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VERBATIM REPORT

Tuesday, April 24, 1973

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The House met at 3:00 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER: Order please!

REPORTS OF STANDING AND SELECT COMMITTEES:

HON. T.M.DOYLE (MINISTER OF TOURISM): Mr. Speaker, I would like to table for the information of members of the honourable House and the public in general the report of the parks division for 1972. I think all honourable members of the House, particularly those who have parks in their districts will be very interested in the various statistics which this report shows and I would therefore like to table it.

MR. JOHN A.CARTER: Mr. Speaker, I would like to table, I hope it is in order, it happens to be the issue of the weekend "Telegram", Saturday's issue, April 21. That issue contains several arguments, very powerful arguments in favour of delaying the C.J.O.N. application for establishing —

MR. SPEAKER: Order please! I doubt very much whether it is in order for the honourable member to table this at this particular time.

MR. CARTER: I will abide by your ruling, Mr. Speaker.

NOTICES OF MOTION:

HON. T.A.HICKMAN (MINISTER OF JUSTICE): Mr. Speaker, on behalf of the honourable the Minister of Manpower and Industrial Relations, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act Further To Amend The Workmen's Compensation Act." and a bill, "An Act To Amend The Labour Relations Act." On behalf of the Minister of Education, a bill, "An Act Further to Amend The Education (Teacher Training) Act."

HON. J.C.CROSBIE (MINISTER OF FINANCE): Mr. Speaker, I give notice that I will on tomorrow ask leave of the House to introduce a bill, "An Act To Provide For Collective Bargaining Respecting Teachers' Salaries and Working Conditions."

HON. H.A.COLLINS (MINISTER OF MUNICIPAL AFFAIRS AND HOUSING): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Amend The Local Government Act, 1972."

HON. DR. T.C.FARRELL (MINISTER OF TRANSPORTATION AND COMMUNICATIONS): Mr.

Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act Further To Amend The Highway Traffic Act."

HON. T.V.HICKEY (MINISTER OF PROVINCIAL AFFAIRS AND ENVIRONMENT): Mr.

Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act Further To Amend The Automobile Insurance Act."

QUESTIONS:

HON. H.R.V.EARLE (MINISTER OF PUBLIC WORKS AND SERVICES): Mr. Speaker,

I ask leave to table the answer to question (271) asked by the honourable member for Fogo, on the Order Paper of April 17, the answer to question (272) asked by the same honourable gentleman, on the Order Paper of April 17 and the answer to question (302), on today's Order Paper, asked by the same honourable gentleman.

HON. DR. A.T. ROWE (MINISTER OF HEALTH): I would like to table the answer to question (259), on the Order Paper of Monday, April 16, asked by the honourable the Leader of the Opposition.

MR. SPEAKER: Are there any other answers to questions?

ORDERS OF THE DAY:

MR. S.A. NEARY: Mr. Speaker, I am not sure if I should direct this question to the Minister of Finance or the Minister of Health, Sir, but perhaps one of the ministers will answer it, whichever minister is responsible. I would like to ask either the Minister of Finance or the Minister of Health whether they have received a set of proposals from the Nurses' Association in connection with negotiating a new working agreement for the nurses right across this province?

MR. CROSBIE: I will have to take that as notice and check on the matter.

MR. NEARY: Mr. Speaker, I would like to direct another question to the Minister of Finance then. Would the Minister of Finance inform the House if employees in the public service are to receive their annual increments on their pay cheques this month?

MR. CROSBIE: The position on that, Mr. Speaker, is the normal position. There will be no payment of increments until the new agreement is concluded.

MR. NEARY: A supplementary question then. I would assume, Mr. Speaker, that the annual increments then will form a part of the negotiations. Is

that the answer that the minister is giving?

MR. CROSBIE: That is essentially correct. There is no dispute about the payment of increments.

MR. NEARY: Watch the fur fly tomorrow.

MR. CROSBIE: Mr. Speaker, just so the fur will not fly unnecessarily, the amount of the annual increment is agreed but there will be no payments made of the annual increment for this year until the negotiations are concluded. That has always been the regular...

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: Oh yes.

MR. NEARY: A supplementary question then. Will the annual increment be stacked on top of any increase that they might get? The annual increment is not a part of the negotiations, not a bargaining point as I understand it.

MR. CROSBIE: (Inaudible)

MR. NEARY: It is a bargaining point?

MR. CROSBIE: Mr. Speaker, the position is quite clear that the annual increment is agreed. There will be an annual increment this year the same as there was last year but there will be no payment of the annual increment until negotiations are concluded.

CAPT. E. WINSOR: Mr. Speaker, may I direct a question to the Minister of Transportation and Communications? When is the honourable minister going to be in a position to let us have a list of the works or programmes that are going to be done in each district this year?

DR. FARRELL: Mr. Speaker, in answer to the honourable member, I was hoping that I would have that information today. I did have meetings prior to the Easter recess and perhaps I will have the information this afternoon - the moment we have it, I will be releasing this information as soon as we get our programmes gelled together.

MR. CARTER: I have a question that I would like to direct to the Leader of the Opposition. Would the Leader of the Opposition please outline the official opposition's position on the application by C.J.O.N.

MR. ROBERTS: To a point of order, Sir, the honourable gentleman from St. John's North may know nothing of the rules of the House but (welcome back, Your Honour, it is nice to have you back) to display his appalling ignorance. When I become a minister, as I shall shortly, in due course, I shall be happy to attempt to answer his question. Until then, unfortunately, the pleasure of asking questions is reserved for the opposition and the pleasure of answering them is reserved for the ministers of the Crown.

MR. CARTER: To that point of order, Mr. Speaker. I am quoting section (171) Beauchesne, item (jj).

MR. ROBERTS: One can question anything one wants.

MR. SPEAKER: I will take that under advisement and rule on it later.

HON. G.R. OTTENHEIMER (MINISTER OF EDUCATION): Mr. Speaker, if I may have leave of the House to give notice that I shall on tomorrow ask leave to introduce a bill, "An Act Further To Amend The Education (Teachers' Pensions) Act."

On motion of the honourable the Minister of Forestry and Agriculture a bill, "An Act To Amend The Farm Development Loan Act." read a first time, ordered read a second time on tomorrow.

On motion of the honourable the Minister of Finance a bill, "An Act To Provide For The Control Of Alcoholic Liquor." read a first time ordered read a second time on tomorrow.

On motion of the honourable the Minister of Finance a bill, "An Act To Provide For The Establishment Of The Newfoundland Liquor Corporation." read a first time, ordered read a second time on tomorrow.

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

On motion of the honourable the Minister of Finance a bill, "An Act To Amend, Revise And Consolidate The General Law Relating To The Public Revenue, The Raising Of Certain Loans Authorized By The Legislature

And The Auditing Of The Public Accounts." read a first time, ordered read a second time on tomorrow.

MR. SPEAKER: Committee of Ways and Means. (Adjourned debate on the budget). The honourable member for St John's East.

MR. MARSHALL: Mr. Speaker, after the debate or the consideration of the estimates which has taken substantially all of the time for the past two or three weeks, there is probably not need to say anything specifically with respect to the matter of the budget itself but to confine oneself to a few general words concerning this speech.

First of all let me say at the outset that I would like to congratulate the Minister of Finance for probably one of the finest Budget Speeches that this chamber has ever heard. Last year he presented a Budget Speech telling it as it is, as it were, setting forth our position and this year the Budget Speech quite adequately sets forth the course and direction which this government is going to take in the weeks and the months and the years ahead, insofar as it can be predicted at the present time, taking into consideration the financial constraints under which this province labours.

I think, Mr. Speaker, it is well to point out that I feel it is grossly and manifestly unfair to hear accusations of blackmail (which is the word that was used) hurled across the floor of this chamber against the Minister of Finance, accusing him of saying that if the teachers wanted more money, the public servants wanted more money, the nurses wanted more money, the taxes would have to go up. I would like to point out, right from the first, that these words were not said. What was said appears on page (15) of the Budget Speech, Mr. Speaker, and I take the time to read this particular paragraph now because I think the point is warranted to be made.

