrass them.

MR. ROBERTS: It does not embarrass me

MR. CROSBIE: When we get it in the estimates we will give it all to you then.

MR. ROBERTS: I was not in the cabinet that did it,

AN HON. MEMBER: The hon. member was.

MR. CROSBIE: You were in the cabinet that continued with it.

MR. ROBERTS: Had no choice other than to abandon them half-way through.

MR. CROSBIE: \$750,000 they are going to cost all together.

MR. ROBERTS: Ah now 33 to 9 boy, that is some sweet is it not?

On motion item no. 9, carried.

Item no. 11 - Social Services and Rehabilitation - \$3,138,000

MR. CROSBIE: In the absence of the minister I have some information on this. I know that the hon. emmber from Bell Island is very interested in this. I would say that most of it was spent on Bell Island during the election. This amount, Mr. Chairman,

MR. NEARY: The October election or the 24th.?

MR. CROSBIE: Oh no, the October one. The March one, well there was not a cent spent there. If we had been concerned about the hon. gentleman we would have spent five dollars over there and he would not be here now.

MR. NEARY: (Inaudible)

MR. CROSBIE: Mr. Chairman, the three special warrants here are, the first one is for the implementation of a programme of assistance to victims or to dependents of deceased St. Lawrence miners. It was estimated that this assistance would cost \$100,000 and a special warrant had to be issued for that.

The second special warrant were funds spent under the Northern Labrador Services Division \$103,000, for handicraft workshops in Nain, boat building at Postville, pre-cut lumber at Northwest River and so on.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: The Federal Government contributes seventy-five percent I think.

MR. NEARY: Eighty percent in some cases.

MR. CROSBIE: The third special warrant was \$3,159,900. This amount can be accounted for in its entirety by artificial reductions in the amounts requested in the '71-'72 estimates by the department. \$234,900 was provided by countervailing savings and the rest was two special warrants both for short-term assistance totalling \$2,935,000. In other words, the hon. minister knew that he did not have enough money in his estimates last year to cover short-term assistance so he had to get it through special warrants during the year.

MR. NEARY: Mr. Chairman, I think during the year we also increased the rates. We gave the people on short-term assistance more generous assistance because we felt that they were not getting enough to exist on. The first question I would like to ask the minister

MR. NEARY:

is about the St. Lawrence miners dependents' fund. Now I carried out most of the negotiations on this but there has been severe criticism from the member for Burin about the way it was handled although the formula of distributing this \$100,000 over a period of ten years was worked out in conjunction with a committee that was set up in the Town of St. Lawrence comprising of the St. Lawrence Protective Miners Union, the Town Council, a representative of the survivors and widows and a formula was agreed on. Then the government in its wisdom, at the time decided that the cheques would be issued from the Department of Social Services and Rehabilitation.

But there have been some criticism from the member for Burin about the way the matter was handled. He did not think that the amounts were generous enough. He did not think that the matter should be placed under the jurisdiction of the Department of Social Services and Rehabilitation; that it should be put in the hands of the Workman's Compensation Board. So I would like to ask the minister if there has been any change in the formula for distributing these funds to the widows and survivors of the St. Lawrence mine disaster and if the fund is still under the Department of Social Services and Rehabilitation or has it been transferred to the Workman's Compensation Board?

MR. HICKEY: Mr. Chairman, to my knowledge there has been no change. I can have it verified pretty shortly but I am unaware of any change. This matter has been discussed in my department on a number of occasions and I know of no change in the original arrangement.

MR. NEARY: Well, Mr. Chairman, may I ask the minister if the agreement with the company has been signed and if the company have reimbursed the government for any money that has been spent on this fund?

MR. HICKMAN: Maybe I can answer the question, at least the second part. There has been some payment by the company to this government. I can be sure of that at least I was advised by the company it was being paid. The two items that are under review now seem to be a source of discontent, justifiable discontent, one, the means test that was written in to the agreement and the disbursement of the fund. My view, Mr. Chairman, is that any widow of any deceased miner is entitled to compensation regardless of any other income she may have. This was not simply a welfare benefit. It was a recognition and a payment by the province and the company for services far beyond the call of duty on the part of the miners of St. Lawrence.

The other is the acceptance that St. Lawrence is a special case which the hon. member for Placentia East is coming here now, who is far more familiar with it than anyone in this House. This was the whole theme and to do that there are eleven to fifteen, I have forgotten the exact number of widows who were caught up in a technicality, for want of a better word, their husbands were killed in the mines from other industrial accidents. I believe that they have made a very good case if one recognize the general principle rather than concern oneself about precedence because the people of Newfoundland have indicated very clearly, I believe, I am sure, that St. Lawrence is a special case, deserving special thanks and special treatment.

These two items are the two items that have to be reviewed, and I say this subject to any

MR. HICKMAN: correction from the hon. the member for Placentia East when that has been accomplished I think then we would have been implementing the true spirit of the Royal Commission.

The other thing that I have not been satisfied on and I know the present administration is not satisfied on it is the lack of firm pressure from the Government of Newfoundland to try and convince the Government of Canada that they too should contribute to this fund and this would be of great significance to those beneficiaries of the fund. The Royal Commission recommended four contributors, the Government of Newfoundland, the Government of Canada, Alcan and the Seabright family who own the other mine in St. Lawrence. The Seabright family have moved out of Newfoundland and have not been living here for many years. They have no assets in this Province.

There was a letter written by the hon. member for Bell Island to the Seabright family to which there was not a reply. I believe there are people in St. Lawrence today and I feel reasonably certain that the hon. member for Placentia East is of the opinion that the Seabright are being let off the hook too lightly and that they should be pursued further. There is no doubt in my mind at all that the Government of Canada are being let off the hook unnecessarily. There has not been the kind of representation to the Government of Canada for a contribution that the report recommends or envisages. And if there is any charity in Ottawa at all and there are days when I am not sure that we can find any then I do believe that again something is required more than a letter to the Minister of Transport in Ottawa and his colleague the Minister of Labour or Mr. Monroe, I have forgotten which minister it is. But it just cannot be left there. As we meet from time to time with the officials and the ministers of the Crown in Ottawa they will be asked and hopefully convinced that they too have a responsibility in what was termed by the late Judge Winter as a national rather than a provincial disaster.

MR. NEARY: Mr. Chairman, I would like to remind the hon. member who just took his seat that there has to be an amendment to the Workmen's Compensation Act to get another ten or fifteen into this special fund. This was apart of the unfinished business that I left behind and I would now like to charge the minister with the responsibility of seeing that this amendment to the Workmen's Compensation Act is brought into this House at this session so that these ten or fifteen survivors, widows or what have you in St. Lawrence will be included in this special fund.

As far as the three or four widows, I think there are only three or four widows of miners who were killed in industrial accidents in St. Lawrence. I might say, Mr. Chairman, as Acting Minister of Labour, that I was negotiating for the government, I took the position that these three or four widows should have been included in the special fund. But it was the company that objected and the company pays fifty per-cent of the cost of the fund and they would not go along with my recommendation, so they were not included.

Now if the hon. the member for Burin can convince the company to have these widows included in the special fund I will say more power to him.

MR. HICKMAN: I will have to go along with that.

MR. NEARY: Well, Mr. Chairman, I think I would have to go along with that if the hon. minister would bring legislation into the House to legislate the company to pay these three or four widows, the widows of miners who were killed in industrial accidents in St. Lawrence, then I think I would have to go along with it.

