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SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. T. M. DOYLE: Mr. Speaker, I would like to make a statement on behalf of the hon. the Premier.

MR. E.M. ROBERTS: Mr. Speaker, I rise not to be difficult but I never before heard of a private member, unless something has happened since yesterday, the honourable gentleman has been sworn into the ministry - it would be quite in order for another minister to make a statement on behalf of the Premier. I am not trying to be difficult. I have listened to the statements. I think it is a good point of order, Sir.

MR. ROWE (W.N.): I can get up and make a statement, can I?

MR. DOYLE: Mr. Speaker, I would ask the hon. the House Leader to read the statement, please.

HON. W.W. MARSHALL (Minister without Portfolio): I want to make a collective statement, Mr. Speaker. It has long been acknowledged that rural Newfoundland offers many unique attractions which are sought after by tourists from all over the world. People who visit our outports return to their homes loud in their praise of the hospitality, scenery and uniqueness which they have found. It is becoming more and more obvious that the vast majority of visitors to this province wish to live in this typical Newfoundland atmosphere during their vacation. Unfortunately, housing facilities in these areas have so far been generally inadequate. In attempting to remedy this situation, I am pleased to announce that my government are in the process of arranging a survey which will be conducted this summer throughout the rural areas, with a view to establishing a series of what might be called "Newfoundland Hospitality Homes," in time for next year's tourist season. These homes are to be operated by the people who own them and they will have from two to four bedrooms and

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must offer a high standard of cleanliness as well as comfortable sitting, dining and sleeping accommodations. The survey will locate suitable homes throughout the province. While most Newfoundland outport homes are in attractive locations, there are, however, areas which will be difficult to promote as it must be remembered that not all our visitors will be content with just relaxing in the front yard. Suitable homes must be reasonably close to some form of fishing or perhaps be near some point of historic interest. Of course, a clean beach in the area would also be a most favourable asset. When established in time for the 1973 tourist season, this project should become a source of revenue in many areas of rural Newfoundland. Similar projects in Ontario and in Ireland have proven that a hospitality home can make as much as \$2,000 a year. Therefore, in addition to providing tourists with a typically Newfoundland atmosphere, we will at long last be expanding our tourists outside the urban areas. It is planned that the project will fit into the terms of reference of the Newfoundland and Labrador Development Corporation so that home owners may qualify for assistance in improvements and/or renovations.

The survey this summer will be carried out by teams of university students who will be assigned to various parts of the province. They are expected to complete the work by the end of August. It is then planned to assemble the information with a view to publishing a directory of available Newfoundland hospitality homes by next spring. This project will come under the direct supervision of the hon. member for Ferryland, parliamentary Assistant of the Premier, who will have the close co-operation of the Tourist Development Office in this unique undertaking.

The government believe that this project will meet with the approval of all Newfoundlanders and especially those in the rural areas of the province, as it will further serve to develop these areas which are so important to the economy of Newfoundland. Mr. Speaker, I might add to this that this is one of the measures which this government intend to take

with respect to the development of the rural Newfoundland areas, a promise which this government, this administration has maintained for the years when it was out of power that it would do when it got into power. It is a sad, sad fact that it is as a result of the direction -

MR. ROWE (W.N.): Point of order, Mr. Speaker, At this point in the day's proceedings the honourable minister is permitted to make a statement on government policy, he is not permitted to get involved in debate or any other thing, except the statement of government policy.

MR. MARSHALL: Of course, Mr. Speaker, the hon. member for White Bay South has made a valid observation and point of order, but I would just conclude by saying the statement speaks for itself and is a part of the implementation of the policy which this government intend to adopt towards the neglected part of our province, rural Newfoundland.

MR. ROBERTS: Mr. Speaker, I can only concur with what the honourable gentleman says about the statement, speaking for itself. I can understand why the Premier is absent. He did not have the gall to read it to the House. We will wait for a year and we will see what comes of this. I wonder if the minister could indicate or perhaps the Premier's substitute, the parliamentary assistant (there are two) what the estimated cost of the survey will be this year? This may not be the place to ask it, maybe in the Tourist Development Vote in the Department of Economic Development. Could the minister give the House and the waiting public of the province any indication of what it will cost? Who will select the teams so forth and so on?

MR. MARSHALL: Mr. Speaker, again with respect to this matter, I think that the hon. Leader of the Opposition will concur that perhaps this is a question which could be more

properly be left for the department to which it relates, when the estimates come up.

HON.A.T. ROWE (min. of Health): Mr. Speaker, in view of the publicity given the recent escape from the Hospital for Mental & Nervous Diseases by a twenty year old inmate. It is necessary to fully explain the situation at the Hospital and to give full details surrounding the escape.

Mr. Speaker, during the good weather, spring, summer and early fall the long term patients at the Hospital for Mental & Nervous Diseases who have shown no recent evidence of dangerous behaviour and to have behaved well at the ward level are given a privilege to go for walks on hospital grounds escorted by trained psychiatric nursing assistants.

The privileges are granted by a hospital board consisting of a medical director, a psychiatrist, the nurse and nursing assistant. A privilege is rescinded immediately should a patient show any suggestion of possible abnormal behaviour. No patient is allowed unsupervised walks that has been extremely dangerous.

The recent escape, a staff member followed the patient and was careful not to confront him in such a way as to precipitate unreasonable or aggressive behaviour. Eventually other hospital staff arrived. The patient was apprehended by the hospital staff without any injury to the patient or to the staff. He was then handed over to the Newfoundland Constabulary to be returned to the hospital.

Now, Mr. Speaker, the choice that faces the staff at the Hospital for Mental & Nervous Diseases is a risk of an occasional patient running away from supervised walks, as happened recently, or to deny all patients their fresh air and exercise. The hospital considers the second alternative

to be inhumane. The youth who escaped was twenty years of age and has been in the hospital since 1968. Although he has shown considerable aggression towards staff in the past in recent times he had been behaving somewhat better and permission was given for him to go on this supervised walk.

On June 20, he was walking with seven other patients and two staff, when around 3:30 P.M. he left the group, running from the hospital grounds with a staff member giving chase. The second staff member returned the other patients to the hospital and informed the head nurse of the escape. The nurse informed the supervisor, then he and the other staff member also gave chase after the escaped inmate. The youth was followed across Topsail Road through brush and fields, the staff did not go close to him because he had found a pitchfork and was carrying it with him. When the staff approached the head of Forbes Street and Fairview Acres, they were informed by a man that the patient had been in some houses and had threatened some people with the pitchfork. I am informed that within five minutes after the staff's arrival on the scene the area was surrounded by police and at least eight members of the hospital staff. Within an hour the patient came out of the woods, went into a store and immediately the staff and policemen were informed. A member of the staff surprised the youth from behind and the police returned the man to the hospital.

I think it should be pointed out that it was after 4:00 P.M. when the youth was caught and that there were four off-duty staff members who remained behind to join in the search. I feel the quick action by the staff and the full cooperation by the Constabulary and the R.C.M.P. prevented what could have been a serious incident.

Dr. Walsh, the Medical Director of the hospital, informs me that the staff member who followed the youth carried out the hospital policy and that he followed him and kept sending word so that the hospital staff were aware of and able to catch up with the youth, so apprehend him.

I might say that after the escape, Dr. Walsh himself went to the area while the search was in progress. The Department of Health is very much aware of the problems at the Hospital for Mental & Nervous Diseases. This latest incident again points out the urgent need for further priorities to the hospital.

But thankfully incidents such as this are relatively few and far between, but I thought the House should have full details in view of the publicity.

MR. ROBERTS: Mr. Speaker, I think anybody who has ever been involved with the Department of Health will understand the situation which the minister describes and indeed subscribe to what the minister has said. He has put it in perspective when he said one has a choice between either restricting the patients to the hospital grounds or, on the basis of medical advice, allowing them some privileges. This is not the first such instance we have had. There have even been more tragic ones, there was a case two or three years ago when a gentleman who had been seen by two separate psychiatrists, all of whom recommended open ward privileges, that gentleman left the hospital, went a short distance to his home and I will not say murdered his wife, because that is a conclusion in law but

was charged with murdering his wife, was found incompetent to stand trial is still at the hospital. The only thing I would say is that I regret that the minister has inadvertently used the word escape. I was always told that the word was elopement, because the hospital, as he himself said the other night, is not a prison, and to use the word escape implies that it somehow is a prison. It is not, These are people who are ill and who need treatment and receive the treatment.

The minister may have set some public fears at rest, I hope so, but the problem will be with us for a long time yet to come.

ORDERS OF THE DAY:

MR. WINSOR: Mr. Speaker, before Orders of the Day are called, might I direct a question to the honourable Minister of Fisheries? Has the vessel which was enroute from Burgeo to Torbay, to take the catch from the fishermen there, arrived? If not, has the minister any idea of the arrival or what is the position to date?

HON. R.L. CHEESEMAN (MINISTER OF FISHERIES): Yes, Mr. Speaker, in connection with the question by the honourable member from Fogo, the trawler arrived off Torbay this morning, came to anchor I guess and started to take fish from the crews in that area this morning. I have no late report but, as of about eleven o'clock this morning or eleven thirty, the operation was progressing satisfactorily and the only thing now is what the quantity of fish is going to be in the next day or so.

There does not seem to be any problem as far as the operation itself is concerned, and hopefully it can take a fair quantity of fish and get out as quickly as possible and get back to the plant.

MR. WINSOR: Would the honourable minister mind a supplementary question? In view of the very warm and humid weather, has he given any thought to splitting and salting the fish in case the fish gets bad enroute to Burgeo?

MR. CHEESEMAN: In connection with that question, Mr. Speaker, in consultation with the plant, we thought it would be advisable, mind you, I should perhaps qualify this whole thing by saying that this is in the nature of expediency and must of necessity be something of an experimental nature to try and ease the situation, but I have already in consultation with the plant alerted them to the possibility of some fish being soft because, inevitably, in this kind of weather and under almost any conditions, as the honourable member will be well aware, there is a likelihood of some soft fish. So, in order to forestall any complications or to utilize fully the product, we have already made arrangements or, I should say, asked them to make arrangements that if on the out-turn of the catch a percentage of it is in fact not fit to go straight into fresh fish operations, it would be split and salted, yes.

MR. WINSOR: In other words, they are getting rid of their fish, they are now able to sell their fish.

MR. CHEESEMAN: That is correct. They are taking all the fish offering today.

MR. F.B. ROWE: Mr. Speaker, I would like to direct a question to the Minister of Education. Has the minister had a chance to check into Miss Norman's case any further and does he have anything new to report to the House?

MR. CARTER: No, Mr. Speaker, I have nothing new to report to the House.

MR. ROWE(F.W.): Mr. Speaker, another question to the honourable Minister of Education, in the absence of the Premier. Could the minister inform the House if and when he intends to bring in legislation before the House in order to amend the Education Act and the Newfoundland Human Rights Code in order to ensure that religious freedom will be protected for these individuals seeking certification to the teaching profession?

MR. MARSHALL: A point of order, Mr. Speaker, as the question is couched, in terms that the honourable member is not up on the matter of government policy, of what the government intends to do in the future.

MR. SPEAKER: I think I have to agree that it is asking a question on the matter of government policy and it is out of order at this time.

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

COMMITTEE OF SUPPLY:

MR. CHAIRMAN: Order! Heading XI - Social Services and Rehabilitation: 1131(03)(02):

MR. NEARY: Mr. Chairman, the Minister of Social Services and Rehabilitation last night in this honourable House made or implied some charges in connection with the administration of housing assistance, materials to repair houses in the Electoral District of Bell Island. The statements were as damaging, Sir, as they were vague.

Mr. Chairman, I request this honourable House to ask the minister or that the minister be required to make the target of these charges specific. Is he attacking the administrative and field staff of his department, Sir, or a merchant or a group of merchants on Bell Island or elsewhere or are his charges to be regarded as an attack

upon the integrity of me as the member of the House of Assembly for Bell Island who was his predecessor in the Social Services portfolio? I request the House, Mr. Chairman, to instruct the minister to make specific the target of his charges and further that he then produce the evidence to substantiate them and that, Mr. Chairman, if there is any real indication of the misuse of public funds on Bell Island that there ensue a judicial enquiry, an investigation by the RCMP or any other such steps as are necessary either to vindicate the statements made or the charges made by the minister last evening or to reveal them as a mischievous libel.

MR. HICKEY: Mr. Chairman, before I deal with the

MR. HICKEY: matter at hand in any specific way, I would like to correct one statement that appeared in the news media last night, and I believe it was the Leader of the Opposition who made the statement. I stand to be correct but at least some member from the opposition made it.