The Minister of Finance said; "It must be made perfectly clear to the public that if the demands for increased social services and if the demand for increased wages in the public services are in excess of those presently provided for in the 1973-1974 budget, it will be

necessary for this government to contemplate before the end of the coming fiscal year an interim budget requiring tax increases or reductions in the existing government programmes. This action would be taken because we must maintain a current account surplus to offset the current account deficit of last year and to manage responsibly the finances of the Province of Newfoundland."

At no time, Mr. Speaker, despite the distortions that have been cast upon these words, did the honourable the Minister of Finance indicate, as I read this Budget Speech, that if the teachers, the public servants or the nurses required increases that it was necessarily going to result in an extra tax burden which was to be cast on the people of this province. That was not said, it was not intended to be said and it was not actually said. What in effect the minister was saying and the government were saying was that you cannot (something that we had to recognize) drive a cadillac car with a volkswagen engine. The people of this province really have to come to a realization, we all have to come to a realization of this very basic fact, that we cannot always have what we cannot afford. The reasons we cannot afford it, Mr. Speaker, are very evident. This is what the minister was saying, purely a simple fact of economics, one which he has stated and one which the government stand behind and any sane, sensible rational person would stand behind.

It has to be realized in this province by the, as it were, butcher, the baker and the candlestick maker, it has to be realized by councillors, by social, community and church leaders and it has to be recognized by everybody. We are, granted, in a much different position. We must watch carefully the monies which have been expended, which are to be expended. This is all the budget said. We must watch them, Mr. Speaker, because of various things. Not only because it is prudent but we must watch them all the more closely because of certain instances that occurred over the past twenty-three years, and that we are not supposed to talk about. We are told we should not talk about it but we have to bring out the fact that, for instance, this year we would have had

much more money to spend if we did not have a linerboard mill which is draining this province of some \$37 million this year alone. We would have more money in this province today, Mr. Speaker, if it were not for the fact that huge concessions were given in times past to industries attempting to set up in this province. To a large extent we are, in effect, giving away our birthright. We have given away our power to ERCO. It has already been indicated that the negotiations on the Churchill Falls power should have brought more revenue to this province, and on and on and on back through the piece to 1949.

Another reason why we do not have, Mr. Speaker, the money that we ought to have for all these essential public services, is the failure of this province to place itself after confederation within the Canadian context. Instead, we were content to go where the previous administration were content to go, to Ottawa, like beggar on horseback, with the predictable result; We were treated like beggars and did not really get all that we were entitled to do or that we should have gotten.

I could go back again and again even further, right from the steel plant out at Donovan's, right back, yes, even though we are not supposed to talk about it, to chocolate factories and rubber plants etc., so that now we have this huge per capita debt under which we must labour. The day of reckoning has come, Mr. Speaker, (this is all the Budget Speech said) and we must take the appropriate action. This makes the action of the opposition, demanding expenditures for resources which just are not available and are not available to a large extent because of the neglect and mismanagement of the administration of which they were members and for which they are responsible, all the more really insidious, irresponsible and insupportable.

We must tell them as it is, as the honourable Mr. Jamieson has indicated on the public platforms, (he first coined the phrase) and the people must realize this (this is all the budget says) and we must recognize the limits on our resources and fully be aware of the fact that these limitations are the direct result, to a large extent, of the mistakes of the heart that we heard of from time to time. This attempt, this attempt, Mr. Speaker, by the opposition, unsuccessful as it is, but

it is an attempt to goad on the people of this province who have been denied from realizing their own potential gains and preying on their expectations by again and again reiterating provisions with respect to the mothers' allowance that we would dearly love to be in a position to be able to pay, again and again meeting with the students of memorial, as we saw the other day, and urging them to get what they could within the constraints of law, all of this, I would submit, when you take it within the context of the reason why, the major reason why a lot of these programmes had to be curtailed, makes the action of the opposition that much more blameworthy.

We could have done many of these things and much more, Mr. Speaker, I want to point out at the outset, if it were not for these albatrosses or albatrria or whatever you want to call them that hang around our necks and threaten to choke this province in the years to come. But despite this, despite this, Mr. Speaker, as a result of one year's labour of the Progressive Conservative Government, despite the fact that we have had very little to work with and despite the reasons, let us set the reasons aside right now but let us remember the fact that we had very little to work with, we have had some very, very favourable results over the past year.

The results, for instance, have shown that the gross provincial product of this province in the preceding year was higher than that of the Canadian Nation as a whole. I quote from the book that is put out by the Economic and Research Analysis Section, Fiscal Policy Division, The Department of Finance, for 1973, which in turn is quoting available statistics (They are not just pulled out of the air) where it says that in 1972, the year just past, the Newfoundland economy experienced a very substantial year of growth with most sectors showing a strong advance. The Newfoundland gross provincial product is estimated to have exceeded \$1.5 billion, which is an increase of about eleven per-cent over 1971. This is a more rapid rate of growth than experienced in the Canadian economy in general. The Canadian gross national product is estimated to have increased by 10.5 per-cent in 1972.

These are very significant factors, Mr. Speaker, and tend to belie the old saying that they love to hurl on the other side, that "Tory times are hard times." This is an indication, Mr. Speaker, of what sane, sensible, responsible government can do to this province and what a firm hand at the tiller can do. Again, another indication of the progress that we have made over the past year, despite the cards that have been stacked against us, is the fact and the very significant fact, that in 1972 the population of the province increased by 1.9 per-cent which is the most rapid rate of increase experienced in over ten years. This rapid rate of increase was largely as a result of excellent economic growth and a continuing large number of new construction projects. In fact, 1972 witnessed the first year in recent times that there was an apparent net in migration into the province. This fact alone, I would suggest, is one of the more significant ones that we can take to our credit in this particular administration because we have been grappling with serious problems, we have been attempting to attack them in a responsible way and this particular statistic, which is one which has bothered the government since 1949, the out-migration of our younger people, and the fact that to a certain extent it has been stemmed somewhat is one from which we can all take a great deal of encouragement.

Mr. Speaker, all of this has been brought about and has been brought about solely by the confidence, I would suggest, in this province, the renewed confidence in this province while it is being administered by a responsive and responsible government. There are three good ways, there are three excellent examples of showing how we have had to operate, contained in the third, fourth and fifth supplementals to the estimates themselves. While Your Honour was away we were concerned with the first and second supplementals which were the general estimates and with the salary estimates. Number three relates to the offshore drilling which shows how we tackled the problem which lay dormant, a very crucial problem in this province, which when we took power had really, in effect, lain dormant and had not been proceeded with - how we took up the cudgels and how we are proceeding. The fourth

supplement relates to how we institute industry, innovate industry on our own hook and the third one, the linerboard, how we make the best of a bad deal which we have inherited. So let us take a look for just a few moments at some of these things.

Now with respect to the offshore oil exploration, Mr. Speaker, with respect to the supplement number (3) - the offshore petroleum industry of Newfoundland and Labrador - in this we were met when we came in with huge acreage concessions given, really huge, large acreage concessions to which we are bound because we are bound by the agreements made by previous governments, be they favourable or unfavourable, given for really no real consideration at all. This despite the report that was existent, at the time that these grants were given, from the Economic Prospects Commission, condemning the practise of giving large concessions. Be that as it may, they were given without any real valid good consideration. We took it and as the supplement shows we distinguished between exploration and exploitation and we took the steps that are set forth there.

I think a particular merit and a particular note is the fact that through the instrumentality and the direction of the now Minister of Industrial Development, on August 11, 1972, the joint mineral resources committee of the five Eastern provinces was reconstituted. We have gone off now, as the report shows, on a course of attempting to negotiate this very, very ticklish and this very, very important resource to get as much as we can for the people, to get not as much as we can but to get really that which we are entitled to. The report sets this forth in finite detail but I would like Your Honour to draw attention of the House to the important statement of policy, which is set forth on page forty-two of the budget speech, relating to the situation . . . if we cannot get a settlement which is satisfactory to Newfoundland, and in that case we have to look at the legal case.

It says and I quote, "The particular strength of the province's legal case is very important in the settlement of the ownership dispute with the federal government. It is sufficient at this time to state that the government having studied the matter in detail, is convinced of the merits of the province's legal case and regards the tests of its position before the courts as one alternative should a suitable settlement not be reached." There are two conditioned precedents to any satisfactory settlement which in effect (I will not read them) are that we must be satisfied that we are getting certainly our fair share. Now we have the case Mr. Speaker, the possibility that ownership may have to be settled by judicial determination, by a judicial decision, and it is to that particular eventuality that I would now like to turn my attention. I have no intention of getting into the legal argument with respect to the greater strength of our case and other provinces and the various other angles of the merits of the case itself except to reiterate that we are convinced that we have a very strong case.