I was very proud, Mr. Chairman, to be associated with the setting up of the St. Lawrence special fund. The hon. the member for Placentia East accompanied the former Premier and myself to St. Lawrence where we held a public meeting and worked out the details of this. I believe, Mr. Chairman, I am not absolutely certain now, perhaps the hon. member

MR. NEARY: for Placentia East could correct me, but I believe that this completes that we have implemented now all the recommendations of the Royal Commission Report. If we have not there may be only one or two minor recommendations that have not been implemented. But I believe, Mr. Chairman, that the \$40,000 that we spent on this report, of which the hon. the member was one of the larger beneficiaries, I think it was \$40,000 well spent and I think that all of it despite the criticism that we have had from the hon. the member for Burin, that all of the recommendations of the Royal Commission Report have been implemented.

Before I take my seat, Mr. Chairman, I would like to comment on what the hon. the Minister of Social Services said about knowing that he did not have enough money to cover the expenditure on short term social assistance for the year. This is not correct, Mr. Chairman, it is impossible as the hon. minister knows to estimate short-term assistance. You never know when your peak is going to be reached and you know, Mr. Chairman, in this Province we have a peculiar situation at the present time that we used to get high unemployment in the fall of the year and in the wintertime in Newfoundland and then it would drop in the spring and in the summer. But the situation in Newfoundland seems to have reversed itself and we get high unemployment now in the spring of the year and in the summertime, when the vocational schools are closed, when the adult upgrading centres are closed, when all these special works projects are over and done with and so forth. So unemployment now seems to peak in the summertime and this is a reversal of what it was a few years ago.

So it is absolutely impossible, Mr. Chairman, to estimate the amount of money that you need for short-term assistance and the hon. minister knows that but he, you know he had to get his little needle in at me, you see. I think the hon. minister is aware also that -

MR. HICKEY: Inaudible.

MR. NEARY: I accept the hon. minister's apology, Mr. Chairman

MR. S.A.NEARY: Mr. Chairman, I would certainly like to see the House get off in a good mood, but I think included in this also are increases in food and fuel allowances and some other allowances that I do not remember now. I recall that we did increase a number of allowances over the last year or so that were not included in last year's estimates.

Incidentally, Mr. Chairman, fifty percent of this is recoverable from the Government of Canada via the Canada Assistance Plan.

MR. MORGAN: A question mark under the saw mill machinery and equipment. Was this a purchase of equipment and where?

MR. CROSBIE: It is Northwest River I think. This is the Norther Labrador Services Division.

MR. HICKEY: I will get this information from my hon. friend.

MR. ROBERTS: Mr. Chairman, while we are on the Royal Commission on St. Lawrence, the official name was - I think it would be misleading if the House were left with the impression that all of the recommendations are being implemented. The Minister of Health may not be the one to say it and he may not have had an opportunity to become familiar with it. As I recall it, there were a vast number of the recommendations that referred to things within the purview of the Health Department that affect mainly the Department of National Health and Welfare at Ottawa. If the minister has not had a chance to chase up that department he might, because the last word I had when I left down there was that they were moving like a glacier, majestically and very slowly.

I think most of the money, recommendations and legislative things are in hand, but there are a vast number having to do with health records and radiation and so on that are too important to be let slide. I doubt if the minister has had a chance to get into it but you know, Ottawa needs a good sharp jab on them continuously.

HON. DR. A.T. ROWE (Minister of Health): Mr. Chairman, I am aware of the fact that there are a number of cases concerning respiratory diseases and the question is now being aired as to whether or not these diseases are in direct

association with work in the fluorspar mines, as the hon. Leader is aware. This is an on-going question at the moment. No final decision has yet been reached on that particular subject.

MR. F.J.AYLWARD: Mr. Chairman, if I may I would like to add a few words to the debate on this St. Lawrence issue. I would first like to congratulate really the part played by the present member for Burin in trying to implement it and as well the member for Bell Island who I know took an immense interest in this fund and to see that the widows received at least a part-payment, as promptly as possible, that was recommended.

There are an awful lot of details, Mr. Chairman. This could delay the House considerably to go into it, but I think that the member for Burin did make a very, very good point and I am sure the members of the opposition support that view. That is that that fund in St. Lawrence should be as large as possible and that every effort should be made by government to see to it that if there is any possible way of extracting a payment from Ottawa, that if they extract it as well then further efforts should be made to obtain some assistance from the Seibert family.

I am not familiar with the constitution of the fund itself, but I think the member for Bell Island has really worked that out and that is the same system that prevails today. One of the basic recommendations of that commission, Mr. Chairman, and one that is not yet effective is this; anyone who is familiar with the St. Lawrence situation realizes that there are a large number of deaths among people who have worked underground in the mines. When a doctor could certify that the person died of silicosis then they received compensation. So, also of course, when Dr. DeVilliers and others connected carcinoma with radiation in the mines, the Workmen's Compensation Act was amended to include carcinoma of the lung.

There are in St. Lawrence today some individuals and, of course, a large number of deceased miners who suffered pulmonary disability and the medical profession cannot say with any degree of accuracy just exactly what that is. The recommendation of the St. Lawrence Royal Commission on that particular point was this; "that where there was medical evidence or indeed

any evidence that could justify us that a person's employment or a person's pulmonary disability was compatible with his employment underground, even if it was not carcinoma or silicosis they should receive compensation." This is a major recommendation and it would take in an awful lot of people. The dependents of deceased miners are not receiving it.

One man who played a very, very large part in probably bringing this matter to the attention of the public, was Rene Slaney who is now deceased. Rene Slaney is one, and I know the hon. member from Bell Island is familiar with this, I suppose who made one of the greatest contributions to St. Lawrence and this man died without compensation and his widow today is still not receiving compensation. Recently, of course, we had Jim Healey who is well known to everyone familiar with the St. Lawrence situation. These individuals are not receiving compensation because under the present Act, the schedule for the Workmen's Compensation Act must be amended so that in the case of pulmonary disability resulting in deaths for anyone who worked underground for a certain period of time then they would receive compensation.

This is a large area that would benefit not alone individuals who are now working in St. Lawrence but the dependents of deceased miners. That is the major recommendation that I hope we will see covered at this time.

MR. NEARY: We intended to do it.

DR. A.T. ROWE: I would like to thank my hon. friend for giving the background of the St. Lawrence situation. In the short time I have been in the department I can say that at the present time we are down to what we would call the hard-core of cases such as were mentioned. We are in the process of sorting these out now. They are down to specifics as to whether the actual cause of death was due to working in the mines. These will be processed as soon as possible.

On motion heading 11 carried, on motion heading XIII Municipal Affairs and Housing \$2,474,200. carried. On motion heading XIV Fisheries \$535,000.

MR. CHAIRMAN: Shall heading XIV carry?

MR. E.W.WINSOR: Mr. Chairman, there is only one question I would like to ask the hon. minister. You will recall last year in June or July the severe storm which hit the northeast coast and the government approved an amount of \$300,000 I believe to take care of all the storm damage. We found that there were so many claims coming in that that amount did not cover the claims which were received by the Department of Fisheries and we requested another amount of \$250,000.

Would the hon. minister know now whether the claims have all been paid or are there any outstanding ones?

MR. CROSBIE: I do not know. The amount here is \$250,000, that is the special warrant.

HON. F.D.MOORES (Premier): Mr. Chairman, regarding that, all the claims that have been received are in hand and they all will be paid when they do have the approval of the department. They have been checked out and they will be paid up to an extra \$30,000. I think it is.

MR. WINSOR:

My question is will that amount cover the outstanding claims? I might add before I take my seat, if this amount is not sufficient to cover all the claims is it the intention of government to compensate the fishermen who still claim that they lost gear in that storm?

MR. MOORES: Some of this amount will be adequate to cover the claims that are outstanding on last year's storm damage.

MR. NEARY: Mr. Chairman, the hon. Premier and acting Minister of Fisheries - Not acting anymore? Minister, oh he is the Minister of Fisheries, I thought he was acting.