In commenting on what transpired in this Honourable House last night it was implied that it was rather vague as to whether or not charges had indeed been made by me against the honourable member for Bell Island. But a statement in fact was very clearly made by, as I say, the Leader of the Opposition or some other person on that side, to the effect that I had made a very vicious and vile attack personally, a personal attack on the honourable the member for Bell Island.

May I first of all -

MR. ROBERTS: I said that.

MR. HICKEY: Okay. Mr. Chairman, I intend to deal with that first.

But first of all I would just like to quickly say that as long as I have been in this House, I have not initiated or even when provoked involve myself in any personal attack on any member of this House. In fact, Mr. Chairman, dating back to 1966, when I first took my place in this honourable House, in my maiden speech I outlined very briefly and very quickly that I did not come here to involve myself in any personality contest or assassination. That I would make no statements without them being well founded and when having made such statements I would not retract them.

Those words, Mr. Chairman, are recorded in Hansard for anyone to dig out. Since that date I have been the subject and target of many personal attacks. There is nothing left, Mr. Chairman, to be implied or said about me. But, Mr. Chairman, I take that as part and parcel of that which goes unfortunately with the profession of politics in this Province. But I will not stoop so low nor lower myself to the level of those who carry on in such a manner. Anyone

MR. HICKEY: who wishes to involve himself in a personal attack on me may do so, but may not expect a rebuttal along the same line or level.

So I therefore deny categorically making any personal attacks on the honourable member for Bell Island and no matter how I am provoked or how many times I shall not ever do so. Furthermore, Mr. Chairman, all ready in the text of Hansard yesterday afternoon and last night, on two separate occasions, I repeated the following statement, I am not sure it is going to be verbatim because it is from memory. something to this effect - that whatever I had said, whatever I say now or whatever I shall say in the duration of discussion of those estimates must not be misconstrued as any personal reference or attack on the honourable member for Bell Island. But that my criticism and remarks are directed rather to the honourable gentleman in his capacity as minister and insofar as the honourable gentleman is concerned, whom I replaced in the department of which I now head. Whatever my remarks may be in the future discussion of those estimates, Mr. Chairman, I want it understood and I want them accepted along those lines.

I therefore made no personal attack and I am therefore guilty of no such charge.

In view of the hassel that took place last night, the finest bit of twisting and foot work that was every performed in this House was performed last night

MR. HICKEY: by hon. gentlemen on the other side, some hon. gentleman, because not all participated. Words misinterpreted, a case made out of nothing, In terms of charges against the hon. gentlemen, there were no specific charges of corruption against the hon. gentleman.

Mr. Chairman, it is not really in keeping with the rules of this hon. House that one reads speeches every day and I as a rule do not. So, Sir, what I said last night was off the cuff, to use the old Newfoundland expression. But having witnessed such a fantastic job of twisting the facts and words last night, I have decided what I shall say today, in answer to those remarks, will in fact be read and are written, I therefore make the following statement.

I have reviewed the transcript of my remarks made in the House of Assembly last night with reference to the situation on Bell Island during 1971-1972 relating to building materials and the scandalous situation that the facts revealed. The facts that I have outlined to the House show that the honourable Member for Bell Island, while Minister of Social Services and Rehabilitation, during the period in question, was aware of what was happening on Bell Island but did nothing to correct the situation. That the then minister abused his power and authority as minister to interfere in decisions made by the officials on Bell Island. That the then minister condoned, if in fact he did not cause much of the situation. That the facts revealed incompetence on the part of the then minister and abuse of his authority.

There is evidence of many irregularities which should be investigated. I did not state last night and I do not state now that the hon. Member for Bell Island was involved personally in the circumstances of corruption that are evident, but as minister he is responsible for the conduct of his department and certainly involved himself in decisions made on Bell Island, both as member and minister,

MR. HICKEY: to a far greater extent than normal.

As I said last night, if the likes of this were to go on while I am minister, I would be responsible for it. The Member for Bell Island is certainly responsible for the situation on Bell Island last year and must accept that responsibility. I certainly do not intend to retract or change any statement I made last night and as a result, Mr. Chairman, I am asking now that a judicial enquiry be established to in fact establish the facts and the responsibility of those involved in the scandalous abuse that occurred on Bell Island during the financial year 1971-72.

MR. ROBERTS: Mr. Chairman, first of all let me say quite emphatically that on our side, and I speak for my colleague in particular as well as for all of us, we welcome this enquiry. I found the whole proceeding last night quite distasteful. I have looked through the Hansard, which was supplied to us through the good offices of the Leader of the House, the staff of the House. I am seeking professional advice as to whether or not a question of privilege is in the words. Since I did not get the transcript until about 2:40 P.M., Sir, I have at this stage nothing I could say. We do welcome the enquiry. I think it is the only way to resolve this matter. Whether or not there were any personal charges against the gentleman from Bell Island, we will leave that by one side. The fact remains there were very grave charges made respecting the administration of the department. I think even the minister and I are on common ground with that one. I think the government have done the right thing to initiate a judicial enquiry. My colleague had previously requested it, I believe on the airways at lunch hour and indeed in his statement here. We will put the matter to the test. The charges have been made and for my part and for the part of this party, Sir, they should be investigated. If there is anything wrong, then let it come out and let the consequences that must follow, let them follow. I suppose it is too early to ask who is going to be on the enquiry. I assume that it will be one of the judges, be it a Supreme Court Judge or a County Court Judge, it should be a judge. I assume that the enquiry will be in public. The Minister of Finance last evening said that this is something that he would have had in mind. I assume, it goes without saying, that all involved will be entitled to be represented by counsel. I assume further that all the relevant papers will be produced. Obviously, my colleague will have to have access to official papers because most of the information is contained in these official papers.

Now with that I do not feel that it would be in order to say a great deal more on that point, Sir. The enquiry should be set up as quickly as possible. When we have the report of the enquiry, then we

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will know what to do. I submit the matter should wait until then.

Let me, however, before I sit down deal with the comments of the gentleman from St. John's East (Extern) about the statements I made last evening. I did in fact make statements on two radio stations, I would have had on the third but they did not ask me. On both CJON and VOXM I did them on tape, in which I said that the minister had made a vile and vicious personal attack upon my colleague, the gentleman from Bell Island. That obviously is a matter of opinion, Your Honour. As a matter of opinion, I still believe it to be so and I may add, having read the transcript quickly - I read quickly the transcript of the remarks made by the honourable minister in the committee last evening, Sir, I stand by that. I think it was a vile and vicious personal attack. The committee, if it is in order, can debate that at any length they want. I do not know if it is in order or not. Every one on that side has said - the mere fact the minister says he does not consider it so, does not make it so. It is a matter of opinion. Everybody in the province will form their own opinions. I have mine. I did make the statement. I cannot deny that. I would not deny that. The only other thing I would say was to repeat that I found the entire business distasteful last evening. I am not imputing blame on any one individual or any one side. I have stood in this House, Sir, time and time again and as have other members - the hon. member for Carbonear, the Minister of Health, has said so when he introduced his estimates the other day, when he lead off with a statement to open the discussion on his salary vote. Many members have said that they do not want personalities in it. Well last night, Sir, we saw a disgusting exhibition. I am not imputing blame. I am not saying that any one individual or any one party is to blame. I am not saying that it is more than one. I am just merely commenting that we saw a disgusting exhibition. We saw what I consider to be a vicious personal attack. My colleague may have provoked him. He called a plan

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of the minister's "hair-brained." That is not personal. It is a description of a plan. I only know what I read here. I have not seen the full Hansard. The Hansard begins with the minister saying, "I think it is about .time we took the wraps off." He went down hill from there. But that is another matter, Your Honour and whether or not it is a question of privilege, we will see. But such things as accusing the honourable gentleman of having bought re-election,

obviously a rather low personal attack. If the committee wants to debate it, if it is order, Sir, I will gladly debate it. I rather think it is not in order

MR. CHAIRMAN: Order! At this stage the Chair feels that the discussion and debate has to be strictly relevant to the heading 1131-03-02, long-term assistance. Since there is no motion with respect to a matter of privilege before the House, or in fact no other motion, except this heading of expenditure, the discussion should be strictly relevant on this point. The Chair has permitted a certain amount of leeway because it was obvious there were certain matters left hanging which had to be cleared up.

But at this stage, the Chair feels that rather than go into detail, into the matters discussed in the House last night, this may or may not be a matter of privilege to be read at a later date, but at this point the Chair rules it out of order.

MR. ROBERTS: Thank you Your Honour. I had no intention of going any further with it by the way, but -- I appreciate Your Honour's latitude in allowing (a) the matter to be raised and allowing leave for this side to reply to the statement made by the minister. I am quite willing to let the matter drop and merely to express the hope that this judicial enquiry will be set up as quickly as possible, so they can get to work as quickly as possible. Incidents like this do nothing to enhance public life in this province.

Political debate is one thing, I am all for it, as hard as any side can give it or as any side can take it, but incidents such as we saw last night, Sir, go far beyond the normal political debate and I am glad the government are setting up this enquiry. Let us get it done quickly and let us get it to work as quickly as possible and let us not talk about it any more until we have the report at which stage we may or may not have something to discuss.

MR. CROSBIE: Before we leave that point, Mr. Chairman, I want the

indulgence of the Chairman for a few short moments just to respond to some of the statements made by the Leader of the Opposition.

MR. ROBERTS: Mr. Chairman, to a point of order. The hon. gentleman is going...

MR. CROSBIE: Mr. Chairman, I think we are entitled...

MR. ROBERTS: May I raise a point of order, Sir?

MR. CHAIRMAN: What is the point?

MR. ROBERTS: Your Honour has ruled that the debate is to be relevant to whatever the subhead, (I forget, 1131 something) if hon. members on that side wish to reply, I for one would have no quarrel with that, but I would ask that Your Honour assure us of the right to reply. If we are going to have a debate, each side must get in it. Each side has now spoken, the minister led off, Your Honour permitted that, Your Honour permitted me on this side to make a short reply then Your Honour made a ruling. Now, if there is to be anything more, Your Honour, then I submit, on a point of order, it is out of order unless we are to relax the rule and allow a debate.

MR. CROSBIE: On that point of order, Mr. Chairman. Just let us get the sequence of events right. The matter was led off by the member for Bell Island, responded to by the member for St. John's East Extern, the Minister of Social Services and Rehabilitation, then the Leader of the Opposition had a few comments and in order to conclude this matter it is only right that we make a few comments.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: I do not intend to get into any long debate. I just intend, Mr. Chairman, to make it quite plain that in our view there was nothing damaging, as being vague, in what was said by the hon. minister last night. This was not a matter, and anyone who has looked at the transcript or heard the speech, it is not a matter of any vile or personal attack on the member for Bell Island, it is a matter of comment on the conduct of a minister of the past government. It is quite in order in this House, the same as the conduct of any member of the present

ministry. His conduct as a minister is a valid subject of debate in this House. It was a valid subject of debate when the estimates of the Minister of Education were discussed. Our conduct as ministers, the conduct of hon. gentlemen opposite when they were ministers is the subject that should be discussed in this House and the things discussed by the hon. Minister of Social Services and Rehabilitation last night were quite in order, because they deal with abuses, if the facts are established, in administration and the conduct of a department of government. They are public affairs and public funds and they were quite in order to be discussed.

Frankly, if that is distasteful, Mr. Chairman, then situations like this, the corollary would be that situations like this should never be revealed and never discussed in the House of Assembly and that is obviously ridiculous. Whether it is distasteful or not, it was not, in our view, Mr. Chairman, anything to do with personalities. These are all valid matters for discussion as matters of public policy, what occurred last year. Matters such as this are always a valid subject of discussion and comment in this House. Anyone who looks through the transcript will see how fairly the minister dealt with it.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: We do not want to get into a long discussion, I can point out other places there and the whole nub of the matter actually..

AN HON. MEMBER: Clear cut cases? One,

MR. ROBERTS:

buying their way back to the Assembly.

MR HICKEY: Mr. Chairman, if we want to go into the debate, we want the facts.

MR CROSBIE: We do not want to go into debate.

MR HICKEY: If we want a war, let us go.

MR CROSBIE: Mr. Chairman, in concluding, the nub of the matter is this, as was said by the minister last night: There is only one man responsible for this, the honourable gentleman opposite who headed that department and if the likes of this were to go on in the next year I would be responsible for it and I would be man enough to come here and take my medicine or if it were this bad I would not sit here, Mr. Chairman. because I would resign. These are questions of responsibility of a minister.

MR. ROBERTS: That I agree with. With that statement I do agree.

MR. CROSBIE: As far as a public enquiry is concerned, I discussed this with the Premier today and he is in agreement with having a public enquiry. He cannot be here this afternoon, although he would have liked to have been. We have not contacted anyone yet but we hope to obtain a judge of either the Supreme or District Court. It should be a public enquiry and, as you know, under the Public Enquiries Act it is up to the Commissioner whether he holds some sessions in private or public. We would certainly hope that it would be in public but we cannot interfere with the Commissioner's discretion if he decides certain -

MR. ROBERTS: Will documents be made available on this matter.