If it should go, Mr. Speaker, to judicial determination, how it is to be decided is an item of great, great concern to this province. I feel and before I state this I do not know whether some of the members in the law society for that matter on my side of the House would even agree with it and I want to also qualify the remarks before I make them by saying that I have the greatest respect for the Supreme Court of Canada, the quality of the court. It is a good court that Canadians can be proud of to be the Supreme Court of the land. However, Mr. Speaker, I have for some time felt that the determination of the ownership of offshore resources ought not to be decided by the Supreme Court of Canada. As I say that I make that statement with the greatest deference to the Bench itself.

But the fact of the matter is, Mr. Speaker, that the judges of the Supreme Court of Canada are federally appointed.

There is not a Newfoundlander on the bench. I believe there is only one person from the Maritimes. They all live in Ottawa and Mr. Speaker, I would hazard a guess that the greatest likelihood is that they all think like federalists. In this province where we are wrestling more, where our main concern is survival, our main concern is how much money we can get to develop this province's economic considerations, we sometimes lose sight of the fact that one of the great political science debates that occurs in this country is a debate that occurs between those leaning towards a strong federal central government and those who look to the confederation as being, as I feel it was originally envisaged in 1867, as really an economic union with the sociological aspects of life being generally looked after by the province itself. Now that is probably a little bit too clean a cleavage, but generally speaking.

This debate is going on and we have seen the results of it in Ottawa and we have seen the results of it in Quebec particularly. Now I am not deprading, again as I say I want to emphasize the judges - just because a person is appointed to a bench it does not mean that he takes on the mantle of a sacred cow. This is not a normal constitutional decision, Mr. Speaker. I would submit that this is not the normal type of constitutional decision that is normally made and entrusted to the Supreme Court of Canada. These are decisions for instance like a law is made and whether the law touches upon a matter of education in which case it is solely provincial or whether it touches on a matter say with respect to banking or external affairs which is federal. This is not a normal constitutional decision that one should expect to be made by the Supreme Court but it involves really a large portion of territory which comes, and whether and how and in which way this large portion of territory comes within the confederation nation itself, into the Canadian nation. Surely this should not be decided, this important issue should not be decided by

judges appointed by one party, by one side.

The decision in the British Columbia case, and there was a decision made as we all know then by the Supreme Court of Canada which ruled against the province's claim at the time. We contend ours is much stronger than British Columbia, so we should succeed. But this decision should be disregarded because I do not feel that the Supreme Court, as I say, is the best and correct form to decide this very vital and important issue. The obvious question that occurs is; "Well, who should? Of course our strain here in this province being of British extraction, most of us perhaps would prefer to have seen the judicial committee of the privy council decide it; but being part of the Canadian Nation and, as we must, being sensitive then to the wishes and the attitudes of our fellow Canadians in Quebec, that should be unacceptable to us just as the determination of this by the Supreme Court of France, whatever the Supreme Court maybe called in France, would not be acceptable to us.

So I would feel, Mr. Speaker, that this issue, this very crucial issue, which is not really a constitutional issue in the normal sense, as to who has the power with respect to section (91) or (92) of the British North America Act, and whether legislation falls within that particular power, I feel in the first instance that consideration ought to be given for this decision to be determined by the International Court of Justice at the Hague, in the first instance, that in the event that this is unpalatable to the people of Canada - you are not interfering, by the way, with your sovereignty at all if you decide to refer a matter to another jurisdiction - these are sovereign people deciding how the thing is going to be decided, but if this is not acceptable or if the International Court would not accept the reference, Mr. Speaker, I would suggest that the provinces, together with the federal government, and this would probably be

the more acceptable one to follow, appoint an ad hoc court, consisting of recognized international jurists who are normally resident outside the confines of the Canadian Nation, and then they are the ones.

That would be the correct and proper form I would suggest to consider this particular issue and decide on it.

I do not feel, Mr. Speaker, as I say again, regardless of how the Canadian Nation may be set up, regardless of how our federal system may be set up, I do not feel that we can and we ought to have this question referred to the Supreme Court of Canada, but another body who is entirely fresh to take a complete and absolute fresh look at it. So much for that item number (3), that supplement number (3) where we see how this government has tackled the various problems and tackled them efficiently and effectively over the past year, with great results as shown by increases in population and by an increase in our gross provincial product, higher than that in all of Canada as a whole.

Now let us take for a moment one quick look, a quick glimpse because much has been said about the oil refinery which is a business or an economic activity which in effect we instituted, which we brought in and which is one of the measures which we have undertaken by ourselves and have not really inherited. Now it is with some degree of concern as I look around and I hear from time to time references made by various people about Shaheen himself and about people with whom we are negotiating because, surely to heavens! Mr. Speaker, it is not who you negotiate with that counts but how you negotiate. Having seen and examined, as we all have in this House, and reconsidered the agreement which was made with respect to the second oil refinery, I feel, Mr. Speaker, that it is a model agreement which takes into account all of the measures which we said we were going to implement, when we were in opposition, which we advocated. I am not going through them but it is a well known fact that there are no concessions given. There are royalty payments provided there, and it is the way in which our

natural resources should be developed in this province if the people are going to gain the most from their birthright.

Now obviously this particular oil refinery really sent the opposition into a tailspin and I think that was quite obvious on the one hand, Mr. Speaker, when they supported the measure and on the other hand, like they were confused, almost punch-drunk, a few days later they come in with a resolution condemning it. There were certain references made in this House with respect to the oil refinery and the Progressive Conservative Party's attitude that I would like to draw issue with. First of all is that we were never against, and I repeat this again, the oil refinery itself. The debates which are referred to, which occurred in the 1970 July session, and the statements that were made with respect to them all related to a condemnation of the mode of bringing about this particular industry and the concessions that were given.

So it is unfair, it is untrue and without any foundation whatsoever to say that we were against the oil refinery itself. At the same time we have some people asking questions of us, whom we met from time to time saying, "Were not you people for rural development?" And because we brought in this industrial development we are now against rural development. Well, Mr. Speaker, I do not think there is anybody really so crass or so stupid or really so unknowing who would accept the fact that we have to have one to the exclusion of the other. We never said that. We never indicated it when we were seeking election and we do not advocate it now. What we were decrying from the previous days was the fact that they did emphasize or they tended to emphasize just one mode of development in this province. Consequently we had the theory of "Develop or Perish." Industrial development was the only thing that could succeed and must succeed. They tried to develop Chicagos and Hamiltons here and this was the basic philosophy of the

previous administration. This does not mean they ignore completely rural development but, Mr. Speaker, this government will not ignore rural development but will handle both of them in concert.

I would just like to make those few observations with respect to the oil refinery: Number one is the fact that we were never against the oil refinery per se but how it was negotiated before. Number two, it is not inconsistent with the policy of rural development because as far as we are concerned in order to have a healthy province we must have development in both areas.

A quick look now at what is contained in supplement number five of the budget, the albatross that hangs around our head, the linerboard. I sometimes think, Mr. Speaker, it might just have been as well and sensible to have installed the linerboard in the middle of Rawlins Cross as where it was in Stephenville, because we are there now and faced with the situation where the main wood supply was originally intended to be in Labrador and they put a plant down in Stephenville. I favour the usage of our raw materials, insofar as we can, not only in our own province but in the sections of the province where they grow. But we were faced with this, Mr. Speaker: We are faced with the fact that the main wood supply is on the mainland part of the province and then we are faced also with the fact that the mill was placed there without any rationalization or apparent or ostensible attempt to rationalize our forest product, our woods concession, our forestry concession.

So when we took over, Mr. Speaker, we all know this sorry, sad and dismal saga which, as I say, \$37 million of our money has gone into. What we have endeavoured to do and what the honourable minister has done in his budget, which I say is a most comprehensive document, is he has given four year projections and set them forth. All of us should study those because this mistake

is really eating at our resources and I would dare say that the gross provincial product and the inflow of population could have been perhaps even higher if we did not have to grapple with this major problem. Of course, there are many like it.