MR. MOORES: Well, that was your prerogative.

MR. NEARY: But anyway, Mr. Chairman, one of the first things that the new administration did was to give the axe to the policy that had been established down through the years by the former administration for taking care of storm damage. The minister stated publicly, I think, at the time that he intended to bring in some sort of an insurance scheme to cover fishermen who suffered storm damage and that he was going to approach Ottawa and do all sorts of things to get this new programme underway. I do not know if this is the time or the place to ask the hon. minister a question, Mr. Chairman, but could he give us a progress report on what has been done?

MR. MOORES: I suggest, Mr. Chairman, that the hon. member read the official report rather than his own interpretation of the newspaper report. The programme was not given the axe. I can understand why the gentleman feels that a lot of the previous programmes will be given the axe but this one has not been subjected to that. There will be a continuing programme of fishermen's insurance of one form or another for storm damage and such and that is the situation on that.

On motion, Heading XIV - Fisheries, carried;

Heading XV - Economic Development - \$24,904,200:

MR. CROSBIE: This amount covers eight warrants, Mr. Chairman, just to give a brief breakdown of this. Additional funds were needed to pay National Sea Products under Act No. 11 of 1971. This Act ratified an agreement with National Sea Products whereby the province was to make financial assistance available to the company to construct six trawlers to service the former Ross Steers Fish Plant which they have now taken over. The total cost of the trawlers is estimated at approximately \$12,500,000. On July 6 a special warrant for \$6,900,000 was issued and that covers National Sea Products \$1,900,000 and the Newfoundland Industrial Development Corporation \$5,000,000 to go to National Sea Products as a loan. The agreement made by the former government is that the NIDC is lending National Sea Products forty per-cent of the contract price of the trawlers and the province is making a grant to them of fifteen per-cent of the contract price of the trawlers and that is what this amount was required for. I believe that they get a grant or something from the federal government for thirty-five per-cent.

Then there were additional funds needed for the construction, upgrading and selection of landing strips which were not in the 1971-1972 estimates at all, Winterland \$300,000, Channel, Baie Verte and Springdale; St. Alban's was upgraded, Nain was upgraded, (No, Bonavista is not in this list here). So that was almost one million dollars and then there were additional funds needed to pay certain current invoices that must have been close to the hon. gentleman's heart; Martin Goldfarb Consultants \$37,000, that is the famous Goldfarb who said that, not Goldfinger, his finger got misplaced, that was the gentleman who does the public opinion polls and there are a number of others; H.G. Acres Limited, B.D. Dick Consulting

MR. CROSBIE:

Limited and so on, consultants that sufficient money was not provided for. That meant a special warrant of \$1,433,000 for those purposes all together.

Then there was \$15. million in advances made to the Javelin Companies through NIDC for which there is no provision in the estimates. We have already explained that to the public, of course. So there was a warrant in October, yes \$50. million all together was advanced to Javelin and some of that through the NIDC. \$15. million was advanced to NIDC who advanced it to Javelin Paper and Javelin Forest and the rest came from government funds. Rural electricity programme needed additional amounts of \$315,000 and that was another special warrant. The Power Commission itself needed additional amounts for salary increases, purchase of vehicles and revenue losses due mainly to the paper industries purchasing less power than had been anticipated. That was \$640,000. So that totalled a special warrant of \$994,000. In other words since the pulp and paper companies were restricting their production and Bowaters, of course, closed down paper machine number seven, they bought less electricity from the Power Commission, they purchased less power and we had to make up the difference.

Then there were payments under the Industrial Incentives Act and under the Industrial Incentives Act we had to make up these differences. Then there was the employment works programme in the provincial parks, those were all special projects. So that is carried, is it?

MR. PECKFORD: Mr. Chairman, I have a question on this one regarding the landing strips. In my district of Green Bay there was one started at Springdale and I was just wondering how much money was spent on it and how many of these landing strips that were started last fall

MR. PECKFORD:

were completed?

MR. CROSBIE: The answer, Mr. Chairman, is that the special warrant here provided \$130,000 for Springdale. I do not believe any of the landing strips are completed yet. Is that right?

MR. EARLE: Mr. Chairman, I think the Minister of Finance made one very significant statement which might be overlooked and I think should be brought to the attention of the House and that was the fact in this \$15. million special borrowing for the Javelin Corporation. The result of that was that the province could not borrow, could not go to the markets. In other words permission was given to the Javelin Corporation to borrow this \$15. million which debarred the province from making its own usual borrowings for public expenditures.

Now this is a complete reversal of what took place for the previous twenty-three years because the government had previously given very strict instructions that the province's own borrowings should take precedence over all others. But in this case Javelin was given complete precedence which debarred the province from borrowing for several months which resulted in our present Minister of Finance being put in a very embarrassing position at the last moment of having to make borrowings which should have been completed many months before.

Mr. Crosbie.

After the present administration took office, Mr. Chairman, we were successful in having Mr. Doyle and Javelin companies repay the \$24 million so that as the Leader of the Opposition pointed out, the amount of \$15 million authorized here by special warrant has since been repaid due to our efforts.

MR. ROBERTS: The footnote to that, Mr. Chairman - I think we should say that the government are obviously to be congratulated for getting back the money but I think it should be pointed out that the money could not have been spent without the government's consent. It had to be repaid. I suppose it does not matter now but at one stage my colleague and I, acting for the government, refused to accept payment of it because the Javelin people offered to repay that \$24 million loan or whatever the interest was at that particular day if in return we would forgive all of the various rights which had accrued to the government under the agreement covering these loan advances. As the hon. Minister of Finance will agree, there were very substantial rights accruing to the government.

AN HON. MEMBER: (Inaudible)

MR. ROBERTS: No, I differ with the hon. gentleman there. There were substantial rights. In any event, we chose not to accept the money but instead leave it in a joint account here in St. John's. Whether the rights were used or not, the government have chosen to proceed on a different route and we will debate that. The point is that these loans were repaid. The interest, I assume, has been repaid and that reduces the total request on supplementary to what? Is it about \$21 million or \$22 million?

MR. CROSBIE: Cash!

MR. ROBERTS: Cash, yes, it is all cash in the long run.

MR. CROSBIE: This money still has to be authorized to be spent because your government spent it.

MR. ROBERTS: Oh, you mean these here. Oh, sure, yes. It is a matter of authorizing expenditures which were made and which have since been repaid.

MR. ROBERTS: It is true that they have to be authorized. It is equally true that the hon. gentleman said that the money has been repaid. They are not net expenditures against the Province at this stage. They have gone—the direct debt I would assume, the indirect debt.

MR. CROSBIE: XVII - Highways, \$8,276,000. As we know, our colleague, the hon. member for Humber East is still not with us. This amount was to provide special projects again under Order-in-Council, C 72 of 71 - expansion do exist in highway programmes. Improve and the reconstruction of roads, \$3.4 million; new construction, \$1.990 million; replacement of old bridges, \$500,000 and various smaller amounts which were special projects done during last year as we approached the election. The second special warrant was on October 5, 1971, for an amount of \$1,893,000 and that again was for improving and reconstruction, \$1.7 million; replacement of old bridges, \$105,000 and several smaller items. All the money was spent on roads.

MR. ROBERTS: The hon. gentleman mentioned special projects -

AN.HON. MEMBER: (Inaudible)

MR. ROBERTS: I should hope so. The hon. member for Fortune is forever talking about that.

MR. CROSBIE: Some is spent on ferries.

MR. ROBERTS: Oh, do they have a navy too?

Some of it I am glad to say was spent in White Bay North. The hon. gentleman mentioned special projects and that can cover a multitude of sins or a multitude of good deeds. I wonder, Mr. Chairman, is this the time to talk about this special project, Ottawa fund, where they agreed to lend us \$7 million? This is not the winter work's business - this was last spring's stab by the Government of Canada? Has that money in fact been borrowed? This may not be the head to bring it up under but - I am sorry.