MR. CROSBIE: Oh certainly, yes. Obviously these documents would have to be. Documents would be available.

MR. ROBERTS: (Inaudible).

MR. CROSBIE: You cannot investigate a matter like this unless -

MR. ROBERTS: Well, that is my point but I am -

MR. CROSBIE: The files of the administration are open. So as soon as we can get the concurrence of a responsible independent person it would certainly be set up.

MR. ROBERTS: The sooner the better.

MR. CROSBIE: That is enough on that now.

MR. HICKEY: Mr. Chairman, may I ask one question before we continue. I have heard the remarks from the Leader of the Opposition with regards to his comments last night and I have no desire to continue this kind of debate but I am not going to sit here, Mr. Chairman, and be branded as someone who involved himself in personal attacks. I am just not standing for that and I ask Your Honour right now to tell me if my comments insofar as the remaining estimates are concerned for my department are going to be limited to just a close-mouthed performance. Am I going to give information to the tax payers and the recipients of my department in this province or am I not? If I do and it happens to reflect on the administration or in fact the incompetence of the former minister, am I now again involving myself in a vile personal attack? Let me have some direction, Mr. Chairman, before we pursue this matter further.

MR. CHAIRMAN: The honourable minister is asking the Chair to rule on a hypothetical question. If the honourable minister in the course of debate strays from the matters which are relevant to the sub-headings in the estimates or if the honourable member breaks one of the standing orders of the House, then the Chair or one of the honourable members of the House would bring him up. Apart from that the honourable minister has, as any other member of the House, complete freedom of speech to present what he desires to present to the House.

MR. HICKEY: Mr. Chairman, I think Your Honour misinterpreted my question. My question is simply this, in the discussion of my

estimates and to justify the expenditure for this year, am I not free to comment on the manner of administration in this department during the past year and to illustrate changes and what is not going to happen in the coming year? Will this be misconstrued as personal attack? That is all I did last night and I am accused of it today. I ask for direction now Your Honour before I pursue the matter further.

MR. CHAIRMAN: The honourable minister I believe is raising a point on which the Leader of the Opposition could make a comment.

MR. ROBERTS: Well, I can say quite simply, Mr. Chairman, that

MR. ROBERTS: I have no objection to the hon. gentleman saying, alleging, trying to prove, whatever you want, that my colleague or any of us was or is incompetent anymore than he could have any objection to our trying that in reverse. Whether or not what he says will be a vile and personal attack is first of all a matter of opinion and secondly it would depend entirely on what he said. If he said something was a vile and personal attack, it would be that but if not he is as free as the flowers in May to hammer at us.

MR. CHAIRMAN: I would bring to the attention of the honourable Leader of the Opposition, with respect to the use of the terms "vile" and I believe the other "vicious", "vile and vicious" I believe was one phrase that was used, as the Chair sees it, it is on the border of being unparliamentary. If I could site a couple of example which have been held to be unparliamentary because of being abusive or/and insulting; "villains", "vicious and vulgar", these are terms which have been held to be unparliamentary.

Now the Chair has permitted the term "vile and vicious" or it has been used and it was not brought up on a point of order at that time. However, the Chair feels that this could be considered abusive and insulting language if continued and depending on the circumstances. So the Chair just felt it should bring this point to the attention of the honourable the Leader of the Opposition.

With respect to the discussion, the Chair feels that what has happened is an example of the danger of permitting general discussion without adhering to the standing orders which require strict relevency on the estimates. After the general minister's statement is made and comments by other members on this statement, the standing orders then require strict relevance with respect to each subhead of expenditure. The honourable Member for Bell Island has risen and I would assume wishes to make another comment on this point. Again the

MR. CHAIRMAN: Chair, since a certain amount of leeway has been given, the Chair feels the hon. Member for Bell Island should be permitted to speak and the hon. Minister of Social Services and Rehabilitation has also indicated he wishes to speak, but at that stage the Chair feels that further discussion on this point will probably be out of order.

MR. NEARY: Mr. Chairman, all I want to say is that last evening when this vile, personal attack so called was made.

MR. HICKEY: We are away to the races again.

MR. CHAIRMAN: The Chair has just brought the attention of the honourable the Leader of the Opposition to the use of the phrase "vile and personal", "vile and vicious", and while the Chair cannot find specific reference to the word, "vile", page 130 of Beauchesne does refer to the word "villain" which I would assume has the same derivation.

Accordingly the Chair rules that the use of the term as applied to an hon. member of this House, the use of the term "vile" is out of order and would ask the honourable Member for Bell Island to take notice of this.

MR. NEARY: Thank you, Mr. Chairman. However, I consider the whole issue myself, personally, is unparliamentary. Sir, I want to say to this House that there is nobody in this hon. House who works as hard at politics as I do. The hon. members on the opposite side realize that. But, Sir, this is far removed from politics. This is not a political matter. I can debate the issues in the Department of Social Services and Rehabilitation with the hon. minister, debate the issues, Sir, and the hon. minister may accuse me of being incompetent and I may think that he is a fool, Sir, and we both could be wrong. So I can debate back and forth with the hon. minister, but, Sir, no member of this hon. House, in my opinion, has a right to come into this House

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MR. NEARY: and attack another member's character or his honour or his integrity and therefore,

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MR. NEARY: Mr. Chairman, I welcome this judicial enquiry and I hope that the government will keep it above politics and, as my colleague the honourable Leader of the Opposition has stated, I would like to see a Judge of the Supreme Court conduct the enquiry.

AN HON. MEMBER: (Inaudible)

MR. NEARY: I concur with the honourable Leader of the Opposition. I would like to see this enquiry conducted by a Judge of the Supreme Court so that it would be kept above politics, and let the chips fall where they may, Sir.

MR. HICKEY: Mr. Chairman, I hope this ends this kind of debate. I am just going to make a few brief remarks. The hon. gentleman says for someone to come in here and attempt to start or engage in a personal attack or attack someone's character, he well knows from where he speaks. I have been the subject of it for five years. The reason I raised the question, Mr. Chairman, and ask for...

AN HON. MEMBER: (Inaudible)

MR. HICKEY: By the hon. gentleman who accused me of having to resign from my department. Now, will I recite ...

MR. CHAIRMAN: Order! order! The honourable minister now is out of order in that the minister is referring to previous debate in this honourable House. If the honourable minister would speak to the matter that has been raised by the honourable member for Bell Island, and again the Chair realizes that the Chair is placing certain restraints on the honourable minister's debate. However, the Chair feels that the only way that any control can be kept over this debate is if the Chair insists that the debate remain as narrow as possible at this particular time.

MR. HICKEY: Fine, Mr. Chairman, I am quite prepared to abide by Your Honour's ruling. All I ask is that the hon. gentleman abide by Your Honour's ruling and discontinue such nice words as, fool, clown and all of this business. The question I asked, I asked for direction. The reason I asked for this is because my remarks last night were branded a personal, vile attack, but we have settled that part.

Mr. Chairman, in continuing to discuss my estimates, if I continue to point out the weaknesses of the former administration under the hon. gentleman when he was minister, is that a personal attack? Would the hon. gentleman on the other side continue, dare to attempt to show the Minister of Education as being incompetent? We had almost two weeks of that. Was that a personal attack? If in fact it were then hon. gentlemen on the other side, every single one of them are guilty. So now, let us continue with the estimates and, as the hon. gentleman says, if he wishes to debate the issue then let him stick to the issue and I assure him that we will give him all the debate he wishes.

On motion, 1131-03-02, carried.

On motion, total subhead 1131, carried.

On motion, total subhead 1132, carried.

MR. CHAIRMAN: Shall 1133-01, carry?

MR. HICKEY: Mr. Chairman, before we pass the Child Welfare vote, I would just like to make a few brief remarks. I would like to say that possibly out of the entire efforts of my department, there is one area that I am certainly prepared to give credit to the hon. gentleman whom I replaced in my department, especially with regard to the efforts that he made in the adoption programme.

Mr. Chairman, I am being quite sincere. We have made great strides in the adoption programme in the past three or four years and we are continuing to improve in this area. While we agree basically with the programme, there are some changes that will be made. I would like to say that one of them is the matter of adoption month. Mr. Chairman, we do not believe that continuing with adoption month is the direction in which we should be going. There is the fear that having an adoption month, one month during the year when people, when special emphasis are placed on the adoption programme and when there is possibly an influx of applications, the possibility of a hurried job of investigating may be done, the result being, of course, that wrong placements

MR. HICKEY: could be made or in fact errors could result. For that reason, Mr. Chairman, I believe what we should be doing, instead of having an adoption month, is continue to advertise our programme and point out to the general public that every month of the year is adoption month. We will also discontinue, Mr. Chairman, publishing photographs of the children available for adoption. There will probably be two samples, one of a boy and a girl. Mr. Chairman, the idea of publishing the pictures of children available for adoption indeed is very distressing to the natural mothers of those children. Their natural mothers are inclined to continue to look to the papers to see if theirs is going to appear this month or this week or what have you. We do not feel it is necessary. For that reason we propose to change that.

However, Mr. Chairman, the adoption programme in general is to continue as it has in the past, with the exception of a few changes such as outlined. And as I said earlier, I am quite sincerely, I commend the former minister for the efforts he made and I feel sure that in this area, if in no other, a firm foundation has been laid on which we can build and eventually hopefully solve the problem of the large number of children that are available.

On motion 1133-01 carried.

On motion total subheads 1133 through 1135 carried.

MR. HICKEY: Mr. Chairman, we passed the vote on the Girls Home and Training School. There is a little information I would like to provide. There are a few general comments I would like to make.

First of all, I would like to clear up any misunderstanding, as a result of comments made by the former minister with regards to the superintendent of that institution. Mr. Chairman, he was not fired or dismissed, as was indicated. I am very disappointed that that remark was made. The lady was transferred from that institution to a position at headquarters. She is a very capable lady in her

MR. HICKEY: present position, well qualified, professional in every respect. I resent any suggestion by anyone that she was dismissed or in fact transferred for any reason other than general change of policy and improvement in the administration of the home. At a later date, Mr. Chairman, there will be changes announced with regards to this institution to further improve the overall administration.

On motion total subhead 1136 carried.

MR. W.N. ROWE: 1152-01 - Mr. Chairman, is this the subhead under which welfare officers salaries come? I want to make a few remarks, Sir, of a specific nature concerning a matter affecting my own district concerning which the honourable minister is already aware, but I feel I have to give it public utterance.

Several weeks ago, I guess it is a couple of weeks ago now, I was contacted by some people, some of the leading citizens of the Town of LaScie, in my District of White Bay South, with the disconcerting information that the welfare office was about to be moved from that town some forty miles away over dirt road and pretty poor dirt road, I might add, there is a lot of traffic over the road and there is an industrial development there, mining development which causes that road to deteriorate very rapidly, to move the welfare officer to Baie Verte.

As soon as I got word of the move, Sir, I contacted the honourable Minister of Social Services and Rehabilitation and informed him of the uproar by the people of LaScie and I might add in the surrounding communities, some in my district and some in the District of Green Bay. During the course of our telephone conversation the minister mentioned to me that what he would be doing would be postponing that move until he could get some reaction from the people of LaScie as to whether it was in fact a proper move to be made, the transferal of that welfare

MR. ROWE, W.N. officer to Baie Verte.

Some time later I heard from the people of LaScie that the welfare officer had in fact been moved before they had had any opportunity at all to voice their opinion by way of a petition or any other way. Now I am not saying that the minister, I hope the minister is hearing what I am saying, I am not saying that the minister deliberately broke his word to me, All I know is that the minister informed me of what would transpire namely that the welfare officer would not be moved until some reaction was received from the people. Yet within two or three days after that the welfare officer was moved to Baie Verte. I am not saying he deliberately broke his word to me.

However, I did convey that message to the people of LaScie and they were reasonably satisfied. They were going to look into the matter and decide among themselves as to whether the welfare officer should be moved or not. But before they got a chance to do so, he was moved, after I had conveyed the information, that he was not going to be moved, to the people. I do not think the minister deliberately broke his word or when he was telling me that he was not going to move the welfare officer, he was going to postpone the move that he meant at that time to continue with the move.

I think perhaps the pressure of the department or ordinary lack of memory in a specific case like that or merely an oversight on the minister's part caused him not to continue with the assurance which he had given to me. In any event, Sir, the people of LaScie subsequently, I think to a man and to a woman, sent a petition to the honourable minister protesting the move of this welfare officer.

Sir, during the time that I formed a part of the administration, similar attempts were made by the Department of Welfare at that time, to centralize some of the offices, particularly this one in the District of White Bay South and to move them all to a central location.