A few words, Mr. Speaker, I would like to mention about the budget with respect to rural development. I am delighted to see that there is approximately \$4 million provided for this department but I am sorry to see, with respect to the Rural Development Authority, that there is no appropriation-in-aid and all the money has been furnished by the provincial government rather than the federal government. For the progress of this province, Mr. Speaker, a necessary concomitant is the faith by the federal government in our smaller communities. This is absolutely essential and it is particularly essential that the enforced resettlement programme through the special areas in DREE be changed. There is no need to go into this as we all know what happens. The federal government pays the piper so it attempts to play the tune and in concert with the previous administration's dream of creating Chicagos and Hamiltons, they latched on to it. The money was poured in, people were resettled, people were herded into communities where they did not necessarily want to go. Resettlement of course is all right if resettlement be of a voluntary nature emanating from the people themselves and not forced on them.

Now this is absolutely essential in my view. I feel it is essential that the special areas under DREE be looked at. I do not know why any bureaucrat in Ottawa or any bureaucrat in St. John's, for that matter, should be able really to look at a certain place and say that for all time you are not a special area, you will not get money to develop, and that is our decision. I am encouraged by the statement of the honourable Minister of Regional Development to the effect that this is being considered. I note that it was contrary to the policies of the previous

Liberal Administration and I am delighted if in fact the Liberal Administration in Ottawa has really seen the light of day. While I am encouraged by Mr. Jamieson's statement, as a Newfoundlander I know he realizes the problem and he would wish to bring these results about if he can convince the people in the liberal party. But I do note, I think I should note that on April 10, 1972, I read a rather long statement by the honourable Minister of Regional and Economic Expansion, to the standing committee of the House of Commons on regional development. In that he talks about co-operation with the provinces as such but there does not appear to be anyway any specific mention to the changing of the special areas.

I would certainly hope that the statements which have been made by all, by us, by the provincial government, which really desires to see it, by Mr. Jamieson, whom I know must desire to see it really, as a Newfoundlander, will come to fruition because we cannot, Mr. Speaker, if confederation is to succeed not only in Newfoundland but in Quebec or anywhere, we cannot have the federal government continuing to determine sociologically how the social problems for the people in any unit of the nation are to be tackled. This was not the intention of confederation when it was envisaged in 1867 or in 1873 or in 1949 for that matter. Our concerns, I would submit, Mr. Speaker, when you strip all the bigotry away from it, all the bitterness and bigotry away and you look at the bare bones, I would say that our concerns are exactly the selfsame as the concerns of our fellow Canadians in the Province of Quebec with respect to their relationships with Ottawa.

With this in mind and just as an aside, I object very strenuously to the saying or description that has been used, with wild abandon really, it seems to be by everybody, federally and provincially, on all sides of both political stripes in this province, of two levels of government, and we have to get away from that concept that there

are two levels of government, that there is Ottawa, the senior government, and there is Newfoundland which is the junior government. This is completely and absolutely without any foundation whatsoever in fact, in history, in justification or by any means whatsoever. If we are to succeed in this province, if the confederation itself is to succeed, we have to regard all provincial governments in the same way, vis-à-vis the federal government, in the same way as they were originally intended as holding the sum total of the sovereign powers of the entire nation and one is an equal partner with the other and certainly one is not subservient to the other.

When confederation was originally envisaged, because of the large expanse of land in 1867, when there were only the four provinces involved, and heavens knows there is a much greater expansion of land right now, the reason why they had a confederation was that a unitarian system of government, that is one central government ruling the entire area, would not work because of the different sociological characteristics of the people, because of the various areas involved, the large, far-flung areas that it was impossible for one group in the centre part of Canada to determine effectively the needs of the people concerned.

Over the years, as a result of World War I and World War II, this has become warped and the situation has been that because of the urgency, the provincial governments handed over to the federal power, of necessity, for their own security, they handed over to the federal power pretty well all of their rights for their own protection. But the catch is and the unfortunate part is that these powers were never really handed back to the provinces in the way that they ought to be, in the way that they should be and the way that they were intended to be when confederation was entered into in 1867 and so on.

We must have this. It is absolutely and completely necessary to have this attitude otherwise we are going to have

forever and a day we are going to be tenants in our own land, we are going to, in effect, in 1949 we substituted one type of colonialism for another and the colonialism that comes directly from London is just as unpalatable to me and I know to all Newfoundlanders as any colonialism that is practised from Ottawa, the Capital of the Canadian Nation.

So in rural development particularly I look forward to seeing us given a chance to develop, to seeing our people having a chance to develop within the context of their abilities, within their own capabilities. We cannot really, I do not see how we can, continue on really in this way. It is not a case - rural development - there are not too many trees in St. John's East except down in Bannerman Park, but rural development and how the District of Fogo or the District of Labrador South fare is just as much a concern to a representative of St. John's as it is to the various representatives themselves. Rural development is absolutely essential to the well-being of this province and we have to understand that the shared-cost programmes that come down from Ottawa have to come down but they have to come down with the priorities and the direction of this province determined by the provincial government itself, otherwise we are in trouble.

One just short few minutes, Mr. Speaker, speaking of that district, that old and historic District of St. John's East, just a few more stirring words with respect to that. Well, Mr. Speaker, I am fed up with people, on all sides of this House again, all of my brethren who come from the outports, who represent outport districts, saying that St. John's has everything because certainly St. John's East, the area that I have, which is the older part of the City of St. John's, I could show each and every member here some of the most abysmal type of housing situations that you can see anywhere in this province. When you are over in the

honourable member's District of Bell Island, before they had the new houses over in the honourable member's District of Bell Island, if they got cold in the wintertime they could get a bit of wood and burn it. I have been into houses in St. John's East where they are living in these places in the dead of winter and unable to light fires of any nature because of the fact they have been condemned by the fire commission.

The housing situation is desperate. I wish that there were more that we could do about it. If we had not experienced and I mean this quite sincerely, if we were not in the pseudo-financial bind in which we find ourselves as a result of the previous years or the years gone by, of having spent more than we can afford on schemes that were not beneficial, we should be able to attack this problem on a much more forthright basis. I look forward to the energy of the honourable Minister of Municipal Affairs and Housing whom I would submit is the minister who has been, more so than any of his predecessors at any time, more concerned with this problem. I look forward to tackling this particular problem and seeing the situation resolve itself. It will not resolve itself. Something has to come from the Province of Newfoundland into St. John's and one can talk ad infinitum, if one likes, about the fire department. You will hear it over and over again that St. John's has the fire department paid for, they have the police department paid for, they have everything etc., etc.

As I say I can show you, and I represent an area which is in the main comprised of older houses, very, very old houses, some of the oldest houses in the city. The honourable member for St. John's Centre and myself represent the two most densely populated, oldest areas. I can show anyone areas that I challenge, not that there should be a contest or anything about it, but I challenge anyone to show me conditions any worse.

Another thing that is plaguing the people of my district is the high cost of living in the province. That has to be tackled.

We have in my district many people who are living on fixed pensions, pensioners from the public service and the retail stores down on Water Street, who by way did not historically and they certainly have not shown signs yet of improving. They treated their employees, generally speaking, in a very good fashion, but they are living on minor, small, tiny, little pensions, and the cost of living is a very, very frightening thing to them. The honourable the member for Bell Island has brought in a resolution, I never had the chance of being in the House of Assembly with him for three years before

MR. MARSHALL: I will be in for another two years when the honourable member for Bell Island goes to his great reward and I shall be here, but I have never in all that time had an opportunity and I will never see the opportunity again to really agree with him that there must be something done with respect to the cost of living in this province now, whether it is a select committee or other more stringent measures are necessary we will see.

A final word, Mr. Speaker, about something that occurred in the District of St. John's East over the past few months that requires note. In the Water Street area -

MR. NEARY: Inaudible.

MR. MARSHALL: The honourable member should not get completely carried away, Mr. Speaker, I did not really mean all that I said but in any event, within the past three or four months, Atlantic Place on Water Street has caused a certain degree of controversy. It lies four square within my own district. I have heard petitions that have been presented and I know my honourable friend from St. John's North and I agree on most things but not necessarily on this. I certainly appreciate his point of view and of others but I feel that I see nothing wrong with Atlantic Place in itself, however, with this one admonition, I do not know where the Canadian National Railway, and I said this when the petition was being brought in, I do not know where the Canadian National Railways gets off giving away the Hotel Newfoundland, giving away areas of land up on Water Street itself. I think it is under term thirty-three of the Terms of Union that these physical properties amongst others were handed over to the Government of Canada.