MR. CROSBIE: I assume that is what covered this programme.

MR. ROBERTS: I think so. The point is that I saw at one stage the hon. gentleman's references to it and I wanted to make sure that we were talking about the same thing. This is a plan by the Government of Canada to lend money to all of the provinces and the amount lent was related to the unemployment rate or some such thing.

AN HON. MEMBER: The Employment Loans Programme.

MR. ROBERTS: I am sorry?

AN HON. MEMBER: The Employment Loans Programme.

MR. ROBERTS: The Employment Loans Programme. The money was spent, much of it on Highways, some of it was spent in Municipal Affairs, I think. The minister will probably run across some of that. I just wanted to make sure that it had all been spent. I hate to see any money from Ottawa go unspent. We need so much.

MR. CROSBIE: Mr. Chairman what this was - well there were special projects on this with the Cabinet looked after by Mr. Brownrigg.

MR. ROBERTS: It was so-called C 70, was it not?

MR. CROSBIE: Yes, C 72. These were special projects on file with the secretary of the cabinet, looked after by Mr. Brownrigg, Executive Assistant to the Premier, to do any special work that the cabinet thought should be done during the year.

MR. ROBERTS: A wise and judicious provision.

MR. CROSBIE: Right. The Premier could authorize changes, deletions and so on in it. So what was spent under that special project was \$8.6 million under various departments, some is Municipal Affairs, \$2.9 million; some is Highways, \$1.7 and so on. There is a detailed list here, all broken down into districts and which district it was spent in. That is what the minister refers to. The money for it is from this Special Development Loans Programme of the Government of Canada. They agree to provide loans to the Province for capital projects. That is where the money came from. There were \$6.3 million in loans approved for water and sewerage and the government spent \$8.6 million on various other things.

MR. ROBERTS: It was very good of us, as I thought.

MR. CROSBIE: Yes.

On motion Heading XVII, carried.

HEADING XVIII - Supply and Services, \$257,700.

MR. ROBERTS: Maybe when the minister speaks, operation \$10,000, if this were the MCP fee schedule, I would still be asking questions. I have to look at the full estimates, operation of what?

HON. W. G. DAWE (Minister of Supply and Services): In the Department of Supply and Services, that department received its share of cutting last year too.

MR. ROBERTS: So it should have.

MR. DAWE: The operation I cannot detail exactly what it was. It had something to do with the services division of it, repairs to automobiles, I presume. I can look it up and check it out. Unfortunately I do not have that information. Is it necessary to go through the whole thing?

MR. ROBERTS: We can all read.

MR. DAWE: The only other thing which we might count on is the salaries, minister's office, \$5,500. This resulted as a result of the resignations of two previous ministers and the cabinet directive ^{were} whereby the salaries, ^{paid} for the full remaining months that that minister was in office, plus the fact that there was a seven per cent salary increase.

MR. ROBERTS: Not for ministers.

MR. DAWE: Not for ministers, for two girls and the addition of one girl. One other point here, aircraft operations special warrant for \$75,000, these are for unforeseen expenses which could not have been estimated in any event,

increase in gas, oil, parts, engine failure and so on. There might have been a few special trips involved.

Item 19 - Labrador Affairs - \$19,000.

MR. MURPHY: I am aware, but I cannot document it in my office because I took over Mother Hubbard's cupboard. This was a system of subsidization of the coastal service in Labrador. Perhaps the former ministers might know something about it but I understand these airways make two flights a week north and two flights a week south and I think they can operate up to a total subsidy of \$90,000, as far as I am aware.

MR. WOODWARD: Yes, the hon. member for St. John's Centre was correct. This service as Minister of Social Services and Labrador Affairs no. This service was inaugurated in December of this year when the estimates were made up and the budgets, but the \$35,000 that has been spent on this particular service I feel is well spent. It is directly a substitute for roads that have not been built in Labrador over the years and we put in a total expenditure of something up to \$90,000 which I feel will be sufficient to run a service out of Goose Bay, twice weekly, south through the Quebec border or Blanc Sablon or Forteau and north to the most northerly point of the district in Nain, and worked very well. Since we started the service on December 15 up until the end of March, I understand that we have carried somewhere in the vicinity of 900 passengers, you stand to correct me if I am wrong in this respect, so I feel that it is a service that is well needed. It is a substitute for whatever everyone else is getting in Canada but it is the only means of transportation that our people have.

MR. MURPHY: I may add, Mr. Chairman, that we have added since that time the subsidy right through from Nain shall we say, right through to St. John's rather than to terminate it at Goose Bay because we want to give these coastal people the same privileges as the people in Goose Bay, Churchill Falls and Labrador City.

1. From and out of the Consolidated Revenue Fund there may from time to time be issued by the Minister of Finance sums not exceeding forty-six million, five hundred and twelve thousand, seven hundred dollars (\$46,512,700) and the said sums so issued shall be paid and applied by the several departments in respect of the financial year extending from the first day of April one thousand nine hundred and seventy-one to thirty-first day of March one thousand nine hundred and seventy-two towards defraying the charges and expenses of the Public Service of Newfoundland as set forth in the Schedule.

On motion that the Committee rise and report having passed the resolution and recommend that a bill be brought in to give effect to the same, carried.

Mr. Speaker returned to the Chair.

MR. BARRY: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have passed certain resolutions for grant supplementary supply to Her Majesty and recommend that a bill be introduced to give effect to the same.

On motion report received and adopted.

On motion resolution read a first and second time.

A Bill, An Act For Granting To Her Majesty Certain Sums Of Money For Defraying Certain Expenses Of The Public Service For The Financial Year Ending The Thirty-First Day Of March One Thousand Nine Hundred And Seventy-Two And For Other Purposes Relating To The Public Service.

On motion bill read a first time, ordered read a second time now, by leave.

On motion bill read a second time, ordered read a third time now, by leave.

On motion bill read a third time, ordered passed and title be as on the Order Paper.

HON. J.C. CROSBIE: (MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT):

Mr. Speaker, I have here a message from His Honour The Administrator.

HON. J. M. RUSSELL (SPEAKER):

" The hon. the Minister of Finance:

" I the Administrator for the Province of Newfoundland transmit estimates and sums required for the public service of the Province for the year ending the 31st. of March, 1973 by way of Interim Supply. And in accordance with the provisions of the British North America Act of 1867, as amended, I recommend these estimates to the House of Assembly.

Administrator."

MR. CROSBIE: I move that Mr. Speaker do leave the Chair so that we can proceed in the Committee of Supply.

Motion carried:

COMMITTEE OF SUPPLY

MR. CROSBIE: Mr. Chairman, I move the following Resolution:

That be it resolved by the House of Assembly (actually this is in committee) I move that it is expedient to introduce a measure to provide for the granting of Her Majesty for defraying certain expenses of the public service for the Financial Year ending the 31st. of March 1973 the initial sum of \$119,654,500. Seconded by the hon. Leader of the House.

Mr. Chairman, the members of the House have here before them the Resolution and the proposed bill, it contains a breakdown of the amount requested for each department as interim supply. As the committee knows

MR. CROSBIE: the interim supply is required for this financial year since no estimates of expenditure have been approved by the House nor has there been a budget brought down yet. The last financial year ended, of course, March 31, 1972. The interim supply has to be requested by the government to the House that we can spend in the next three months until the House sees fit whether or not to pass the estimates we will be presenting for the year and whether or not the House approves the budget.