MR. ROWE, W.N. As a result of pressure I was able to bring to bear, as member for the district, not politically pressure but pressure which I brought to bear thinking and knowing that I was acting in the best interest of the people of LaScie, I was able to get that move forestalled.

Because it seemed to me, Sir, that it was not in the best interest of the people to have all the offices, whether welfare or health or otherwise, centralized in one area in the district or one town in any district in the Province of Newfoundland and Labrador. The reason I wanted to make sure of this in the case of LaScie was for this simple fact, a lovely town like LaScie, 1200 people or 1500 people, a fairly viable population unit, is trying to pull itself up, to build up its social capital, to build up its government services.

We were able to get a doctor stationed in LaScie a year ago and that has been a great contribution to the town. We have been pressing to get other government services put into LaScie and to me it is a retrograde, an unprogressive move now to have an element of government services, such as a welfare officer, move forty or fifty miles away, over a gravel road, to the Town of Baie Verte.

The minister says that he is going to give it a test period, a trial period over the summer months, and I hope that during that period of time it will come home to him that it was not a wise move to make. I am all in favour of having larger centralized offices in the province so that you can have a degree of specialization in some of these offices, Mr. Chairman, so that in a place like Baie Verte you can have welfare officers, or social workers, or welfare workers of various kinds, who do have a degree of specialization. Of course this can only be administered from a central town affecting a whole area. But in the case of an ordinary, and I do not mean ordinary in a depreciating or derogatory term in the case of an ordinary welfare officer, Sir, it does not seem to me to serve any great purpose to have the welfare office move to a central position and he has to go down two or three days a week I think to LaScie in order to hold clinic there.

The people of LaScie are fearful that these types of government services are going to be pulled away from them and they are going to be left sort of out on the periphery of things, out on the margin of life in the province. They would like to have their fair share, not for the sake of having it but for the use that government services can be put to they would like to have their fair share of regional offices, whatever they are called, offices located in that town.

So I would like to ask the minister to describe to me, so that I can convey to the people what exactly is the point of moving an ordinary welfare officer away from a town like LaScie. What is the

point of discomforting the people there? What is the point of making it more difficult for the people to gain access to the welfare officer?

I am not only thinking in terms of those people who get relief of various kinds, social assistance or long-term assistance or short-term assistance, I am not thinking only of that, I am thinking of the idea of having a trained personnel of government in a town which is located, somewhat divorced from the larger towns of the province. What is the point of removing this trained government personnel from that area? Because there are definite benefits to society, to the social welfare of a place like LaScie. He is a man to whom people could go for advice.

I know from - without divulging any secrets that I gained when I was in the administration or as member for the district, I do know that there are some problems in LaScie and places like LaScie, particularly with young people, a tendency toward some delinquent activities of various types, and the removal of an officer like this is certainly not going to have the effect of tempering or toning down or trying to get rid of some of these delinquent tendencies, Sir. As a matter of fact, the reverse would be true and we will see that the removal of this element of government authority, government advice, government consultation, will have adverse effect particularly on the young people of a place like LaScie.

So I urge the minister, in this specific instance, to rethink, to reconsider the move, the transfer that he made in that respect. I would imagine, without knowing, that the same thing has happened in a few other towns and communities in and around Newfoundland and Labrador. I really question the validity of this type of centralization. I do not disagree. I do not say that a place like LaScie can have a welfare officer who is especially trained to deal with problem children or a welfare officer

especially trained to deal with delinquent children and etc., etc., various specialties within social or welfare training. All I am saying is that in a place like LaScie and the communities surrounding LaScie, they should not have taken from them a welfare officer and therefore be deprived of this element of government service. Because certainly, without saying anything else about it, in my opinion it flies in the face of the present administration's stated policy of trying wherever to bring government to the people. I hope that they did not merely mean that in the political sense. I mean cabinet ministers or members will be more accessible to the people, I hope that they meant it in this sense, that all government services will be more easily accessible to the people of Newfoundland and Labrador. But by moving this welfare in LaScie and I would imagine in other cases, they are not doing that, Sir, they are doing the reverse and I do not think that this type of centralization serves a very valid or good purpose.

MR. HICKEY: Mr. Chairman, first of all let me deal with the aspect of the problem raised by my hon. friend, with regards to the conversation that we both had in relation to this matter.

First of all I can say that there was certainly no change of mind on my part in terms of the conversation we had in connection with the moving of the welfare officer at that particular time. It came about because within a matter of two to three days I believe

from the time we discussed the issue, the welfare officer was due to move and certain arrangements had been made. Maybe I can go so far as to say that if I had to think of dealing with it immediately, maybe the welfare officer would not have moved as quickly as he did.

I do think, however, Mr. Chairman, in fairness and I do not think I would be honest if I did not admit this, that ultimately I think he would have moved because I could not provide a constructive, reasonable argument to my officials to keep that official at LaScie,

and neither could I refuse, as it were, just for pure political reasons nor any other reason without them being justifiable, to experiment as it were in a situation which first and foremost is to improve the service that we provide to the people of that general area and in particular the Town of LaSalle, and as well, from an economical point of view, to save money, improve the service in terms of the decision making process.

Mr. Chairman, there are other areas in the province which are undergoing similar tests as it were, I think that is the right word to use. Certainly LaSalle is not the only one. I want my hon. friend to know that. We are not necessarily picking on that particular area. It is part of a policy which was again devised by the former administration. I am the last in the world, Mr. Chairman, to knock a policy until I can replace it with one better.

I agree with my hon. friend that attempts possibly to move the particular official who might have been there, failed or maybe the political side of it won over the administrative side. However, I gave my hon. friend's assistant, I believe, or one of his office staff an assurance by telephone when I discovered that the move had in fact been made. As far as I was concerned it was a test move, it was a situation that I wanted to experiment with now, even more so now than my officials, because the administration, the administrative part of my department, my senior officials as well as the regional people at the field level were recommending this.

Mr. Chairman, the arguments they were using to justify it were indeed sound. For example, in keeping with the policy which has been in effect, it tends to remove the isolation of decision making. The policy is really geared to do away with one-man offices which are costly on the one hand, which do not necessarily, I do not believe that anywhere in the province is there a stenographer in a one-man office,

which tends to slow up the decision-making process, which tends to break down the service or certainly provide a service far less than the level that we want to provide. So there are many reasons for doing away with the one-man office.

Mr. Chairman, I would like to assure my honourable friend that in concurring with the decision, it having been made I was not in the slightest way negligent insofar as keeping in mind and bearing in mind very seriously the points that he raised with regards to (a) leadership in the community, (b) the need for this kind of leadership with emphasis on the problem such as delinquency and other matters pertaining to child welfare, (c) the need for such leadership in the community from a general point of view. All of those things, Mr. Chairman, I can assure my honourable friend that I put forward to my officials and in fact I can say that with my deputy minister we spent a considerable amount of time beating this thing back and forth in a kind of critical fashion, maybe disagreeing with one another on times in a healthy sense and hopefully with a view to coming up with a sound and practical solution.

Finally, Mr. Chairman, my deputy minister and other officials convinced me that, and I am certainly proud to admit this, that there was nothing wrong with experimenting, there was nothing wrong with testing this kind of situation to determine the value of it, to determine the savings of it, to determine the improvement in terms of service and then again to look at the community or the Town of LaSalle without the welfare officer being there. We are keeping a watchful eye on the situation, I can assure him of that. I know that he has the people of LaSalle very much at heart and their best interest at heart. I assure him that we do too and I will in no way refuse to reverse that position, unless it can be proven clearly that the service is better, that for economic reasons it is sound and that indeed

in our opinion the town is not lacking without the presence of that welfare officer on a full time basis.

I think one other important point I should make is that in moving that officer from LaSalle to Bale Verte we are not removing the image, as it were, or the physical structure in terms of representation of my department. The office which he occupied will remain as a sub-office. The officer will be available to the people of that town the same number of hours, the same number of days per week, per month and what have you. There is certainly no decrease or breakdown in the service and as I have indicated it is all geared to improvement of the service, possible saving of funds, as part of an overall policy of the former administration which I am not prepared to just write off and change for the sake of it, as I said, until I can come up with a more sound one.

One other point. Mr. Chairman, before I take my seat. From an economic point of view the one man office, wherever a situation like this exists, presents many problems, some of which I have already outlined from the point of view of secretarial help which this government cannot necessarily afford. The other thing is housing of the officers. An officer who is in a one-man office has as much right to decent housing as his counterpart in a larger centre. This ultimately results in this department or this government providing housing in some instances. Mr. Chairman, at a cost of not less than \$20,000 and sometimes \$25,000 under the policy, again which is a policy of the former administration.

We do not have the answer to the housing problem of our officers in terms of cutting back or changing it in terms of making it more economical. Mr. Chairman, until we do, this is a very real problem and this is an area which we have to take into account. So this is still another reason why our policy of discontinuing the one man office exists. I hope that between myself and my officials, who indeed

are expert and professional in this area, we will be able possibly to come up with a different policy. There is nothing, Mr. Chairman, that I would like better than to be able to say that we retained the one man offices even if they are in larger numbers than we have them now. I think the more representation we have across this province the better. I could not agree with my honourable friend more when he says that our policy of bringing government to the people indeed should be reflected at the field level. I think, Mr. Chairman, that we are living up to that but I think we also have to do it with the economics of it and with the calibre of service very much in mind.

So I assure him that the issue is by no means closed. It is on an experimental basis and I am sure that he and I will discuss it again, hopefully to the mutual satisfaction of both.

MR. ROWE (W.N.): When is the experiment?

MR. HICKEY: I do not think any definite date has been pinned down, Mr. Chairman, but I would suggest that a final and definite decision will be made before the cold weather sets in, before the winter sets in. This as I say again is the right time of the year to do it, while we have the bit of fine weather.

On motion, sub-head 1152, carried.

MR. WOODWARD: 1154(01): Mr. Chairman, I would like to ask the honourable minister if it is possible that he can supply me with the number of employees that are employed with Northern Labrador Services. If he does not have the information available maybe he could do it at a later date, get the number of people who are employed with that particular division. I am not asking for the whole of the department, Mr. Chairman, I am just asking for the employees in NLSD division. I was very pleased to hear announced in the House yesterday that Ross King, a personal friend of mine and who worked on the Labrador Coast for a number of years, had been elevated

to the post of assistant deputy minister. I trust that he will not be removed to any great degree from his responsibility in the Department of Northern Labrador Affairs as I feel he has been a great asset over the years to that particular department. I would hate to see him moved in another direction so as we will have a relapse maybe attention in that department.

This is all I have to say, If the honourable minister could supply me with the names of the people that are directly employed with the service, I would appreciate it.

MR. HICKEY: I will just reply to that first, Mr. Chairman, and then my honourable friend can feel free to pose any questions that he has. I am sure he does not want the names but he wants the number.

MR. WOODWARD: The names and the number.

MR. HICKEY: The names

MR. HICKEY:

and the number? I do not have the names, of course, available right now. The number is fifty-eight. Mr. Chairman, I think for the benefit of the news media I should point out that I got the impression from reading "The Daily News" this morning or at least the impression was left that my department was about ready to pull out of Labrador, from the point of view of Northern Labrador Services, in terms of the depot. I would like to say that I am sure this was just a typographical error or a human error. I am sure there was nothing meant by it. I feel it necessary that I correct that statement. Mr. Chairman, it is not the intention of my department to do that at this moment. In making my comments last night, I think where possibly the error might have come about, I realize that when one is making comments like this it is difficult for reporters to get everything down. What I said in fact was that this government feel in terms of Northern Labrador Services, where we provide or where we are an island maybe unto ourselves, a government unto ourselves, in certain regions of Labrador, where we provide the merchandize services, where we market, where we do almost everything that is done by government in the province, I feel that a good policy would be (I think it is fair to say that this is the direction we are heading) wherein when we develop Labrador the sections of Labrador which we are now in, which are fairly well developed from the point of view of depots, that we give serious consideration to passing this kind of business, this aspect of life in Labrador, the supplying of merchandize, the marketing, that we involve the residents, Mr. Chairman; that we pass this over to the private sector, as it were, the free enterprise system wherein those people themselves and others who are interested and who are capable can take over where government leave off.

Mr. Chairman, may I assure my honourable friend and all three people or in fact all the people of the great region of Labrador that it

Mr. Hickey.

is not the intention of government to pull out just like that, to make a change just like that. It is, however, the intention of government to attempt to upgrade and improve on the services that we are presently providing. If, that is, we were to find people who could provide the services that the Northern Labrador Services are providing now at those depots, If we could find people under the free enterprise system to do this, I think it would be much more practical, and always being assured that the level of service would not only be maintained but in fact improved. I think it would permit this government, Mr. Chairman, to move further afield in Labrador into some of the areas that Northern Labrador Services are not now operating in and possibly break new ground there by starting of in the same manner as we did in such places as Nain, Makkovik, David's Inlet, Hopedale and to set up a service there, eventually with the view to doing the same thing, develop the area, develop our people in those areas and then to attract some private enterprise people in to take over.