They were handed over. Now granted, we will not go into semantics, I will grant you that the Government of Canada can do what it wishes with it but I do feel that it was handed over for the purpose of supplying a service and when that service is not supplied from the Hotel Newfoundland or from Water Street itself, I do not know where it gets off using it

MR. MARSHALL: in a trade to put up a hotel. It would be far better if they took the money's worth and sunk the money's worth into that project, Atlantic Place, and gave these assets back to the people of Newfoundland to whom they really belong, since the trust under which they had them is no longer necessary.

It is to be borne in mind that Canadian National Railways has made very, very little, comparatively speaking, investment in this province since Confederation. All of the other provinces in Canada, I think all of them or pretty well virtually all of them, joined for the purpose of getting a railway through the territories. We are in the funny position that we gave them a railway and they starting phasing it out. We gave them a hotel, which they are now phasing out and certainly they are putting up a bigger and better one and I am all for development, more power to it, but I do question the right.

I would rather see Canadian National Railways, instead of giving physical assets which they got under term thirty-three, or whatever term it was, of the Terms of Union, I would much rather see them sink the money into this province in the same way as they have sunk large amounts of money into every province of Canada.

So with these few words, Mr. Speaker, I end and I end again on the note I began. I think the honourable Minister of Finance is to be complimented, presenting what has to be one of the best budget speeches that have ever been brought before this chamber. I feel the time has come, as we said in our campaign, for the opposition to get up off their silly charade and stop turning around and distorting the facts, the Budget Speech itself, and indicating that the Minister of Finance is blackmailing anyone. All the Minister of Finance is really doing in this Budget Speech is doing exactly what the honourable Don Jamieson urged us to do, urged everyone to do, "Tell them as it is," he said, and that is how it is and that is how we have got to live with it. It does not mean that one segment of the economy is going to be treated any differently than anyone

MR. MARSHALL: else and to insinuate it is really a distortion.

The teachers of this province, the nurses and the civil servants occupy some of the most valuable positions in this province itself and we are fully conizant of it and they will certainly get their fair share of the provincial resources, that is, Mr. Speaker, such of the provincial resources that remain after the decimation of our heritage over the past twenty-three years.

MR. NEARY: Mr. Speaker, for the last half hour or so we have listened to moaning and groaning from the other side of the House, Sir, almost enough to put one to sleep, hard to take, Mr. Speaker, hard to take. You would think, Sir, because they have so few speakers on the opposite side of the House, so few minister articulating government policy, you would think that when a minister stands over there he has no trouble at all to get fired up. The trouble is, Mr. Speaker, that they have nothing to get fired up over.

They cannot get enthusiastic on the other side of the House because they have nothing to get enthusiastic about. So the last half hour we have heard the usual moaning and groaning and whining from members of the government. Hard to take, Mr. Speaker, it is hard to take, nothing you can really get your teeth into, almost put one to sleep, Sir. This House will never be the same without our old Joey, never be the same.

I remember, Sir, in this honourable House in the short time that I have been here, that the debate on the Speech from the Throne and the Budget Debate was lively, interesting, members would get fired up, good debating, good hard debating, informative, interesting, worthwhile, Sir. We do not have that anymore. The House will never be the same without Joey, Mr. Speaker.

I do not know what they would do over there only for the Minister of Finance, they would be gone to pieces long ago. He is the only one over there who is holding them together. At least he can make a good speech. I might not agree with him. I may not agree with his

MR. NEARY: material or presentation but at least he appears to be enthusiastic about what he says, whether he is sincere or not is a different matter. I may not approve of what he is saying, I may disagree with him, but you respect a man for his ability to debate in this House and that is what it is all about. That is why we are here, Sir, we are in this House to debate.

MR. MARSHALL: Inaudible.

MR. NEARY: No, I am not trying to get the minister over. That is a statement of fact, Sir, a statement of fact. The only thing that I thought was amusing, I nearly burst out laughing when the last speaker just took his seat, when he was talking about how the previous administration have left this poor, old Tory Government in such bad straits - they have no money to spend, they are over there a bunch of paupers.

He said, I think he used the term something like this, "How can you have a Cadillac car with a Volkswagon engine?" I nearly laughed out loud, Mr. Speaker. I know it is not permissible to laugh out loud in this honourable House. "How can you have a Cadillac car," he said, "with a Volkswagon engine?" Well what I would like to know, Sir, is how you can have an executive jet in this province. Does that have a Volkswagon engine? Almost \$1 million, an executive aircraft; almost \$1 million that is going to cost the taxpayers of this province.

I suppose the big problem down in cabinet, down on the eighth floor these days, is whether the stewardess aboard that aircraft should wear mini or maxi skirts or hot pants. That is probably what they are so tormented down there on the eighth floor about, instead of trying to run the affairs of this province. \$1 million practically for an aircraft in a province that does not have the population of the City of Boston. I think the population of Boston is 600,000 people. Newfoundland has a little over 500,000.

If we follow the same principles that that crowd over there are following, Mr. Speaker, that honourable crowd, every city in

MR. NEARY: North America with a population of over 500,000 people would have their own aircraft, 500,000 innocent souls would have their own aircraft. Then the minister who just spoke, enunciating government philosophy and government policy, says that you cannot have a Cadillac car with a Volkswagon engine, inferring of course that they did not have any money over there to spend in the best interest of the people of this province, but they have it to spend on an aircraft, almost \$1 million.

Mr. Speaker, what about all the high-paid expensive help that they have in the Premier's Office alone? Listen to this, Mr. Speaker, in the Premier's Office alone, which cost I think three times more now that it cost when former Premier Smallwood was down there, they want to draw a reference to the previous Liberal Administration, they want to make comparisons, compare the cost of the Premier's office to what it used to be. The cost of running the Premier's office now is up around \$354,000 - no, more than that, including Executive Council and Treasury Board, Sir, it is probably well over \$1.5 million.

Here are some of the salaries down in the Premier's Office: Parliamentary assistant, I presume that is one of the bouncers that the Premier has down there on the floor, either the member for Green Bay or the member for Trinity North, one of the bouncers, parliamentary assistant - \$10,000, over and above what they are paid for being members of the House of Assembly. Four personal assistants - \$42,800 - \$10,200 a piece; one press secretary - \$16,000; one special assistant - \$10,000; one private secretary to the Premier - \$8,900; well we will allow him a private secretary, he needs that; one director of administration - \$12,131, and all these special assistants, executive assistants, flunkies, what have you, Sir, that are down there running around, they all have to have a secretary, so secretary to executive assistant - \$7,586; all unnecessary, Mr. Speaker.

MR. NEARY: The former Premier could do without it. He managed to get along without this luxury that we cannot afford in this province. One secretary to parliamentary assistant - \$6,465; she is not worth as much. Secretaries to parliamentary assistants are not worth as much as secretaries to executive assistant. She only gets \$6,465. Then we have secretary to special assistant - \$5,017, and all kinds of clerks, stenographers, clerk typists, male messenger, clerk II; extra assistants - \$10,000, and then we have, Mr. Speaker, a branch of the Premier's Office, a division of the Premier's Office called Intergovernmental Affairs Division, whatever that is all about, Sir, that is going to cost the taxpayers of this province, \$166,600.

On top of that, Sir, you have I think it is eighteen cabinet ministers now, eighteen and a-half - they are on the hitch for a Minister of Fisheries. This was the crowd that were going to have twelve or thirteen cabinet ministers to carry on the work of this province.

In this Intergovernmental Affairs Division, one special adviser to the Premier, \$38,662; must be his pet. This must be the Premier's pet, Mr. Speaker, \$38,662. Can this poor, little province afford that kind of a luxury? One special co-ordinator, intergovernmental programmes, \$29,200; one provincial co-ordinator, work programmes, \$15,575; one engineer II, \$10,500; one economist II, \$10,000. What salaries, Sir, what salaries! Mr. Speaker, it is unbelievable! Just through this book of salary estimates that was distributed by the Minister of Finance, Sir, and one would hardly believe what is in front of one's eyes. Mr. Nutbeam - \$20,000 a year, that is the price the government are paying this year for brothers-in-law of premiers - \$20,000 a year. Assistant deputy ministers, all over the place, some of them have not even been appointed yet - \$16,500.