Now with respect to the budget, Mr. Chairman, it has not been possible obviously for the government to prepare a budget in the short time it has had since January 18 or since March 24. I would just like to report to the House that we hope to finish the current account estimates very shortly and then we have to review the capital account estimates. It seems likely that the House will probably adjourn for several weeks in May. If we finish the present business in the first week of May, it would be likely that we would then adjourn for two or three weeks and hopefully reassemble again on the day that the budget can be given, which I am hoping will be the last week of May. At that time then, of course, we will present the budget and the estimates for the coming year to the members of the House. In the meantime, we need authority to spend the money and this is why we are asking for interim supply. Now this is an amount that is sufficient for three months, until the end of June 1972. Therefore, we would hope naturally to have all the estimates passed and so on before the end of June.

I would like to table it now and give the Leader of the Opposition a copy.

MR. ROBERTS: Thank you, Sir.

MR. CROSBIE: I would like to table in the House now a letter to me from the Deputy Minister of Finance, Comptroller and Deputy Minister of Finance, it is addressed to me as President of the Treasury Board dated April 12, 1972. Wherein the Comptroller and Deputy Minister of Finance states, "the Revenue and Audit Act, sections thirty-eight, forty-

MR. CROSBIE: two and forty-five demands that the comptroller is to ensure that there will be no issue of public monies and that such issue is authorized by the Legislature by special warrants.

"Yesterday a special warrant was issued authorizing the expenditure of \$17,420,000 by the various government departments pending the passage of the interim supply bill by the Legislature. I understand from the Deputy Minister of Justice that the issuance of a special warrant may not be issued at this time under the provisions of the Revenue and Audit Act. Under the circumstances I have declined, pursuant to section forty-five (1) of the Revenue and Audit Act, to issue public monies out of the Consolidated Revenue fund pursuant to this special warrant on the ground that there is no legislative authority. If the board orders payment to be made pursuant to the special warrant, then I am required, under section forty-five (2) of the Revenue and Audit Act to deliver to my minister copies of all relevant documents relating to issues made over my protest and he is required to present such documents to the House of Assembly not later than the 15th. day of the session next resumed."

That was a letter addressed to me by the Comptroller and Deputy Minister of Finance on April 12, Mr. Chairman. His objection was considered at a meeting of the Treasury Board on, I think the same day and, on April 13, the Treasury Board overruled the protest of the Comptroller and the Deputy Minister of Finance. That is also attached to this letter. So what I am filing now is a letter from the Comptroller pointing out that in his opinion a special warrant could not authorize funds to be spent and in accordance with section forty-five of the Revenue and Audit Act that it should be tabled here, there is a letter from the Comptroller to the Assistant Deputy Minister of Finance, expenditure of April 13, pointing out his objection and then there is a letter back to him by the Treasury Board instructing him to pay out in accordance with the special warrant that I have already tabled in the

MR. GROSBIE: House here earlier today.

Finally, there is a letter addressed to me April 20, from the Comptroller, listing what payments have been made under this special warrant. These are all listed here, you will see that there is a total of \$8,079,477.49.

I have given the hon. Leader of the Opposition one for the opposition. There are two more for the House and two for the press. That is all the copies I could get in a rush. In a nutshell Mr. Chairman, the position is this, that the Government had hopes that the House of Assembly would open on April 10, 1972. Because of the Election Act and the delay in receiving declarations of election of the members of the House we were unable to open until April 19. That meant that the question came up of payment of the payroll in salaries for the middle of April. Now the amounts that we have spent under our special warrants are all on salaries. Teachers salaries, parents subsidy, grants-in-aid to Memorial, grants to the operating cost of hospitals not operated by the governments, detailed in a letter of April 20, from Mr. Peper.

There is precedent in this province for the expenditure of funds after March 31 of any year without the same having been approved in interim supply at that point. In 1960, the Liberal administration did not open the House of Assembly until April 20, 1960. They spent monies on their special warrant between the end of March and April 20. Whether that was properly done or not constitutionally, legally, I have not seen any opinions on it given at that time. But presumably the Crown at that time advised it could be done. However, it is the opinion of the Comptroller and Deputy Minister of Finance that we could not properly spend money on this special warrant, and the treasury board overruled it.

(inaudible)

MR. CROSBIE: He naturally consulted the Deputy Minister of Justice, whose advice he is acting under. Section 45 of the Revenue and Audit Act states that if the comptroller declines to cause an issue of public monies, out of the Consolidated Revenue Fund on the ground that the moneys is not justly due or that it is in excess of the authority granted by the Lieutenant Governor in Council or that there is no legislative authority and so on, then upon a report of the case being submitted to the board (that is the Treasury Board)

the board shall be the judge of the sufficiency of the objection and may sustain them or order payment to be made. Now the Treasury Board heard his objections. We were the judge of the sufficiency of them. We judged they were not sufficient. We therefore overruled the Comptroller and went on and spent the \$8 million on salaries and the Mothers' Allowance as is detailed there. Now under subsection (2) the Comptroller, it is his duty to present a statement of this to the House which I have now done in his behalf. It is supposed to be done within fifteen days. We could leave it but it is better to deal with the matter now.

The point in any event, Mr. Chairman, is that we are in a position where if we listened to a different view of law or to the comptroller we would not have been able to pay the salary cheques and we would have had to wait another week or two for the House's approval. So we went ahead and did that. As I say we have precedent to do it but it is not something we would do. It is only in an emergency like this we would do it, because this House should authorize all spending that the government make. But in the exigencies of this emergency situation this was done, so we trust that the House will forgive us. We know that the members of the House will not have wanted government employees or those receiving the mothers' allowances not to have received the same in the last few days. We trust that the House will approve.

Now if the House approves this Interim Supply Bill, that will set to rest any doubt as to whether the special warrant is correct or not.

MR. NEARY: Mothers' Allowance cheques gone out?

MR. CARTER: I can answer that. Something like 60,000 Mothers' Allowance cheques have to go out in the mail. The Post Office will only accept a third of them at a time because of the great quantity, one-third has already been accepted.

MR. CROSBIE: So I think the sum and substance of that, Mr. Chairman, the House could not open until April 10, we were unable to open until yesterday. Now the Interim Supply Bill -

MR. BARRY (Deputy chairman): The House is sitting in Committee of the Whole now and the information is to be transmitted to the House perhaps this should be done while the Speaker is in the Chair. Perhaps the proper procedure would be to - for you to undertake at this time to file this when the Speaker is in the Chair.

MR. CROSBIE: I will resubmit that one when the Speaker comes back. The members all have the breakdown and I presume we will follow the same procedure as supplementary supply, if there are any hon. members who want to debate the principle of this. Otherwise we can go on then to the various headings and explain how the amounts are arrived at and what they are to cover.

The largest item is Education and Youth, \$33 million necessary for the next three months, Health \$21 million, Social Services and Rehabilitation \$12 million, Highways \$11 million, Community and Social Development \$18, 885,000. We will see if the hon. Leader has any comments.

MR. ROBERTS: Mr. Chairman, let me begin by saying just as distinctly as I can that my colleagues and I are quite prepared to approve this request without detailed debate, for a number of reasons, by far the most important of which is that if we have a detailed debate now we will go over it again in a matter of four or six weeks whenever the full budget and estimates are brought in. This is a request for interim supply. I think that in the circumstances, either the circumstances outlined by the minister or the circumstances of which we are all aware, it is not surprising there is a request for interim supply at this time.

Unless there are some special points that either one of the minister's colleagues wish to bring out or that one of my colleagues may wish to raise, we can probably forego the pleasure of debating until we get into the detailed estimates at which time we intend to go through them in considerable detail. I should only say one or two other things; The total of \$120 million is about \$20 millions more than last year I think. If I can find the number one Supply Bill from last year, it is a little over twenty percent more than last year. That is a very large increase. I am not saying it is unnecessary, I am not saying it is improper, we will have to wait until we see the detailed estimates before we know what the money is for.