Mr. Chairman, it is the general policy of this government, as clearly stated time and time again, to make Labrador a good place to live, to bring equality to the people of Labrador, and to this end this government will continue to work. I believe I mentioned last night for my honourable friend, a question he raised with regard to the fish plants at Makkovik. I can tell him that it is the government's intention to continue on with that programme and hopefully this year to get involved in, to put a fish plant at Makkovik. Our experience last year in Nain was very successful. We certainly made great strides and great changes in that community. There were so many changes, Mr. Chairman, or such a change I should say or maybe I should say that it was so successful that the rising expectations of the people there resulted in all kinds of rumours and allegations during the winter with regard to fuel and food shortages. Admittedly, Sir, there were items of food that were short at Nain and at other depots. Mr. Chairman, I suggest that this will continue until we devise some different system

Mr. Hickey.

of supply. I do not think it is the fault of government. I do not think it is the fault of my officials. I think it is just one of those things, that it is geography, ice and a lot of other things. Maybe it is a lack of funds to provide the required services in those areas. But, Sir, it is a matter which we are very concerned about. I believe I indicated in my remarks yesterday that my colleague, the Minister of Labrador Affairs, my colleague, the Minister of Supply and Services, and myself certainly will be getting together to discuss this most important issue. It is our hope and it is our intention to do everything possible to ensure that shortages do not exist in the coming year. With regard to the fuel shortages, Mr. Chairman and possibly now is the right time to set the record straight, it was simply and strictly a piece of politics. It is not for me to say who initiated it or who was responsible because, Mr. Chairman, while there might have been shortages of certain food stock, certain commodities, while the supply of stove oil was getting low, there was in fact no shortage of fuel in Nain at any time during the past winter.

Mr. Chairman, it is unfortunate that when people have developed to such a degree and in such a short time as the people of Nain, in terms of rising expectations, in terms of amenities such as oil stoves and what not, as they have there now, that somebody would take this issue and kick it around as it were. I hope that we have heard the last of it. I hope that during the coming year those responsible and those people who are so interested in the people of Nain, and I certainly do not refer to my hon. friend from Labrador North, and of people who do not sit in this House, I hope

MR. WOODWARD: Mr. Chairman, the situation that developed last winter and the controversy over the fuel oil shortage that the minister has mentioned in the Community of Main, I must say right now, at this particular time, that I wholeheartedly agree with him. Hopefully he is not pointing the finger at me when he thinks in terms of playing politics with the livelihood of the people in the Northern Communities of Labrador. This is far beyond politics, Mr. Chairman, and far be it from me or from anyone else to indulge in such tactics as to play politics with the livelihood of those people.

Commenting on the retail stores, I would like to add something that has possibly happened and a bit of history concerning the retail stores in Labrador North. It is a fact that this was set up some years ago by the Hudson's Bay Company and the viability of it could not support the private sector operating retail stores in Labrador. Consequently, the Commission of Government in turn took over the stores in 1942-43 and they were run as government stores until such time as MLSD went in, in the early years of Confederation.

I still do not think, Mr. Chairman, that we have the economic stability or the viability in the community whereby you can support commercial enterprise. I would like to see commercial enterprise and I would like to see those communities developed along the same lines as the normal community in the island portion of the province. As I said before, I think that this has to be a very gradual move. You cannot move the government participation out of the communities and consequently leave a vacuum or leave it to the business sector, because of the fact that if we do this then I think the communities will suffer.

We have a very sad history, Sir, in Southern Labrador, where we have had mobile business-type men coming down from the

Island of Newfoundland, establishing themselves during the summertime in the most viable communities, where there are the largest numbers of fishermen and pulling up stakes in the winter and leaving the few people or the livers stranded, without any means of commercial support or supplies during the winter months. This is not reatively new, It is going on now in Southern Labrador going back to 1970, where we had a number of communities that did not have fuel oil, gasoline for their skidoos, and things of that nature for the winter. It seems to be very primitive for this day age, but it did exist. So, if we remove the government sector from the communities, without first making a detailed and comprehensive study of what is taking place, we would be probably leaving ourselves open to criticism.

I think in this respect, although I agree with the minister that there should be some means whereby we should encourage private sectors to move into the communities, we must monitor the situation and only take the government concern out at the time that we feel there is no need for government there. If we were to do it in an overnight sort of deal, I think that those communities would possibly revert back to some degree to the days before we had able people like Ross King and his Department of Labrador Services.

I think, Mr. Chairman, that is should be watched very carefully, although there are a number of people now in the communities who have expressed to me their willingness to get into private business in the communities. I trust that the Minister's department will encourage them to do so. Then again, as you are the biggest contributor and the communities are relying solely and wholly on the government depots, they should not be removed hastily, leaving the people again stranded.

As for breaking new ground and moving further south into Southern Labrador, I am sure that most of the honourable members, maybe not the honourable members but some of the honourable members,

I am sure that the honourable member for Fogo is familiar with what has happened in the community of Rigolet through NLSB participation. I am very pleased to hear, and I do not know if this is premature or not, that there are strong intentions of this particular department moving as far south as Black Tickle. In the event that this does happen, I am sure, Sir, that this will be welcome news to the people of Black Tickle and no doubt we will get representation from other communities in Southern Labrador requesting this type of service.

Whether they will be eligible for it or not, I think depends on the discretion and thought that the honourable minister and his officials put into it when in consultation with our great contributor to this programme. As I said yesterday, ninety percent is contributed for the Indian people by the Federal Government and for the Eskimo sector there is two-thirds or sixty-six percent.

In this case, Sir, as we go through the estimates, further down I will be asking questions to explain the different types of functions and where the houses are going to be built, but they will be very brief, Mr. Chairman.

MR. WINSOR: Mr. Chairman, I would be remiss in my duty if I did not make some comment. Now that the heat of the day is cooling a little, I do not propose to prolong this committee debate by going into the history of Northern Labrador Affairs. I can entertain this committee for quite some time, because, Mr. Chairman, I represented that district for sixteen years in this honourable House. From my experience I know what has happened there, I have seen it happen.

I am very pleased to hear from the honourable minister of the appointment of Ross King to the position of Assistant Deputy Minister of his department. As a matter of fact, I introduced Ross King to Labrador. He well recalls the trip he made with me or with us when he went to his first station at Hopedale. I am sure that he

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was not long there before he discovered that all the things I told him about the people and the Eskimos of Labrador were exaggerated somewhat, but nevertheless, a lot of

MR. WINSOR: it was good information.

Now, Sir, let me just give you a short, brief background why the government is in the trading business in Labrador. I will deal first with the Indians. In Newfoundland there are at present, that is in Newfoundland and Labrador, two groups or tribes of Indians, one known as the Montaignais, numbering I suppose, I do not know what the exact number is now, I would guess between 400 or 500. The other tribe or group are the ones at Davis Inlet known as the Naskaupis, numbering about 250, I would imagine.

When I first met the Indians in my first visit to Labrador, Sir, I saw some pretty heart-sickening conditions. I saw when all the Indians in Northwest River and Davis Inlet were living in canvass tents. I had the experience of going into not one tent but several tents and witnessing, not at the precise moment, but witnessing the birth of a new born baby on green boughs.

Sir, when I was asked by the previous Premier of this Province, if I would be interested in running as a candidate in Northern Labrador, I without any hesitation said I would be glad to do so, because I felt there I could make some small contribution in bringing about a better way of life to those very unfortunate citizens. In 1936 and 1939, I knew of no Indian that could read or write.

However, better days dawned, I should go back and say that the majority of Indians in Newfoundland and Labrador are Roman Catholics, except maybe for one or two who migrated from Chimo. But the vast majority, I would say now perhaps one hundred percent are of the Roman Catholic Faith. The spiritual part of the Indians came under the Diocese of Newfoundland and Labrador. I was very happy on the opening of the Churchill Falls to greet my friend who was then Father O'Brien but who has since been elevated as Monsignor O'Brien. Monsignor O'Brien and I travelled that coast a good many

MR. WINSOR: times together and we had an opportunity to reminisce and compare what the conditions were like then and what they are like now.

Sir, but better times dawned for the Indians of Labrador during Confederation, as a matter of fact the exact year, 1949, when the spiritual part of the affairs for the Indians were taken over by the Oblate Fathers. Now I think every station in Newfoundland and Labrador is manned by an Oblate Missionary. They are certainly making a good contribution and doing a good job.

So, Sir, there it began and in 1959, September 1, the first school was started at Northwest River. In the next February, I think, I am not sure of the date, however that is immaterial, I witnessed the opening of the first Indian school in Northwest River. Consequently, today many of the Indians, both at Northwest River and Davis Inlet, can now speak English and, as a matter of fact, Mr. Chairman, in some cases they are further advanced than we are. It is not uncommon to find an Eskimo and an Indian in Labrador that can speak three languages, Eskimo, Indian and English. I might say, in many cases their English is of a much higher calibre than a lot of us Newfoundlanders and myself included.

So here we have the Indians from what they were and where they have come since then. The first Indian school was started at Northwest River in 1959, consequently, homes were built. Sir, from those canvas tents there came a home, a wooden house constructed for every Indian family both at Davis Inlet and Northwest River. Now today there is not one Indian living in a canvas tent only by choice. Now they go sometimes up in the woods and naturally they like to spend a few nights in the canvas tent.

But, Sir, the progress which has been made towards improving the living conditions of the Indians is just fantastic. It can

MR. WINSOR: only be appreciated, it can only be appreciated by people who have had the experience with Northern Labrador down through the years.

The Eskimos, Sir, I do not want to take up too much time, Mr. Chairman, but the Eskimos they go back as far as 1752, when the first missionaries came or sailed from London in the little vessel "Hope" on May 17. They sailed across the Atlantic, I think it was the Missionary Hierarch who was in charge of the Moravian Mission in England at that time. He arranged for the expedition of the "Hope" with the purpose in mind to establishing the Moravian Mission in Labrador among the Eskimos.

But, Sir, an unfortunate incident happened and that voyage did not prove as successful as it was first thought it would. But to make a long story short, they did arrive at Hopedale, after a considerable time and a stormy passage across the Atlantic, and the four missionaries went on shore in Hopedale and this is where the name of Hopedale originated, it was taken from the ship "Hope" and called the Bay of Hopedale.

But, Sir, those missionaries, as one can imagine, during their daily chores of trying to discharge the ship and building winter quarters were pretty frustrated, but nevertheless they had something within them that gave them the will to carry on. So the final day came and the "Hope" sailed back to England, intending to go back to England but a short distance north of Hopedale it was met by a group of Eskimos in their canoes and the captain of the ship was persuaded to come ashore and barter or trade furs with the Eskimos. This he did, taking four of his sailors with him, in the only schooner they

had or possessed. But after several hours the mate became very worried and that lingered on into days and nights. However, winter or fall was closing in, the captain and the four other accompanying sailors did not return and the mate of the "Hope" decided to weigh anchor and go back to Hopedale, which he did.

On arriving Hopedale he said to the four intended missionaries, "we do not have sufficient number of men to man the ship back to England and therefore I would ask you to consider and join the ship and deliver it back to its original port in London, So this they did and that was the first phase of establishing the Moravian Mission in Labrador.

In 1758, I am not too clear on this but I think the Moravian missionary, under the guidance of Von Zinzendorf I think it was, was determined to establish the Moravian Mission in Labrador. So he sent one of his missionaries or his carpenter, in the name of Von Zinzendorf, to Greenland to get to know the Eskimo and speak their language. This he did and after several years after Von Zinzendorf came to Labrador and started the first Moravian Mission at Okak Bay, then it extended on to Nain, Hopedale, not in this order but up north as far, in my day at least, to Rama which is approximately one hundred and seventy miles south of Chidley.

The Moravian missionaries then had the responsibility of, not only the spiritual responsibility of the Eskimo but they had the responsibility of supplies and the Moravian Mission bought their supplies across the Atlantic in their own ship, known as the "Harmony". There were two such vessels, "Harmony I" and "Harmony II". It became so financially involved that the Moravian Missions could not carry on and they relinquished to the Hudson Bay Company. I am sure the older people of Northern Labrador can tell you many wild stories of just how they were treated by a private enterprise, in the name of the Hudson

Bay Company, but that is many many years ago.