Government information services, Mr. Speaker, useless to this province, director of government information services - \$16,000; one

MR. NEARY: press information officer - \$10,000; one research officer - \$9,000; a variety of clerk-typists, communication clerks and a copy writer - \$7,000, and this was the crowd we heard talking about the cost of "The Newfoundland Bulletin." "The Newfoundland Bulletin," was only in the shade compared to this, only in the shade, Sir. Then the minister that just took his seat -

MR. SPEAKER: I wonder would the member take his seat for just two or three moments, please. It has just been brought to my attention and they have just arrived in the galleries, some members of the Thunder Bay senior hockey team who are the champions of Northern Ontario. They are presently playing the St. John's Caps here in the City, in the quarter finals of the Allen Cup. On behalf of all members of the honourable House of Assembly I would like to welcome you not only to the galleries but to the province and trust that your visit here is most interesting and that your stay is most enjoyable.

MR. NEARY: Mr. Speaker, I am happy to see the members of the Thunder Bay hockey team in the gallery today but they have not seen anything down in that stadium, Sir, to what goes on in this honourable House. They have not seen a thing, only in the shade. Thank God Bell Island has a representative down there on the Caps, Sir, in the person of Bern Fitzpatrick, who was an opponent of mine, by the way. He opposed me in the last two provincial general elections.

He is captain of the team and we are proud of him over there, Sir. He makes a good hockey player but a poor politician and I suggested to him at the time that he stick to hockey. He is playing a good game. I do not know what the results are going to be, I would like to see the Caps win myself, but I am glad to see the members of the hockey team.

We are like two hockey teams in this honourable House. We square off with one another. You know, Mr. Speaker, the whole trouble with this session of the House, that members are so jumpy and edgy and irritable and hard to get along with and difficult, the whole trouble is, Sir, in my opinion, that we are passing through a transitional

MR. NEARY: stage in this House, that when we came in here, after the March election, that crowd over there -

AN HON. MEMBER: Honourable crowd.

MR. NEARY: Honourable crowd had not governed this province for twenty-three years, Sir, they had not been used to governing the province. There they were over there, they were lost for several months, they thought they were still in opposition. They were contradicting one another, They were bickering and fighting back and forth and here we were over here, Sir, twenty-three years in power. Sir, I hope the Caps can win a trophy for twenty-three years, but we were twenty-three years in power, Sir, and when we stepped out on the floor of this House, the same as the two hockey teams down there in the stadium stepped out, the first thing you do, your coach will tell you now: "Be a little cautious! Watch out for them! They are sly and sneaky and low, watch them! Find out where their weak points are, where they are vulnerable." We find what ministers are good at this and what ministers are poor at this and then we zero in on their weak spots and we try to score some points.

That is what we have been trying to do, Sir, But it took us a little while to get our legs underneath us and I think now in the last couple or three weeks we have settled down because now we have got each other's measure and that crowd over there and this crowd over here have discovered that we are not afraid of them and they are not afraid of us and we have had some pretty good debate in this House in the last few weeks, Sir.

I am not afraid of the Minister of Finance and the Minister of Finance is not afraid of me. What I like, Sir, what I like is hard-nose debate. It is not if you win but how you play the game. Forget the personalities and the insults and the inuendoes, get down to hard nose debating and when it is all over, Sir, no personal animosity. We step out in the centre of the floor, the same as the boys down in the stadium will do, the day after tomorrow I think it is,

MR. NEARY: step out in the middle of the floor, say, "Boys you fought a hard game, I know you wanted to win and I know you are disappointed, you fought a good game, you fought it clean," you then shake hands and you say, "Good luck to you, I will see you again this time next year."

That is the way this honourable House should be, Sir, and we can learn a lot from what is going on in the stadium in the last few days. Maybe we could learn a lot, I think they had a record number of penalties last night, however, be that as it may, the same thing happens in this House, Sir, the same thing happens, members lose their cool once in a while, they lose their temper and the only thing is that we do not have any penalties. You cannot put a member of the House in the penalty box, sometimes I wish you could, Mr. Speaker.

However, Sir, getting back to the debate, so the minister talks about driving a Cadillac car with a Volkswagon engine, while at the same time they are out buying executive aircraft to jet the ministers around the province and probably down in the Caribbean. I understand, Sir, this aircraft has long-range flying capacity, probably see the ministers going off to the Carribbean as soon as they can get out of the House, get her closed up, cannot wait to get out and then you have all these expensive party hangers-on - executive assistants, special assistants and what have you, and then the minister tells us that they have to carefully watch the money that is being expended.

They have fourteen executive assistants, Sir, I do not know what the salary is, what is the salary now for an executive assistant this year? \$12,000 - it has gone up \$2,000. Last year it was \$10,000. They have fourteen of those now, Sir, and it is climbing all the time. We cannot keep up to them at all, Sir.

Now, Mr. Speaker, the honourable member also raised the matter of people living on fixed incomes. Well, Sir, before I get into the main thrust of my speech, I want to read into the record of this House a letter that I received today from a gentleman in Lethbridge, Newfoundland, who is also concerned about the same thing. I will read the letter, Mr. Speaker, and if necessary I will table it, but I want to get this into the record

MR. NEARY: because it is most important. I think that we have forgotten about people living on fixed income. We have forgotten in the Budget Speech and the budget that the minister brought down, we forgot about people on long and short term social assistance. We forgot about people on Workmen's Compensation. They did something for people living on pensions.

But, Sir, it is equally important to do something for the 95,000 people in this province who are struggling along on long and short term social assistance and there is a great need to do something for the people who are living on Workmen's Compensation.

I think, somehow or other, the government is going to have to think about linking the payment to the cost of living so that as the cost of living increases the amount of the assistance would go up automatically.

Here is what this gentleman from Lethbridge says, Mr. Speaker, he says, "I was employed with the former Newfoundland Railway Union from 1936 to 1949 and after 1949 was an employee of Canadian National Railways. In 1969 I was compelled to retire on early disability pension. My pension with Canadian National is pretty well a fixed amount having received about \$4.50 increase in the past four years to cover the rising cost of living expenses.

"The thirteen years that I worked with the Newfoundland Railway from 1936 to 1949 I have not received any increase to help toward the increased cost of living from the Newfoundland Government."

Listen to this, Mr. Speaker, "Mr. Crosbie stated in the Budget Speech that he was going to review our case from time to time. I am wondering how Mr. Crosbie expects one to feed a family with the high cost of living by stating that he would be reviewing the matter of pension increases for railroad workers who transferred to Canadian National from time to time.

"I feel that we should have been given increases in our Newfoundland Railway pensions the same time as the rest of the government

MR. NEARY: civil servants. I am one of hundreds who were forced to take early retirement because of disability, automation, abolition of passenger trains and the various departments related to passenger trains.

"As pensioners we are not active members of our particular unions and as such we do not seem to have anyone interested in our case to look in for us at the local government levels. The majority of us who have had to take disability retirement and are not yet sixty-five years old, have to live on a very, very small pension and I am at a loss to understand why our government did not see fit to increase our Newfoundland pension along with the rest of the civil servants.

"I would appreciate it very much if you could see your way clear to raise this matter sometime at your convenience in a sitting of the House and I am sure that you would by so doing, receive the thanks of numerous railroad pensioners in this province.

"With best regards . . ."

I will not mention the gentleman's name who sent me that, but, Sir, there is a very sad story, very sad indeed. These people are forced to live on a very, very small, very, very meagre monthly stipend, Sir, and I think that something should be done about it and I commend this to the Minister of Finance.

Now, Sir, in the past two or three weeks in this honourable House, most of the time has been taken up by item analysis of the estimates for the fiscal year 1973-1974. Ordinarily, Mr. Speaker, this is an opportunity for members on both sides of the House to go through the estimates with a fine tooth comb, ask questions of the ministers on the spending of their departments under the various subheads and generally speaking, Mr. Speaker, to get out to the people of this province as much information as possible, in cross-examining ministers and so forth and asking questions but above all, Sir, above all this, as important as this is, I think it is the duty and the

MR. NEARY: responsibility of each member of this honourable House, especially those of us who sit over here opposition, Sir, to make sure, Mr. Speaker, that the taxpayers dollar is being spent in the public interest and that it is being spent in a way where it will do the most good for the most people of this province.