In essence this is a request by the government for what amounts to a blank cheque. It is not an unreasonable request because they have to

have the money to keep operating. The minister has outlined eloquently what some of us already knew, that the expenditures made when they paid the civil service and the other people who were paid on Friday past were illegal. I think the fact was a precedent does not take away from the fact that they were illegal. The Minister of Justice I am sure would concur. They have been illegal also in 1960. It was inevitable in the circumstances, the government believed they could open the House on the 10th. day of April when their attention was drawn to one or two sections of the Election Act, the sections of which, Sir, you are probably familiar with in your capacity as a member as opposed to your capacity as a gentleman who is occupying the Chair for this debate. It was impossible to open the House before yesterday.

All we are doing now is ratifying an unlawful act one which had to be taken, so I do not think anything more need be said about it. I suppose I should say that that is probably the first objection that has ever been filed by the comptroller. There must have been one in 1960, I would think, I have not looked it up but certainly in the eight or nine years I have been involved with government in this province it is the first objection that has been filed. There have been a number of occasions to my knowledge when the comptroller has said that if an act is done he will have to file an objection and then the procedure is followed. That is usually enough to deter a government, of course, that is why the procedure is in the Act. In this case as the minister has said it will be quite unreasonable not to proceed to overrule the objection. I imagine that trial, the hearing of the comptroller's objection was not very long and I do not imagine his case was pressed with a great deal of ardour and eloquence. It is obvious the civil service salaries had to be paid.

I guess that is all that really need be said. It does look forward to a \$500 million budget on expenditure at least. The twenty percent increase in expenditure, I am intrigued and I will be most interested to learn where the minister is going to find the extra twenty percent on the revenue side. As I said earlier, I suspect we are going to see very

heavy borrowings again this year.

AN HON. MEMBER: No reduction in the price of beer again this year.

MR. ROBERTS: No there will not be a reduction in the price of beer this year I am afraid, but that was not the Minister of Finance who raised that, that was the hon. gentleman the Minister of Provincial Affairs.

HON. A.J.MURPHY: (Inaudible)

MR. ROBERTS: That sounds dandy, I think that would be a very popular move. How wise it would be I do not know, but it would be very popular.

AN HON. MEMBER: (Inaudible)

MR. ROBERTS: Well, I think the hon. gentleman and I would probably concur on that, but we might not find any support from anybody else except maybe the Premier. Maybe he could raise it in cabinet, all I can do now is raise the question. He can raise it in a form where something can be done about it. Anyway, Mr. Chairman, there will be a full opportunity to debate both the overall implications of the province's position and where we are heading and what we can do and what we cannot do. Equally there will be, I have no doubt, ample and full opportunity, and we intend to take it, to deal with the detailed expenditures. Up until now there is no point in going through it unless really the members of

MR. ROBERTS:

the government want a full debate on each one in which case interim supply will be approved about four or five weeks from now and that means there will have to be more special warrants issued unlawfully and that means there will have to be more objections filed by the controller and that means there will have to be more objections overruled by the treasury board and that is really quite nonsensical in the circumstances. So we are prepared to vote for it, Sir. I am sure the press will pick it up and it will be the biggest sum of millions per minute ever issued. So be it, I do not think the interest of the province will suffer because in a matter of six weeks we will have a budget, six weeks or so we will have a budget and we will have the opportunity then to debate it at great length. So we look forward to that and we will just save our ammunition and the hon. gentleman can save up his and we will have at it in fine old style.

MR. CROSBIE: Keep our options open.

MR. ROBERTS: Keep our options open, yes that is one way to put it, Mr. Chairman, certainly one way to put it. The only other thing I will say is, last year when the government ask for three months supply it was tantamount to selling the family jewels, this year it is entirely reasonable but I guess that, as that old hymn that a forebearer of mine used to quote so often says, "that while the light holds out to burn the vilest sinner may return." So we will just wait and see.

MR. CROSBIE: Mr. Chairman, I must say that is a very reasonable remark by the hon. the Leader of the Opposition. It is a wonderful feeling to stand here and say how reasonable they are on the other side. That is what they used to say over here last year.

Now just one comment on what the hon. leader said. We are certainly not expecting a twenty per-cent increase in expenditures this year and

MR. CROSBIE:

if this interim supply bill is up twenty per-cent, I think it is because certain large items have to be paid in the next three months. In other words we are not expecting that the full estimates will be four times the amount and as we flick through I might see some items there that I can point out that are not going to be repeated in the following months. Apart from that, I mean in other words we are not -

MR. ROBERTS: We are not too curious as to what items there are. There are items obviously in the government's cash flow that are one shot and the mother's allowance goes out seven-tenths, I think, is it not, in September and three-tenths in April? But I am genuinely intrigued on that as to what large cash items have to be paid out in the next three months and cannot be deferred. A lot of the capital contracts, of course, you know can be put off.

MR. CROSBIE: I hope we will come across it now as I go through these notes.

MR. ROBERTS: Okay! Well Your Honour, the minister will go through it very quickly I have no doubt and we will put the bill through committee and then go on into the committee of the Whole and take it on through from there.

MR. WINSOR: Mr. Chairman, before we move on there is one comment I would like to make and that is this, I wonder what the hon. minister's attitude would have been last year if we had brought in a similar bill? We all recall what took place when we brought in a similar bill last year which was \$20 million less than this one and there was filibuster and it was only passed when all of the opposition walked out of the House and we passed it at two o'clock in the morning. I wonder what the hon. minister's attitude would have been then? Exactly the same? I doubt it.

On motion, Head 1 - Consolidated Fund Services - \$105,000; Head 11 -

Legislative - \$310,000; Head III - Executive Council - \$192,000; Head IV - Finance - \$900,000; Head V - Provincial Affairs - \$285,000: carried.

Head VI - Education and Youth - \$33,230,000:

MR. CARTER: Mr. Chairman, this item is such a large one that I feel some preliminary explanation ought to be given. It is roughly one-quarter of the preliminary estimate of the previous administration and therefore we have picked upon, this is a total I can give as a breakdown if anyone requests it. So if they want a breakdown I can give it.

MR. ROBERTS: Mr. Chairman, just before Head VI carried, there is one thing which has been in the newspapers and I know it is fairly topical, Has there been anything settled yet with regard to the university's programme for next year? If it is impolitic to answer it, I will understand Mr. Chairman. There are obviously some monies in here for Memorial or there should be.

MR. CARTER: Would you repeat that question?

MR. ROBERTS: Has anything been settled yet with respect to the annual contest between representatives of Treasury Board on one hand and a representative of the university on the other over money. I asked that not just because it has been in the newspapers the last week but because every year, about this time, you begin hearing from the university that unless they get it settled quickly, you know, the whole thing will collapse. Well I do not think that that is quite true but has anything been settled yet?

MR. CARTER: I can say, Mr. Chairman, that negotiations are going on, they are complex but we have had a tremendous amount of co-operation and we expect that everything will conclude satisfactorily.

MR. ROBERTS: And expensively.

MR. CROSBIE: An expenditure here on vocational schools, erection and equipment of schools, they are all supposed to be finished by the fall, except for two schools.

On motion Head VI to Head IX, carried.

MR. ROBERTS: Mr. Chairman, Head X, again I understand that the minister can say nothing but is there anything new on the negotiations with the Medical Association on that fee schedule question. The pro-rata have now been in effect a little over a year.

HON. DR. A. T. ROWE (Minister of Health): I am sure that the hon. Leader of the Opposition is aware that there has been a committee studying the effect of pro-rata and there is now a further study on the question if whether or not there will be some substitution for pro-rata. This is a study which is being carried out by the Chicago people on our behalf. No decisions have been made but their report is due about the

Dr. Rowe (A.T.)

middle of May and the whole subject of doctors' incomes.