But, Sir, in 1942 the Hudson Bay Company discovered that it could not financially carry on bringing in supplies and taking back the produce of Labrador, So without much warning they came to the Commission of Government and said; "we are pulling out of Labrador." So who were going to take care of the Indians and Eskimos in that territory? The Commission of Government undertook to try to attract private enterprise to go in there and there were several offers, as I recall, but the offers were so financially rewarding to the private enterprise that the government solved it in their wisdom, not to grant any franchise and the conditons were that any deficit that they encountered would be paid by the government.

So the government, again I say in their wisdom, started the trading operations in Northern Labrador. Sir, it has been a terrific operation. They have done wonders, of course with the help of the Federal Government, I do not think this province could financially carry on the responsibility of providing provisions, stores, and what not for the many people in Northern Labrador without the help of the Federal Government, which they did.

At first it amounted to \$200,000. That was in 1959. Then it increased until now I think it is about \$1 million a year. But, Sir, I would have one word of caution to the hon. minister, I would not like for him to give too much thought or at least not serious thought to taking or changing the role of the Department of Northern Labrador Affairs in Northern Labrador. I think it would be an injustice to the people up there if we are to once again go back to private enterprise because, Sir, the people of Northern Labrador are able to purchase much less. Their prices are much lower than you could find in communities, even just outside of St. John's. For that reason, Sir, I would be very much afraid that if we got into the private sector or the private enterprise to operate Northern Labrador, someone would be the loser and I am afraid that the good of the Eskimo and the Indian tribe or race would probably be the losers.

However, that is not to say that we should not interest small business people to get interested in bringing in supplies that perhaps the Labrador cannot always find it possible to keep in stock.

The minister spoke of the shortage of supplies. That has always been the case and I am afraid it always will be. The natural geographical location of the area and the ice, you know they are ice bound and snowed in for practically eight or nine months of the year and it is just utterly impossible to keep all of the desired products, fresh vegetables, etc. on hand in Northern Labrador. However, the Department of Northern Labrador Affairs, under the direction of Mr. Ross King, endeavoured at all times.

I do not really recall when there was an emergency, when people went hungry because of shortage of any food in Labrador. Sir, I saw the Indians and Eskimos in Labrador pretty hungry. I saw on one occasion, when we were going up to Davis Inlet, in 1938, the store was operated by the Hudson Bay Company, when the Indians were watching for days. This was a spring when we had an awful lot of heavy Artic ice to deal with and we were late in getting in.

AN HON. MEMBER: When was that?

MR. WINSOR: In 1938. However when we did approach the approaches to Davis Inlet, three canoes came out and we had to stop the ship and unbatten the hatches and throw a few half bags of bread, bread came in the half bags then, down in the canoes, and they went ashore.

Sir, their resistance was so low, when we got to the anchorage and started to discharge, the first thing we had to do was discharge molasses, bread and lard, that is a sort of a greece. But within four or five hours, where their resistance was so low, at that particular time, we got around to discharging again, the whole tribe of Indians landed along-side of the vessel, all loaded drunk. Loaded drunk because the strong molasses had made them so, because their resistance was so low in the beginning.

AN HON. MEMBER: Strong molasses?

MR. WINSOR: Strong molasses, it was like the old navy rum.

So, Mr. Speaker, I trust for the benefit of the members of the House *who* are not familiar with the background as to why the government is in the position, or in the position it is, in supplying supplies to Northern Labrador, I trust that with this little background it will help members, especially the new members, to understand a little better that it was not a choice in the beginning for the government. The choice to go into Labrador was forced upon the Commission of Government and I think it was a Godsend that it happened that way.

MR. MURPHY: Mr. Chairman, just before it passes, I thought that I would say just one or two short words.

With reference to Northern Labrador Service and my short experience with it, from what I have heard everything has been good. There are complaints from some sources that they do not carry the stocks that you find on Water Street but I think these are natural complaints that you receive from some people, but I am sure that the Member for Labrador North and the former member are really more aware of what is being done than what I am.

But I am always at a loss to understand

just where the position of the Minister of Labrador Affairs comes into all this. In the North as far I understand there was Federal involvement. There is Northern Labrador Services, there is the member for Labrador North, there is the Minister for Labrador Affairs and if ever you are talking about representation or being over represented I think Labrador North has to be the place in all of Canada. They still have a great number of problems, but my feeling is that there has to be a coming together somewhere along the line with the department we are discussing now, with the Department of Labrador Affairs and with the representatives from the Federal and Provincial Government, as representatives, otherwise no one knows where the other is going and this has been my experience and I say it has only been a very short period with them.

We certainly need, and I believe Mr. King will agree with me on this, some centralized part, and I would say Happy Valley-Goose Bay where all this communications would take place. I am sure there is no more conversant person than the member for Labrador North, because everybody and his brother is on the phone. It is nothing to receive fifteen or twenty phone calls, the member receives them and I am sure the Minister of Welfare receives them and then the last one is the Labrador Affairs. I guess -

AN HON. MEMBER: (Inaudible).

MR. MURPHY: I do not know how concerned you are but I guess you are as concerned as we all are, Mr. Chairman, but we all receive these calls. That is the point I am getting. There seems to be a great need of a coming together of different groups to consolidate something there.

MR. WINSOR: Would the honourable minister indicate that those calls he is referring to came more from Northern Labrador or Southern Labrador? In my experience I got very few calls from Northern Labrador but scores and scores and scores from Southern Labrador.

MR. MURPHY: Well, I think that Southern Labrador in recent days would

outweigh the others but just the same we are getting calls and it is not the number of calls I am talking about but each of these departments are getting calls from the same people. This is the point I am trying to make. I am very happy that Black Tickle has now become a part I understand of Northern Labrador Services. So I do not know if they are still going to retain the name of Northern Labrador Services or if we are going to call it Coastal Labrador Services. I think it is something, Mr. Chairman, that we could all have a look at and work out to the best advantage of the coastal residents.

MR. HICKEY: Mr. Chairman, there is some information I wanted to give on some items raised by some honourable members. First of all my honourable friend from Labrador North expressed again concern over the talks about pulling out of that area. May I just again emphasize that this is not the case.

MR. WOODWARD: Mr. Chairman, I did not say they were pulling out of Northern Labrador Services, I merely meant pulling the retail business out and having it replaced by the private sector. I did not refer to NLSB services per se pulling out of the area but I referred to the retail stores being replaced, which I feel they should be, but it is going to take a period of time, but not the total services, Sir.

MR. HICKEY: Right. This is the impression I got from him that he was referring to the retail services and again I say it is not the intention of government to do this but that this is one possibility into the future. The other thing, Mr. Chairman, in regard to housing in that area. There are some new houses to be built. There are eight to be built at Nain, three at David's Inlet, five at Hopedale, four at Postville, five at Makkovik and four at Rigolet for a total of twenty-nine. There are also some house repairs to be made at North West River.

The only other thing, Mr. Chairman, that I want to say before the vote passes is that again concern was expressed with regards to

Mr. King and his new appointment. May I assure the committee that Mr. King will continue to be responsible for Northern Labrador Services and the entire operation in his new appointment.

MR. WINSOR: Mr. Chairman, maybe the honourable minister would like to answer this one. Is it now the intention to replace Mr. King with a gentleman with similar knowledge as Mr. King has? I think it is very important that his replacement have a knowledge of the people of Labrador and I am sure he will bear that in mind when the appointment is considered.

MR. HICKEY: Mr. Chairman, I can assure my honourable friend that this is a matter which is being given careful consideration at the moment. There are many people who in fact we could put there who have some knowledge, but we will wait. In fact Mr. King will carry on until we choose this man and we hope and we know we will choose very wisely with this thought in mind.

MR. WOODWARD: Mr. Chairman, if I may be permitted, just a few brief comments concerning the comments made by the honourable Minister of Labrador Affairs. I think it is only justifiable at this time for me to say this, that this sector of the NLSD does not necessarily apply to the whole of Labrador, it is the northern communities. I am sure the honourable minister should be familiar with the agreement that we have with the Federal Department of Indian Affairs regarding this particular thing, if he is concerned about the job that he is doing as Minister of Labrador Affairs as such. Again I may say that I think when the honourable minister does pay a visit to the coastal communities of Labrador and see the involvement of NLSD and the dependency of the natives on this particular department that he will become more aware of the programme that is taking place and he will himself personally, if he wants to do the job as Minister of Labrador Affairs, try to fit the programme of his department in with that particular department. I am sure there is a great need for it, Sir.

You have a representative in Happy Valley that I personally took to the Labrador Coast, who explained some of the provincial programmes, not as many as I would have liked to have had explained to them. I am sure with you and the Minister of Social Services and Rehabilitation and indeed the Minister of Supply and Services; this whole division, Sir, is entwined into three departments and you could have a great contribution to it. Hopefully, Sir, you will see fit to do your tour of Northern Labrador and become familiar with that part of the province.

MR. WINSOR: Mr. Chairman, on the trading of supplies and produce, the marketing of the produce produced in Labrador, namely fish, fresh fish, salt fish, artic char and what have you, has the minister considered having the marketing done by either the Salt Fish Marketing Board or through the Department of Fisheries?

MR. HICKEY: Mr. Chairman, the marketing of the fish, the artic char, the cod fish and every other species of fish caught in Labrador is presently being marketed by the Salt Fish Corporation. This was tried by the former administration. I believe it is a good policy. The results appear very good and it is the intention of my department to continue. For quite a number of years, Mr. Chairman, there were losses in this area and I think we are beginning to get our head above water now. The prices that we are receiving for this product are better. There is increase in markets. We are marketing in the U.S., Europe and various other markets. I think generally it is fair for me to say that the Salt Fish Corporation has had some kind of break-through and until such time as again we can find some reason to improve and deal with someone else, I think we shall continue this policy.

MR. WOODWARD: Mr. Chairman, just briefly just one question on the - just to set the record straight on trading supplies and produce. Is this total of this cost recoverable from the people in the communities, from the retail stores? Is the total cost of this recoverable in the

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retail from the stores?

MR. HICKEY: What item are you on?

MR. WOODWARD: We are on trading supplies and produce. It is 1154(03)(02).

I understand that

this is recoverable by your resale from the stores.

MR. HICKEY: I am surprised, it is.

MR. WOODWARD: It is.

On motion, 1154-03-02, carried.

MR. WOODWARD: Mr. Chairman, just briefly, seeing that this has risen from \$26,000 to \$85,000, maybe the minister could briefly explain the increase and his programme.

MR. HICKEY: Mr. Chairman, that is to pay for the maintenance...

MR. WOODWARD: Just briefly, it is not putting into our educational system, and it is not under the...

MR. HICKEY: It is for the maintenance and cost of the new dormitory at Northwest River.

MR. W.N. ROWE: The whole amount?

MR. HICKEY: Yes.

On motion, 1154-04, carried.

MR. WOODWARD: Mr. Chairman, perhaps the minister would be kind enough to give me a breakdown of his programme for each community this year and the amount of money that is going to be spent in each community.

MR. HICKEY: Mr. Chairman-

MR. WOODWARD: The honourable minister can give it to me later.

MR. HICKEY: I have already given it. The honourable gentleman probably was not listening or was not aware, He was probably thinking of something else at the time. May I repeat it? We are building twenty-nine houses as follows: eight at Nain, three at Davis Inlet, five at Hopedale, four at Postville, five at Makkovik and four at Rigolet, for a total of twenty-nine. We are doing some house repairs at Northwest River.

On motion, 1154-06-05, carried.

MR. WOODWARD: Mr. Chairman, will the honourable minister tell the committee if this dormitory is going to be ready for occupancy in the fall?

MR. HICKEY: It is due to be ready to operate on August 15, Mr. Chairman. The total capacity is seventy-two.

On motion, 1154-06-06, carried.

On motion, total subhead 1154, carried.

MR. HICKEY: 1156-05-08, Mr. Chairman, \$100,000 short here by error.

MR. CROSBIE: I would like to move, Mr. Chairman, that we increase 1156-05-08, homes for the aged, by \$100,000 which would make it \$115,700 and that the total for the department, when we get to it, be increased by \$100,000.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: The \$100,000 saved in Education has gone over to Welfare.

MR. MARSHALL: To put on a wing for the Opposition.

On motion 1156-05-08 as amended, carried.

On motion, total subhead 1156 as amended, carried.

On motion, total subhead 1157, carried.

On motion, total Heading XI, Social Services and Rehabilitation as amended, carried.

Heading XV, Economic Development:

MR. CHAIRMAN: Shall 1501-01 carry?

MR. CROSBIE: I have a few preliminary remarks, Mr. Chairman. First I would like to make a few general remarks about the Department of Economic Development and what has been done there in the last four or five months, what we are doing there and what we hope to do there. There are quite a few things done by the Department of Economic Development which would be better discussed on the individual items, because there is so much to cover. If we debate it at all as a general item it gets too discursive. But I do not know what the Opposition wants to do on that.