Now, Mr. Speaker, to complete this part of the business of the House of Assembly, members traditionally are given plenty of time to study the estimates and to do whatever homework is required to make intelligent and rational observations and decisions as we go through the estimates item by item.

However, Mr. Speaker, this year for some unexplainable reason, the government have been desperately trying to stampede the estimates through the House by forcing members to meet long hours, sometimes, Mr. Speaker, all night. Your Honour was over in England observing what was going on in the House of Commons, the mother of Parliament and I would like to welcome Your Honour back. When Your Honour was observing what was going on over there, here we were burning the midnight oil over here, Sir, meeting all night as if we had a deadline to meet. We had no deadline. The government had two months interim supply. The government could have carried on, Sir, until the end of May, no problem. But for some unexplainable reason, Mr. Speaker, they wanted to stampede, railroad the estimates through this honourable House and they forced members to sit night and day and sometimes all night, Sir, hoping I suppose, Mr. Speaker, although they did not say this, I assume that they hoped in this House, where the opposition is outnumbered four to one, that by forcing these long sessions on us that we might be drained of our strength and energy through exertion and hopefully, Mr. Speaker, they were hopeful that we would succumb to their sadistic handling of an opposition that was only trying to do an effective job for the people of this province, Sir.

Mr. Speaker, by the number of members that are in this honourable House these days, Sir, I would like to know what the hurry was. Sir, I think it is about time we had a quorum called and try to get them out

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MR. NEARY: of the woodwork, get them out from under the rocks and get them back in the House, two, four, six, eight. There are eight over there now, Mr. Speaker, I would like to have the House counted.

MR. SPEAKER: There is a quorum.

MR. NEARY: Mr. Speaker, the attendance in this session of the House has been the worst I have ever seen, the worst on record, Sir. That is how interested they are in the affairs of this province.

So they thought, Sir, they thought they had us on the ropes.

AN HON. MEMBER: How many members do they have gone south?

MR. NEARY: We do not have anybody gone south. How many members are gone south from that side of the House? The member for St. John's South is over gallivanting around Europe, the Minister of Social Services is gone off on a conference and then has reservations booked for Florida, the honourable Premier is booked up for the warm climate. How many more are away at this time? They should be here in this honourable House, Sir. I will deal with that in a few minutes, the obligation and the responsibility they have to this House, Sir.

Mr. Speaker, my own impression of these marathon sittings and why the government forced them unnecessarily upon us, is to make up for their own shortcomings and their own inadequacies. This government, Mr. Speaker, in fifteen months have made more blunders and more boo-boos than the previous Liberal Administration in twenty-three years. They have set a number of all-time records, Sir, for the Province of Newfoundland and Labrador. The Minister of Finance and his colleagues have managed to push our provincial debt to an all-time high after a lot of talk that we heard prior to the two provincial general elections. In leading up to these elections, all the talk that we had about the running of this province efficiently with a cabinet of twelve or fourteen members, They have set a new record with eighteen members in their cabinet. They have created, as I said a few moments ago, an unprecedented number of executive assistants, special assistants, information officers etc., jobs, Mr. Speaker, for party supporters.

Mr. Speaker, if our Tory Government continues to go after new record like the ones I just mentioned, then this should be an interesting

year indeed. I am just wondering out loud, Mr. Speaker, how long more the poor old taxpayers of this province will put up with this nonsense and this extravagance and waste. The reason for these marathon sittings, these all-night sittings was that the government were anxious to get the House closed. They obviously, Mr. Speaker, cannot stand criticism. They refused to listen to constructive suggestions and ideas. Ministers have shown themselves to be incompetent and in a little over a year, Mr. Speaker, the Tory Administration have become as arrogant as anything we have seen in the past or will see again in the future. Mr. Speaker, this government have a built-in self-destruction mechanism and this is why and I honestly believe this to be so, this is why they have adopted a strategy of trying to ram things through this honourable House in a hurry and get it closed before they make complete fools of themselves.

They are obviously, Mr. Speaker, afraid of the House. They are losing sleep at night trying to figure out ways and means to avoid the House altogether. They would just as soon get rid of it, they would just as soon do without it, Sir. These are the real reasons behind all these night sittings and the rush to get it over with in a hurry. But, Mr. Speaker, members on the government side of the House have discovered over the past two or three weeks that the people of this province are strongly opposed to this abuse of their large majority in this House of Assembly and are absolutely disgusted at the way the government have attempted to punish and torture members of the opposition who are merely trying to see that the people of this province are provided with good government.

That is the name of the game, Sir, that is why we are here, that is why we criticize. We are trying to make sure that that crowd over there, that honourable crowd, as much as we hate to admit this, Sir, but what we are really trying to do is to see that they provide good government for the people of this province. That is looking at it in an objectionable manner and in a positive way. The whole trouble, Mr. Speaker, is that this government have become so arrogant they are too foolish to pay attention to what is being said in this honourable

House or outside of this honourable House. Then, Mr. Speaker, I would say that that is their problem. The voters of this province will deal with them and elect an alternative when the opportunity is given to them.

In the meantime, Mr. Speaker, and I am not going to provide a lecture to members on their duties, responsibilities and obligations to this House, but in the meantime, members must realize that they were elected to the House of Assembly by the people of this province to do a job and their first duty is to this honourable House. How many quorum calls have we had in this session? How many members are absent from the House this afternoon? There are eleven on the other side and when the Minister without Portfolio was speaking I saw it go down to eight, down to eight, Sir, and the minister was up stating, announcing, articulating government policy and trying to defend the poor old Minister of Finance and the administration.

You cannot keep them in their seats, Sir. The people elected them to this honourable House and their first duty is to this House. Nothing else, nothing else I would venture to say, and I may have some debate on this, I may be contradicted. Nothing, not even your family comes before this honourable House. Maybe religion, you might put religion in the same category but, Mr. Speaker, nothing, but nothing, apart from your religion, comes before the House of Assembly. As a matter of fact, you cannot be Premier of this Province unless you are first elected to the House of Assembly.

As the honourable Minister of Finance knows, because when he was first appointed to the cabinet he was not an elected member of this House, and the Minister of Finance knows this better than any other member on the government side, that when a person is appointed to the cabinet there is a time limit, Sir, on how long he can serve as a cabinet minister before offering himself to the electorate for a seat in this honourable House. How long is it, Mr. Chairman? Six months?

MR. ROBERTS: It is a constitutional convention. At the earliest possible time.

MR. NEARY: At the earliest possible time. So the Leader of the Opposition who is an expert on constitutional matters in this province tells me, and he is. He is an expert on it. He is the best in this House. So, Mr. Speaker, nothing comes before the House of Assembly. The point I am trying to make here is this, that the members of this House should put the business of the House before anything else especially before their own personal business or before restructuring themselves in the lofty atmosphere of skyscrapers in Montreal, London, Paris, Israel, New York, Africa and Moscow - Malawi; the Minister of Social Services in Malawi. They cannot take all these trips, Sir, they cannot go off to try to solve the problems of Malawi or go up to the delights of Paris or Montreal - they cannot do that unless they are a member of this House. Their first obligation is to this honourable House, otherwise, they would not be ministers.

I would submit, Mr. Speaker, that the reason you are not getting members in the House or in Confederation Building is for fear that they might be caught in the House of Assembly or in their offices by citizens of the province seeking face-to-face meetings with their members. This is why they do not like Confederation Building, they are allergic to the House of Assembly, they are allergic to Confederation Building. Their poor old constituents and the poor people of this province cannot get through to them, they are on the fly all the time, they are members of the jet set.

Mr. Speaker, immaterial of what the honourable crowd on the other side of the House do or think, we are more determined on this side of the House and they can have all the night sittings, all the marathon sittings and the Minister without Portfolio can get up and do all the bellyaching he wants about obstruction, which nobody believes anyway. He can do all that, Sir, but we are more determined than ever on this side of the House to do the job for which we were elected to do in this honourable House.