MR. ROBERTS: In other words, Mr. Chairman, nothing has been settled with regard to the question of a new fee schedule which was part and parcel of the pro-rata deal.

DR. ROWE (A.T.): I think, as you remember, it was given for one year at the end of which time it was hoped that a revised fee schedule would have been decided upon. This has not yet been completed because of the study being done by P.A.D.

MR. ROBERTS: One other question on that Mr. Chairman, who is chairman of the commission now?

DR. ROWE (A.T.): Mr. Miller Ayre.

MR. ROBERTS: As of when?

DR. ROWE (A.T.): Late ..

MR. ROBERTS: Contemporaneous to a Mr. Gardener's appointment to the staff of the Minister of Finance?

DR. ROWE (A.T.): Pardon?

MR. ROBERTS: What I am really asking and I know the answer but I am trying to get the hon. gentleman to say it. Did Mr. Gardener resign as chairman when he was appointed to the staff of the Minister of Finance or Economic Development - I am not sure what department it is?

MR. ROBERTS: Economic Development, I am not sure what department.

Yes, he resigned from the Medicare Commission and his appointment was then given to Mr. Miller Ayre after approval by cabinet.

MR. CROSBIE: The only item that is extra in "10" is that, for example, in April we have \$6.5 million for operating costs in non-government hospitals because that includes two months and in May there is \$3,200,000 and in June there is \$3,200,000 somehow an extra month gets caught up and has to be paid for in April.

The amount of \$3,200,000 is shown for May and June while the amount for April is \$6.5 million. This difference exists because hospitals are provided advances towards the end of each month to cover their operating costs for the following month. No payments of any kind are made in March with respect to 1972-73, consequently it is necessary to make advances to hospitals in April for two months.

Head 11 - Social Services and Rehabilitation - \$12,553,000.

MR. NEARY: I would like to ask if the increases for recipients of social assistance will be included in April's cheque.

MR. CROSBIE: The hon. minister is not here we will have to see if we can find him outside. We will answer when we find out.

On motion Head 11 - Social Services and Rehabilitation, carried.

Head 12 - Newfoundland Liquor Commission - \$447,000.

MR. CROSBIE: This is the salaries - \$139,000 each month, and other subheads \$10,000 each month, and this is travelling - \$1,150 each month, office - \$1200, computer services - \$1,700, so there does not seem to be anything out of the usual there.

On motion Head 12 - Newfoundland Liquor Commission, carried.

Head 13 - Municipal Affairs and Housing - \$2,840,000.

On motion Head 13, Municipal Affairs and Housing, carried.

Head 14 - Fisheries - \$870,000.

On motion Head 14, Fisheries, carried.

Head 15 - Economic Development - \$5,539,000.

On motion Head 15, Economic Development, carried.

Head 16 - Labour - \$ 255,000.

On motion Head 16, - Labour, carried.

Head 17 - Highways - \$ 11,105,000.

On motion Head 17 - Highways, carried.

Head 18 - Supply and Services - \$748,500.

On motion Head 18, carried.

Head 19 - Labrador Affairs - \$ 129,000.

On motion Head 19, carried.

Head 20, Community and Social Development - \$ 18,885,000.

MR. ROBERTS: On Community and Social Development, head 20, it is a substantial increase but that is only to be expected I guess. The question I have for the minister is how much of this is capital account and then growing out of that, how much is being lent by Ottawa under the DREF agreement, and I suppose a further one, are there any new agreements that have not been announced.

MR. SENIOR: Under capital account there is exactly \$18,000,000 allocated out of the total amount and this represents expenditure for projects undertaken under the special areas agreement and under the special highways agreement.

The only question on the other subheads, there is \$750,000 which represents money that we have allocated for any projects that may be approved under the ARDA (3) agreement and for projects that may be undertaken under the resettlement agreement. The other expenditures would be for normal operating expenses such as office supplies, travelling etc.

MR. ROBERTS: How about the \$18 millions coming from Ottawa?

HON. A.J.SENIOR (Minister of Community and Social Development): That is coming from Ottawa? All of it as far as I know.

AN HON. MEMBER: Is the golf club in Grand Falls included in this?

MR. SENIOR: No the golf club is not included in that, that is included in the employment loans programmes.

MR. ROBERTS: All of the \$18 million is coming from Ottawa? As grants or as loans? I am just wondering because DREE you know is a bit of a hydra-headed monster they give with one hand and tend to pull half back with another.

MR. SENIOR: Well do you want me to go into the details of these special areas agreement and the highways agreement?

MR. ROBERTS: I am quite aware of the details, I helped to work them out. But I was wondering about, you know, some global figures on the ...

MR. SENIOR: Well the special areas of DREE are on a fifty-fifty dossier basis.

MR. ROBERTS: Fifty-fifty grant loan.

MR. SENIOR: Grant loan, that is right.

MR. ROBERTS: And the highways are one hundred percent...

MR. SENIOR: Well it depends. Some are ninety-ten, some are fifty-fifty.

MR. ROBERTS: Stick out for the ninety-ten, those are the good ones.

MR. NEARY: Could the minister tell us before he takes his seat if there has ever been an ARDA project approved under the new agreement or if there are any ARDA projects before the Government of Canada at the present time? Does he expect these projects to be approved? What is the position now on ARDA? Because nobody seems to be able to make head or tail out of it. You would want to be a Philadelphia lawyer to figure out what the ARDA agreement

means. Has there been any projects approved at all under the new agreement?

MR. SENIOR: No there have not been any projects approved under the ARDA (3) agreement. There have been several submissions some of which you may be familiar with. I could not outline all the details for you now, though there are quite a number of them related to the specific projects. We hope that we can have some projects approved under the ARDA (3) agreement. As I say, we have several submissions now which are in the hands of the people in Ottawa or in the hands of the ARDA Committee. Hopefully some of these will be approved. Anyway, we have allocated funds in the event that they will meet with the approval of Ottawa.

AN HON. MEMBER: (Inaudible)

MR. SENIOR: Yes we have.

AN HON. MEMBER: (Inaudible)

MR. SENIOR: Not all the three-quarters of a million is allocated to ARDA but some of the three-quarters of a million is. I do not have the specific details here of how much but I could get that for you.

MR. ROBERTS: On a point of procedure, Mr. Chairman, we really should not say 'you' as I recall it. I think that the members who have been here before will- of course there is no way the hon. gentleman could have known, but I think it is "infradig" to refer to us other- we are supposed to be, We do not have names in the House and we are all supposed to refer to each other in the third. We are all honourable and all the little conventions.

MR. SENIOR: I apologize.

MR. ROBERTS: No, there is no need to apologize, but you know a number of members- I got cracked on it a lot harder than that, by a gentleman who used to sit right across there once.

MR. CHAIRMAN: Yes, the hon. the Leader of the Opposition made a point that is well taken. The proper address is the hon. member.

Is heading (20) carried? Carried.

MR. CROSBIE: Mr. Chairman, I think the hon. Minister of Social Services has the answer to a question just before we proceed.

MR. CHAIRMAN: Yes, well, since this head has already been carried, it is

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now necessary to obtain leave of the House. Is it the pleasure of the hon. members that the hon. the minister have leave to answer the question? Agreed.

HON. T. HICKEY: (MINISTER OF SOCIAL SERVICES AND REHABILITATION): Mr. Chairman, I believe the question was as to whether or not the increases would be included in the April cheque? The answer to that question is that they are. The announcement was made and in keeping with that announcement the increases are included.

On motion total carried.

On motion, a bill, an Act for Granting to Her Majesty for defraying certain expenses of the Public Service for the financial year ending the 31st day of March, 1973, the initial sum of one hundred and nineteen million, six hundred and fifty-four thousand, five hundred dollars (\$119,654,500).