I might mention, Mr. Chairman, since it is a popular topic with the Opposition, that under the Newfoundland Industrial Development Corporation, part of the money contained in that vote this year is money that was spent in acquiring the shares of Burgeo Fish Industries Limited. I would suggest to the Opposition that the acquisition of that

company would be better discussed under the first item in the Fisheries Estimates, because the matter was negotiated and completed by the Department of Fisheries, by the minister of that department at the time. I am not familiar with all the details, I just know about it generally. It would be better if that were discussed under the first item in Fisheries. However, if the Opposition insists, it can be discussed under this item in Economic Development. In that event, I would suggest that we leave that item until we have the Premier in the House so that he can give the details of the arrangements that were made.

Having said that, I am prepared to debate the acquisition of the plant, because I think it was quite a satisfactory arrangement, all that could be done in the circumstances. But for the full detail...

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: Certainly, we will have an enquiry into that and one into the linerboard mill. What about one into the oil refinery too? There are all kinds of them, the steel plant, Marystown Shipyard and TPA. I would like to see enquiries into about twenty-five different things, but we just do not have enough impartial people in the province to do them.

AN HON. MEMBER: What about the rubber plant?

MR. CROSBIE: The rubber plant at Holyrood. We could have one hundred royal commissions going here. A tremendous source of employment, if we could find the people to do it.

AN HON. MEMBER: It could cure the unemployment situation.

MR. CROSBIE: That is for sure. Now, Mr. Chairman, the first thing I would like to mention is the new development corporation - Federal-Provincial Corporation which will be - the agreement should be signed next week, finally.

AN HON. MEMBER: How many more...

MR. CROSBIE: Well, I could say for another fifty weeks and I would be even with the last government. Because they started it last January, 1971, and left office (was it a year later?) most reluctantly. It still

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was not in operation but it will be signed next week. It is only a question now of coordinating with the Federal Government and getting a joint release ready. We have been kept in the House so much, afternoons, evenings, that it takes a while to get some of these things done.

I think most of the members know the purpose of the corporation is going to be to lend money to small, not necessarily small but small

Mr. Crosbie.

in the sense that they will be business enterprises having assets of less than \$1 million in this province. I would like to point out, Mr. Chairman, that the development corporation is not necessarily restricted to assisting manufacturing businesses. The agreement states:(It will be up to the directors, of course, to decide it) "Assistance can be given to the financing of business enterprises by the corporations, shall be restricted to enterprises operating in Newfoundland and Labrador." There is no restriction in the agreement on the kind of enterprise. It does not have to be manufacturers or a processor. It could be any business enterprise depending on what the directors decide. In addition, because members know that there will be a revolving loan fund of \$20 million from the Government of Canada to make loans with and an amount of \$2 million provided by the province to invest in equity, that appears desirable by the directors. Now in addition to the question of assisting business proposals financially, the second main purpose of this corporation or its staff will be to set up a management and advisory service to advise people who have been assisted, to advise them on proper management practices and how they can improve the management or what they may be doing wrong or where they can make improvements. In other words, a management advisory service which I think, Mr. Chairman, is a very important matter, particularly if the main assistance in this province is going to be given the smaller enterprises.

The overall management of this corporation is going to be in the hands of a board of directors of which the province will appoint initially three and the Government of Canada will appoint two. In the decisions made by the corporation, at least one federal director must concur or one provincial. It might be a vote of four to one but as long as one provincial or one federal is with the majority, a decision will be made.

Mr. Crosbie.

Of course, this board is going to appoint the permanent staff and a very important appointment is going to be the chief executive officer of this corporation. He is going to be the important individual and the officials he gathers around him.

As far as the agreement is concerned, there is concern. This should be executed next week. It has been approved by the Newfoundland Government. There can be up to ten directors. I think there will be five initially. Its main purpose on the loan fund is to make loans to business enterprises in Newfoundland and Labrador. These loans are going to have a maximum period of ten years. Canada is going to lend us the money for ten years. We can only lend it out for ten years. The development corporation can only lend it out for ten years. "Such funds shall be used by the corporation to make loans to the establishment, expansion or modernization of business enterprises in Newfoundland and Labrador provided that the corporation considers that the business enterprise to which any loan is made is viable and could not obtain adequate financing from other sources." That is important, Mr. Chairman, to be noted. The development corporation is not just going to be lending out money to any one who wants money. They have to be satisfied that the business enterprise for which they want the loan is viable firstly; and secondly, that they could not obtain the money or adequate financing from other sources. In other words, if the particular applicant could get money from one of the commercial banks or some other source they should do that. If they cannot, then the corporation will step in if they feel the proposal is viable.

Now it is certainly not the intention, Mr. Chairman, to have this development corporation act as a bank. They are to take more risks than a bank would. They would be willing to take more risks. They must be satisfied that it is viable, that it has some decent prospect. That should be obvious, of course. There is a clause in the agreement also

Mr. Crosbie.

and that is that no loan by the corporation is to exceed the amount of 300 per cent of the equity capital provided for the project and its directly related operations. The amount of the loans involved will have to be related to the amount of equity

MR. CROSBIE: the applicant has put into the business or that the corporation puts in through the provincial equity fund. Legal and other operating costs are to be shared between the province and the federal government. The initial duration of the corporation is for a period of five years but that can be extended by the agreement of the two governments.

So Mr. Chairman, the position will be hopefully the agreement will be signed next week, the directors will - we cannot disclose these matters in the House, there might be demands of breach of privilege and all of that. The directors will hopefully be appointed next week, the agreement signed, then they have to get the staff and get into operation, Certainly they should be in operation by the end of July.

So, Mr. Chairman, once the Development Corporation is set up, it is to provide assistance for enterprises that have a value, assets less than \$1 million. If there are any enterprises or suggestions or projects suggested that do not fall within that scope then the government would deal with them direct. The next question is: The Development Corporation being set up and hopefully meeting the need for assistance to small and medium size business in Newfoundland, which means that the government will not have to deal with the requests for guarantees of loans and the rest of it for those purposes. What is the Department of Economic Development to do? That is obviously of first importance. It is proposed and the government have agreed that the functions of the Department of Economic Development, once the Development Corporation is set up, will include the following: seeking out prospects, In other words, it will be the job of the Department of Economic Development to look over this province and to ascertain what are the kinds of things that could be done here, what are the opportunities and, having identified those, then to look

MR. CROSBIE: for people, private businessmen and so on to try and start those particular activities, hopefully from within the province, if not, from without the province.

Some of this work in the last year or so, Mr. Chairman, was done by T. E. McLoughlan Development Associates, Limited, an outside firm, an upper Canadian firm, but that arrangement with T. E. McLoughlan has now been terminated. So they are no longer doing that work and the department's own staff will now have responsibility for this work of seeking out prospects or promotion of mail outs, advertising, general promotion of Newfoundland as a place to locate and so on and instigating studies to identify possible new industries.

The second main function of the department would be selling a prospect once there is a prospect in view. For that purpose a project officer will be assigned. There will be a liaison with the prospect to advise him of the programmes available for assistance, what is available through DREF, what is available through the federal government, what is available from the province, to assist him in making proper applications for this assistance and to get it as quickly as he can.

Now some of this work, Mr. Chairman, was formerly done or was done last year by Camm Ure Associates, Limited, under a contract entered into by the former administration. That contract has now been terminated or has not been renewed and it will be the department's function to undertake that work.

In addition the Department of Economic Development has to develop a small but a professional staff with a high degree of analytical experience. Mr. McLean is a great possibility there. Yes, I am thinking of him for a Director-General of Prospects. What these people would do or what they should do is help to develop the general strategy for the development of this province, to give an input in the overall planning process and to tackle ad hoc projects as they come to the fore from time to time and, in addition, to assist in monitoring the

activities of companies in which the government have a substantial financial stake. There are quite a few of these as a result of the so-called economic development policy of the last twenty-three years. There are a number of companies which have received assistance from the government which need much closer scrutiny by the Department of Economic Development so they can see what they are doing and whether the government's investment is protected or not.

These are some of the things then that the Department must do once the development corporation is set up. Now, Mr. Chairman, there is a committee on functions, established by the Premier and the government and it may be decided that these functions would better be performed...

AN HON. MEMBER: It is not the hon. Premier.

MR. CROSBIE: No this is appointed by the Premier and the government.

AN HON. MEMBER: The hon. minister is functioning.

MR. CROSBIE: I do not know how I am functioning, I do not feel too well at the end of the present week, having to stay in this House and listen to the junk I listen to all week. I cannot even get enthusiastic about this subject.

I am just going to talk now until the clock reaches six o'clock. Believe me, I can do it. I could talk until the clock reached ten o'clock

AN HON. MEMBER: We believe you.

MR. CROSBIE: Thank you, I am not being challenged.

These functions may or may not continue to be in the Department of Economic Development and that department may or may not continue to be, it will depend upon the reorganization of functions that results from these planning studies.

Now we know that that is not a word, hon. gentlemen opposite like, "planning" but as a result of those studies, decisions will be made as to where these functions will be done or what Economic Development will do in addition.

Now in addition the Department deals with transportation, parks, tourism, the Power Commission and the Fisheries Colleges, These

activities may or may not remain in the Department of Economic Development. As a matter of fact, I may or may not remain in the Department of Economic Development and in fact I am not going to remain in the Department of Economic Development and there will be a change in the Department of Economic Development in due course.

AN HON. MEMBER: Are you coming over here?

MR. CROSBIE: No, I will remain in the government but will be concentrating my activities in the Department of Finance, Treasury Board and other assignments to which the Premier may direct me.

So do not be surprised if you wake up some morning and hear the shocking news that the Minister of Economic Development has been removed from his post and a new honourable gentleman appointed. I can assure you that my likely successor will carry on from where I leave, in a most expeditious manner.

AN HON. MEMBER: You have lots of competition.

MR. CROSBIE: Only on the other side.

Mr. Chairman, we are all groggy and we all know we are meeting tonight and tomorrow and all day Monday, so I will not be too much longer, just another twenty-two minutes. I think I have covered what the Department should do in the future in this line.

I could say, Mr. Chairman, we have some very good people down in the department now, but it is a department that needs to be reorganized because it has never really functioned as an Economic Development Department. That functioning took place in the mind of the late departed and it did not need much of an infrastructure to assist.

But today we are building up the infrastructure, we have Mr. Edward Power, the Director of Feasibility Studies Division, Mr. Alexander Roache, who is the Assistant Director, Acting Director of Transportation, and six project officers. We will need some additional staff during the year to...

AN HON. MEMBER: Are these Newfoundlanders?

MR. CROSBIE: Newfoundlanders? Newfoundlanders to the back bone.

There are two from the Mainland who are now Newfoundlanders.

I am going to come to all that in a few minutes. I
am going to come to that.

AN HON. MEMBER: Are they card-carrying Liberals?

MR. CROSBIE: They are card-carrying human beings.

MR. CROSBIE: How many what? How many applications are waiting? There are about, MR. Chairman, some 300 applications made for assistance now which will have to go to the Development Corporation as soon as it is set up. A lot of these are for very small businesses. Now there is going to be one gap in this programme which the government are going to fill and that is the gap that exists with respect to grants. As the honourable gentlemen opposite or at least one of them anyway, I would not say which one, realize, there is a gap under the DREE Programme because they do not make grants if the enterprise in question or the amount is under \$65,000 if you are going to establish a business or \$30,000, I think it is if you want to extend a business. Now there are a lot of small businessmen or individuals in Newfoundland who want to start some enterprise that is not that large or no larger than that. They need a grant of \$60,000 or under or \$30,000 and under, if they want to extend their business, and you cannot get anything from DREE today for that situation.

We have asked the Government of Canada to change that to the Atlantic Development, it is not "Board" any longer, The Atlantic Development Council -

AN HON. MEMBER: Advisory Council.

MR. CROSBIE: Advisory Council, has recommended to Ottawa that this be changed for Newfoundland and I believe that appears also in the Gross Report that was published within the last week. But there has not been any change and if there is no change, the Government of Canada or DREE will not change its policy just for Newfoundland alone. Then there will be developed by this government a system of grants to cover that gap, to give the smaller businessmen in Newfoundland comparable assistance for enterprises that are very small in size.

Now, Mr. Chairman, I think - what is this here, spot announcements and radio and T.V. last year, by Mr. John Nolan, it just struck my

MR. CROSBIE: eye, CJON, \$18,134.88, VOXM \$1,134.00, \$19,268.00 was spent on spot announcements last year, in connection with the parks. How I remember those spots.