On motion, RESOLUTION:- To be submitted to a Committee of the whole House in relation to the granting of supply to Her Majesty - carried:

On motion that the committee rise and report having passed the Resolution, without amendments, and recommend that a bill be brought in to give effect to the same, Mr. Speaker returned to the Chair:

On motion report received and adopted.

On motion resolution read a first and second time.

On motion a bill, "An Act for granting to Her Majesty certain sums of money for defraying certain expenses of the Public Service for the financial year ending the 31st. day of March, 1973, and for other purposes relating to the Public Service," read a first time, ordered read a second time now by leave.

On motion a bill, "An Act For granting to Her Majesty certain sums of money for defraying certain expenses of the Public Service for the financial year ending the 31st. day of March, 1973, and for other purposes relating to the Public Service," read a second time, ordered read a third time now by leave.

On motion a bill, "An Act for granting to Her Majesty certain sums of money for defraying certain expenses of the Public Service for the financial year ending the 31st. day of March, 1973, and for other purposes

relating to the Public Service," read a third time, ordered passed and title be as on the Order Paper.

On motion of the hon. Minister of Justice, a bill, "An Act Further To Amend The Registration Of Deeds Act," read a first time, ordered read a second time on tomorrow.

On motion the following bill was now read a first time, ordered read a second time on tomorrow:

A bill, "An Act Further To Amend The Registration Of Deeds Act",

HON. W.W. MARSHALL: Mr. Speaker, with leave of the House we would like to revert for just a moment now back to presenting a report because the hon. the Minister of Finance has an important report that he attempted to table in the committee but he has to table it before the whole House.

MR. J. C. CROSBIE: Mr. Speaker, I have here a letter with attached correspondence from the Comptroller and Deputy Minister of Finance the House already knows about. There are two copies to table to the House.

On motion the following bills were now read a first time, ordered read a second time on tomorrow:

A bill, "An Act Further To Amend The Assignment Of Books Debts Act".

A bill, "An Act Further To Amend The Direct Sellers Act, 1966."

A bill, "An Act To Amend, Revise And Consolidate The Law Respecting Children Of Unmarried Parents."

A bill, "An Act Further To Amend The Evidence Act."

A bill, "An Act Further To Amend The Commissioners For Oaths Act, 1954."

A bill, "An Act Further To Amend The Prisons Act, 1969."

A bill, "An Act Respecting The Registration Of Partnerships."

A bill, "An Act Respecting The Organization, Operation, Functions, Powers, Duties, Rights And Privileges Of The St. John's Fire Department."

A bill, "An Act To Incorporate The Newfoundland Family Guidance Association."

A bill, "An Act Respecting Petty Trespass To Property."

A bill, "An Act Further To Amend The Summary Jurisdiction Act."

A bill, "An Act To Amend The Attachment Of Wages Act, 1966-1967."

A bill, "An Act To Amend The Chattels Real Act."

A bill, "An Act To Repeal The Pensions (Premiums) Act, 1966-1967."

A bill, "An Act To Repeal The Contingencies Act."

On motion of the Minister of Finance a Bill, "An Act Further To Amend The Insurance Premiums Tax Act, 1968."

On motion of the Minister of Finance, a Bill, "An Act Further To Amend The Agreement Entered Into, Executed And Delivered In Pursuance Of And In The Form Set Forth In The Schedule To The Government-Newfoundland Cement Company Limited And North Star Cement Limited (Authorization Of Agreement) Act, 1959, And To Make Certain Statutory Provisions Relating To That Agreement."

On motion of the Minister of Finance, a Bill, "An Act To Amend The Agreement Ratified, Confirmed And Adopted By And Set Forth In The Schedule To The Newfoundland Fibrply Limited (Agreement) Act, 1963, And To Make Certain Statutory Provisions Relating To That Agreement."

On motion of the Minister of Finance, a Bill, "An Act To Ratify, Confirm And Adopt An Agreement Made Between The Government And Allied Chemical Corporation."

On motion of the Minister of Finance, a Bill, "An Act Further To Amend The Provincial Parks Act."

A bill, "An Act Further To Amend The Provincial Parks Act."

A bill, "An Act To Amend The Pippy Park Commissions Act, 1968."

A bill, "An Act Further To Amend The Department Of Highways Act, 1966."

A bill, "An Act Further To Amend The Highway Traffic Act, 1962."

MR. ROBERTS: There are two bills here which are in the hon. gentleman's name but should they not be in the name of the Minister of Highways? Is he introducing them in the absence of his colleague?

MR. MARSHALL: Yes, Mr. Speaker, I am introducing them in the absence of Dr. Farrell.

MR. ROBERTS: Perhaps, Mr. Speaker, when the clerk prepares the Order Paper (I do not know what the correct procedure is) perhaps they should then be entered in the name of the Minister of Highways?

MR. MARSHALL: I think, Mr. Speaker, that the point of order is well taken and the problem - when they were introduced perhaps I should have indicated that I was introducing the bill on behalf of the hon. Minister of Highways which we will certainly do in the future.

MR. ROBERTS: I hope he will be back with us when the Minister of Health lets him out of hospital.

On motion following bills were now read a first time, ordered read a second time on tomorrow.

A bill, "An Act Respecting Unsolicited Goods and Unsolicited Credit Cards."

A bill, "An Act To Amend, Revise And Consolidate The Law Respecting The Organization And Administration Of Community Councils."

A bill, "An Act To Amend, Revise And Consolidate The Law Relating To The Establishment And Administration Of Local Government."

MR. HICKMAN: Mr. Speaker, before the hon. House Leader moves the adjournment may I direct the House's attention to bill no. 5 which is under my name. I gave notice in error and it is really a bill of the Minister of Social Services and Rehabilitation so may be the clerk can -

MR. MARSHALL: Mr. Speaker, we have made great progress today and we have moved mountains and we have done a lot through the co-operation of the opposition, it is getting near six o'clock so we -

MR. ROBERTS: We could work overtime.

MR. MARSHALL: Well, if we have leave, then we could go ahead if the opposition wants to sit after six then that is fine, okay!

On motion bills read a first time, ordered read a second time on tomorrow.

A bill, "An Act Further To Amend The Local Government (Receivership) Act."

A bill, "An Act To Repeal The Bowring Park Area (Control) Act."

A bill, "An Act Further To Amend The St. John's (Metropolitan Area) Act, 1963."

A bill, "An Act Further To Amend The City of Corner Brook Act, 1968."

A bill, "An Act Further To Amend The Welfare Of Children Act."

A bill, "An Act Further To Amend The Corrections Act, 1953."

A bill, "An Act To Amend, Revise and Consolidate The Law Respecting The Welfare Of Children."

A bill, "An Act Further To Amend The Maintenance Act."

A bill, "An Act To Amend The Social Assistance Act, 1971."

A bill, "An Act Further To Amend The Social Assistance Act, 1971."

A bill, "An Act To Amend, Revise and Consolidate The Law Respecting The Adoption Of Children."

MR. MARSHALL: Mr. Speaker, as I indicated we have made great progress today, thanks to the co-operation of the opposition in passing what we

MR. MARSHALL:

have. So consequently, in view of the fact that Monday is a public holiday, I do move that the House at its rising do now adjourn until tomorrow, Tuesday, April 25, at three o'clock in the afternoon and that this House do now adjourn.

MR. ROBERTS: Before we adjourn the motion, Mr. Chairman, will we be doing legislation or the Address in Reply on Tuesday?

MR. MARSHALL: Yes, we will be going straight into the Address in Reply.

On motion, the House at its rising adjourn until tomorrow, Tuesday, April 25, 3:00 P.M.