Anyway let us,bye-the-bye we do not want to get into anything controversial. So, Mr. Chairman, I will proceed on to what I think is a very important matter and that - eighteen minutes? - is the question, Mr. Chairman, of the future economic development of this province. Now, Mr. Chairman, to be serious for a moment, there are three great possibilities that one can see for the future development of this province, for development that might produce revenue for the government, that the government can use to expand services or improve them or to build roads and the rest of it. That is firstly, I think, in importance, the possibility of oil and gas off of our shores, which could mean a tremendous servicing industry on the Island of Newfoundland itself and in Labrador, once oil and gas are struck there, if proceeded with properly. This has already been discussed in the House, under Mines, Agriculture and Resources. There is a committee working on it, including members of the Department of Economic Development, with the Minister of Mines, Agriculture and Resources Department. That is a very, very important matter for this province. That is one.

Secondly, there is the future development of hydro-electric power resource in Labrador, which means the Lower Churchill, at both sites, Gull Island and Muskrat Falls or other future hydro-electrical developments in Labrador, the Eagle River and other rivers in Labrador. That is

if we can see them developed to our benefit. Because the development that is taking place on the Upper Churchill is not, in my opinion, Mr. Chairman, a development that is for the benefit of this province, which we shall come to in more detail. That is the second possibility.

Thirdly, of course there are the usual possibilities and mineral exploration, better utilization of our forests, resource based industries and fourthly I suppose, if there is a fourth, any assistance we can give to small business and so on about the Province. There is also our position which we have talked about so many times in this House, our strategic position on the sea lanes of the world and the air routes and so on. But those are the two major possibilities to develop the province economically and increase our revenue base.

Now, Mr. Chairman, if the government of this province cannot increase its revenue base substantially, we can forget it. What we are doing in this House now in the next three or four years is academic. The arguments we have heard about the present budget, academic, because if we cannot get greatly increased revenues, we will not be able to continue to provide the services we are providing now, much less new services or extended services. We will not be able to carry on this present level of services if we cannot increase our revenue sources.

Now let us look at the Upper Churchill and see what the Upper Churchill has done for this province, Mr. Chairman, once you know the facts you know you realize that the Upper Churchill has done nothing for this province economically, nothing, zero, except it employed people and it employs people now that construction is underway, that is the only benefit to this province and it will employ a few of course when it is finished, very few.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Well that is very good. Excellent! I am glad to hear that. Thank you!

Now, nothing works with that poor fellow. Now, Mr. Chairman,

let us look at the Upper Churchill. Mr. Chairman, on the Upper Churchill we have to remember this, it was a great engineering feat. It was a great construction feat that was celebrated a week ago. Yes, it was great in those respects but is it a great revenue producer for Newfoundland? No. Is it going to be a great employer for Newfoundland? No. Is it going to provide power produced in Newfoundland for industrial development in Newfoundland? No. It is doing none of those things. It is not.

We have a right to recall 400,000 horse power, which is not very much power. Now, Mr. Chairman, I should take things in sequence but just looking at that 400,000 horse power, at what price have we a right to recall it? I can remember in this House, hearing, year after year, how this province would have the right to recall the 400,000 horse power and we would only have to pay one mill or one and a-half mills or two mills for the power.

Our investigation of the matter discloses an entirely different situation. We have to pay for that power, Mr. Chairman, exactly as much as Quebec Hydro pays for the power. That is what the trust deeds say, those entered into between Churchill Falls Labrador Corporation Limited and the people who put up the money, the bond purchasers and Quebec Hydro. So that we can only get that power for use in our own province if we pay as much as Quebec Hydro pays for it when it is delivered to them on the border of Quebec. It is not one mill, it is not one and a-half mills, it is not two mills, it is in excess of three mills. That is what we have to pay to recapture that power up in Labrador.

Mr. Chairman, there is no agreement about it. There is no agreement entered into with Churchill Falls, in writing, on that. It is a provision that is inserted in the power contract between Hydro-Quebec and Churchill Falls, CFLCo but there is no agreement between the Newfoundland Government and BRINCO, in writing, that provides that and no agreement at all on the price at which we would get it. So that now we discover that because of the trust deed and so on and so forth, in the matters that the previous government, most of whom knew nothing about it, certainly -

AN HON. MEMBER: When were the agreements entered into?

MR. CROSBIE: Well, I am going to come to all that. It does not matter when they were entered into.

AN HON. MEMBER: I would like to know. If they were entered into prior to my time, I would like to know.

MR. CROSBIE: Well, it is a possibility that some of it was during your time but it would not matter as you would not have known anything about it anyway. The thing is that the government of the day took no steps to protect us in this matter. Now people will say; 'Well, what are some of the concessions we gave for this project to be put under way?' We gave an exemption from the sales tax on the construction up there and that meant tens of millions of dollars of lost revenue to this province, because we did not collect the sales tax on the building materials. We gave them an exemption on the gasoline tax so that they did not have to pay any gasoline tax up there. We lost additional millions of dollars through that. All of this to get the price of power down so that Quebec-Hydro could get the power at a cheaper rate.

MR. MURPHY: (Inaudible).

MR. CROSBIE: I am not aware of that one. Perhaps that was done too. I would like to refer by the way to the section of the trust deed that

we discovered to our chagrin was going to be an impediment in the case of this recaptured power. Section 1223 of the trust deed says that CFLCo is not to sell power recaptured "unless the terms of such sale are not materially less favourable to the company than the terms on which such power if not so recaptured would have been sold under the power contract." In other words not less favourable than if it had been sold to Hydro-Quebec. Mr. Chairman, three years under the contract has to be given before we can recapture power and we now have to recapture power because the Iron Ore Company of Canada wants to extend its operations at Labrador City and there is not sufficient power left at Twin Falls so it has to have a substantial amount of power from Churchill Falls, which we are now in the process of recapturing. At what price and the terms and so on are still to be settled.

Now one heard in this House and one heard in public, Mr. Chairman, three or four years ago and since, of the tremendous revenues we are going to get from Churchill Falls. There was going to be \$18. million or \$20. million a year of revenue coming into the treasury of Newfoundland from Churchill Falls. It was supposed to come from three main things: first we are to get fifty cents per horsepower for each horsepower produced at Churchill Falls, a year; then we are to get eight per-cent rental charge. Eight per-cent of pre-tax income was to be paid to the Province of Newfoundland from the Upper Churchill. That is the second item. Thirdly there was our share of the Canadian Corporation Tax that comes to Newfoundland and of course eventually there are possible dividends because we are a shareholder of Churchill Falls.

Mr. Chairman, we own 775,998 shares of Churchill Falls Labrador Corporation. We bought them at an approximate cost of \$18.00 for the province and the people of Newfoundland. So we have 9.2 per-cent of total shares of Churchill Falls Labrador Corporation and then BRINCO

controls the majority of shares and Quebec-Hydro has thirty odd per-cent of the shares. Now the purchase of those shares cost the province, Mr. Chairman, I do not have the exact figures but cost the province between \$13. million and \$14. million. So eventually we will get some dividends from these shares. But look at the cost to this province of this silly investment, because this province had to borrow the money to invest in BRINCO shares and was invested four or five or six years ago. It is costing us, since we borrow money, at anywhere from one point nine and one half per-cent interest, It is costing us

MR. CROSBIE: whatever our average interest costs are? Eight percent a year, and we have had that investment for four, five or six years. This does nothing for us. It does not give us control of the company. It is only a small, minority shareholding and in my view it is a silly investment in the first place, because it does nothing for us.

AN HON. MEMBER: When were the shares bought?

MR. CROSBIE: I can have that looked up, They were not all bought at the same time, There were some bought in 1966 or 1967 and some bought before that. I would have to look up the exact date.

So the forecast given was that we are going to make \$18 million to \$20 million a year on these various taxes. Now what are the true facts, as we discovered upon looking into the matter after assuming office? The actual situation is that by the year 2002 we may get around \$15,800,000 from all of this. What are we going to get this year? We estimate perhaps \$1 million. In 1973, \$2,700,000, in 1974. \$4 million. It does not vary much then until you get to 1978, when we should start getting a little bit of income tax. You might say; why are you not going to get some income tax before then? Because, Mr. Chairman, we have no right to decide or to agree or disagree with what rate the company takes for tax purposes, for capital cost allowance. So they will naturally take as much capital cost allowance every year they can, to save paying the corporation tax. We have no say as to what rate they should use. So for the first years we are not going to get much in the corporation income tax.

It is estimates that it might be \$6 million by 1978. Then it varies until, not by very much, until 1985 where it is estimated that we may get \$10 million and from there 1986 to 1991 around \$12 million, 1992 to 2001 the average per annum will be around \$14 million and finally in 2002 to 2016, we may get up to \$15,800,000. This is the best guess now. We will not reach the \$10 million figure until 1985.

MR. CROSBIE: Well that is the so-called revenue that we are going to get off the Upper Churchill.

But, Mr. Chairman far worst than that is the discovery that for every dollar of that revenue we are going to lose a dollar in tax equalization. So we are going to gain nothing from the Upper Churchill in dollars because as we get our \$10 million, let us say for an example, from the Upper Churchill, we are going to decrease \$10 million in tax equalization. Now of course that is going to happen, The more we increase our revenue from any source, the less tax equalization we get. Well it cannot be avoided unless we can get them to change the formula, to eliminate some of these things.

But, Mr. Chairman, even worst than that is this: The House will remember that four or five years ago, the Public Utilities Income Tax Transfer Act was passed by the Government of Canada, primarily because of the Upper Churchill. That Federal Legislation provides that the Federal Government will rebate to Newfoundland or to any province ninety-five percent of the corporation income tax collected from Public Utilities, from privately owned public utilities. Newfoundland agreed with CFLCo or BRINCO that Newfoundland, when it got the ninety-five percent back from the Government of Canada, would give the CFLCo roughly forty-seven and a-half percent of that. We would rebate to CFLCo, and this was another inducement to get them to start the Upper Churchill.

So let us say we get \$6 million from the Federal Government, They transfer to us ninety-five percent of the corporation tax that Churchill Falls pays them, Say in 1980, just as an illustration, we get the \$6 million, we give roughly \$3 million back - these are rough figures - to BRINCO, under this agreement. Lo! and behold! instead of us just not getting anything on the Upper Churchill, we have lost \$3 million, because we get \$10 million, just as an illustration, in revenue and tax equalization went down by \$10 million and part of

MR. GROSBIE: the corporation tax we had to give back to BRINCO. So we now have, instead of a net benefit or any benefit in revenue from the Upper Churchill, we have a net deficit of \$3 million, just using that figure. This is what we have discovered now,

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Mr. Chairman, that on the Upper Churchill, as a result of this tax equalization and as a result of the previous government having agreed to rebate half the corporation tax to Brinco, we will in effect wind up losing money, losing money on the Upper Churchill.

MR. W.N. ROWE: The Minister of Justice knew about it and did nothing.

MR. CROSBIE: Never mind whether the Minister of Justice knew anything. This was entered into before the Minister of Justice knew he was the Minister of Justice. Let us forget the sparring around for a moment. This was all done by the former Premier.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: You do not know, exactly. I know though and the House knows. Anyway, the effect of all of this, in any event, is that, from the revenue point of view, we are going to suffer a net detriment in revenue we get from the Upper Churchill. There is quite a bit more that needs to be said on this, Mr. Chairman, but it is nearly six o'clock and therefore there is not much point in continuing at the moment. So, we have the horsepower royalty, the rental of eight percent before any deductions, we have our share of the income tax. We get the provincial share, of course, of the corporation tax anyway and Ottawa rebates to us ninety-five percent of the federal share of the corporation tax and we rebate to Brinco approximately half of that. It is going to come out of our treasury and be a net loss. These are our revenue sources, apart from any dividends we may get in the future, when Churchill Falls or Brinco start paying dividends.

Even the financial aspect of the Upper Churchill turns out to be completely unsatisfactory. The reason why this is important for the Province of Newfoundland is that there will have to be decisions made now in connection with the Lower Churchill. Mr. Chairman, I can only say this; that the conditions on the Lower Churchill are going to be considerably different from what they were on the Upper Churchill or there will be no point at all in having the Lower Churchill developed.

MR W.N. ROWE: Before the minister sits down, Sir, I would like to ask a question. Does the minister, maybe he could think about it and give us an answer over the weekend, but is there any way whereby this Province can have a net income from such developments, if the equalization formula remains as it is? Is there any way we can make any money off the Lower Churchill?

MR CROSBIE: We either have to change tax equalization or change the agreement.

MR W.N. ROWE: So there is no incentive for us to develop in this Province? That is what it would amount to.

MR CROSBIE: Not the way this is done. Anyway, this is quite - it needs a lot more discussion.

MR W.N. ROWE: Yes.

On Motion, that the Committee of Supply report that they have considered the matters to them referred, have passed certain estimates of current expenditure and ask leave to sit again on tomorrow.

Mr Speaker, returned to the Chair.

On Motion, Report received and adopted.

On Motion, the House at its rising adjourned until tomorrow, Tuesday at 3:00 p.m.