Mr. Speaker, I am going to make a suggestion to members like my honourable friend from Harbour Grace, who seems to be bored with it all, or the member for Placentia East, who spends little time in the House, and all the other members who are absentee members. I am going to suggest to these members, Sir, that if there are those among us who are not willing to live up to the expectations and obligations that have been placed upon us and the trust that has been given us by the people of this province, if they are not prepared to live up to this, then they can leave anytime they want to. They are free to leave. They can go now, Mr. Speaker, and I am sure the people of this province could not care less. We all came into this House voluntarily. Nobody can force a member to sit in this House, especially against his own will. We all came in here voluntarily, Sir, nobody put a knife or a gun to our backs and said; "You have to be a member of the House of Assembly." It is a voluntary thing. I think we should remember this before we start lashing out and complaining about a two or a three months session of this honourable House.

That is what we are complaining about, Mr. Speaker, two or three months. I will deal with that shortly because I did a little research this morning and I want to tell honourable members of this House and anybody else who is listening to me, that it is interesting to note, Mr. Speaker, that so far this session we have met a total of forty-eight days, (48) forty-eight days from January 31 up to and including today's sitting of the House. Mr. Speaker, that is just about a month and a-half out of the whole year. One month and a-half and already, as I said a few moments ago, government members are becoming grumpy, edgy, irritable, showing signs of becoming weary, they are bushed, they just cannot take it and they are showing their true colours of being quitters and sissys about all this, one month and a-half after the House opened. The Minister without Portfolio showed us this this afternoon. He could not get wild nor enthusiastic when he was trying to defend the government. The old fire is gone, the shiny edges are worn off now.

Out of this forty-eight days we spent twelve days debating

record expenditures by various government departments. The government departments have been increased by four this year, have they not? Are there four new departments?

AN HON. MEMBER: We have lost track.

MR. NEARY: We have lost track but I think it is four new departments, which would make it a little longer, Mr. Speaker. That is logical. If you have more government departments, more spending, it is going to take a little longer. We are debating record expenditures, Sir, by the various departments of government. Do you know how much time we have spent on that so far, Mr. Speaker? Approximately eighty hours. Eighty hours, (80) hours. I think, probably I am being a little generous there. I probably have two or three more hours included there than I should have. It is very difficult to get the precise number of hours but the outside of eighty hours we spent passing \$600 million in this honourable House.

MR. ROBERTS: \$7.5 million an hour.

MR. NEARY: How much?

MR. ROBERTS: \$7.5 million an hour.

MR. NEARY: \$7.5 million an hour. \$7.5 million an hour, Sir, and all we heard from government members were complaints. They were whining, moaning and they were charging the opposition with obstruction. As I said in the beginning, Mr. Speaker, with the ratio in this House of four government members to every one opposition member, how can they justify their petty, childish charges of obstruction? It is the government who sets the tone and the mood of this honourable House. They call the order of business and generally speaking, Mr. Speaker, whether or not we get our work done in this House in a smooth, efficient manner, depends upon how well the government organize the business of the House. I did not make that up, Sir, that is a fact, that is tradition. This session, Sir, and this is part of our problem, apart from the fact that the government is leaderless in the House, they have nobody over there with a firm hand on the tiller. The Premier is the biggest culprit of all when it comes to absenteeism. We have an absentee Premier and they have nobody to show them leadership, Sir.

That is why I said the other night when I was on television that I thought the leadership of the Tory Administration was gravitating towards the Minister of Finance. He is getting it by default because he is the only one that is making a showing over there and holding that honourable crowd together. I do not agree with everything the Minister of Finance says but that is true to anybody who has visited this honourable House this session. They will tell you the same thing but for the poor old Minister of Finance, if his judgement were not so bad, he could very easily have been Premier of this Province now. If he had not made the tragic error he could have been the Liberal Premier of this Province.

MR. ROBERTS: He will live to regret that.

MR. NEARY: My colleague reminds me that the minister will live to regret it and I have no doubt about that. I have no doubt about that, Sir, but they failed, they have failed miserably, Mr. Speaker, in this session of the House to prepare the work of the House and they have been unable to discipline themselves in the House. So, Sir, what we have before us, on the other side, is an administration that has become a complete shambles in less than a year and a-half in office.

Mr. Speaker, up to and including today's Order Paper, a total of three hundred and fifty-seven questions have been asked by the Official Opposition in this House (and I was reminded, my friend from Labrador South is not here but I was reminded that there are more opposition than sit in this row of seats and that row there. We are known as the Official Opposition, also, the effective opposition.) of the government and so far, Sir, and this is again very interesting, so far, excluding the answers to today's questions, I think there were five answers today or half a dozen, so far, Mr. Speaker, only one hundred and ninety-one of these questions have been answered. As I understand it, with only about another week or ten days left in this session, it is doubtful whether they will ever be answered and these are some of the most controversial questions, Sir. Minister have come into the House pretending that they are going to give us all the information we asked for but all they are doing is answering

the simple, harmless questions. They have not given us answers to any of the controversial questions. We have only a week or ten days left, Sir, and over forty per cent of the questions on the Order Paper, so far, have gone unanswered. This is the government, Mr. Speaker, that had so much chaw prior to the last two provincial elections about answering questions and providing information for our people.

Members might be interested to note, Sir, and perhaps the Clerk could correct me on this but my understanding is that there are another two or three hundred questions being processed in the Clerk's office for the Order Paper. That is not a criticism of the staff of the House, Sir, because maybe the questions were late coming in. What I am concerned about, Mr. Speaker, is that forty per-cent or one hundred and ninety-one questions still on the Order Paper not answered. I am reminded, Sir, that we also asked the Minister of Highways for a list of the Highway's work to be done in this province in the twelve months ahead and the minister would not table the list. We also asked the Minister of Municipal Affairs and Housing for a list of water and sewer projects and the minister refused to give us the information.

This is the government, Sir, that had so much chew about answering questions and providing information for the people of this province. Mr. Speaker, in my opinion the 1973 provincial budget will go down in history as the budget which spent more taxpayers' money than ever before and benefited fewer people. For a government that on the campaign trail promised a brave new world of magnificent planning, sound development of grass roots industry, white knights on steed in government, and an end to patronage, this budget, Sir, reflects a complete change from the (as they say in the business world) selling promise to the service delivery. Giant plums and medium sized plums are handed out to party supporters, with not even dried prunes for the rank and file, non-politically oriented, ordinary citizens. Not even a dried prune for those people.

Indeed, Mr. Speaker, if it had not been for a \$24 million bonanza from Ottawa, the rank and file, the non-politically oriented,

the ordinary citizens that I referred to, Sir, would have had to dig deep into their pockets to pay the huge amounts required for luxuries like squads of administrative, parliamentary and executive assistants, contractual obligations slushed out to the Premier's special pet, his own special assistant, the Provincial Air Force expansion funds, funds for providing new and more enjoyable fun and games for those distinguished guests who will be permitted to bask on the decks of our provincial navy and make use of Francisco's Hideaway on the Gander River.

AN HON. MEMBER: Great river.

MR. NEARY: It is a great river. Great, strange things going on down there too. We see also, Sir, the strange phenomenon of surrendering the affairs of this province into the hands of Memorial University's theorists who have found a new way, Mr. Speaker, to siphon off money from the public treasury for their own personal gains. If honourable members do not think that that is true, I have a little surprise for them. A little surprise! Here is an Executive Council document, dated March 26, 1973, addressed to all deputy ministers in the government. Listen to this, Sir, and I will table the document if the honourable Speaker and the members want me to. All the deputy ministers have it, all the ministers have it and I have it. It is too bad the premier is not here, he would say; "Where did you get it?" Well, Sir, I am like the news media in that regard, I refuse to divulge my source of information, nothing would drag it out of me.

Listen to this, Mr. Speaker, just to verify what I said about the government, that strange phenomenon, the government surrendering the affairs of this province into the hands of the academics over at Memorial University. "To all deputy ministers: An effort is now being made to increase and formalize the linkages between our government and Memorial University in the field of applied research. This movement towards increased co-operation is spearheaded at the University by vice-president M.O. Morgan and in government with the Premier's approval by the Planning and Priorities Committee Secretariat.

"The need for closer working relations between government and the University is clear. All too often our government purchases research and consulting advice from private firms without even considering the availability of talent to provide this service at Memorial. On other occasions the University is contacted but the inquiry is not directed to the most appropriate person. In some cases this latter action causes some considerable embarrassment and time scheduling difficulty for the University.

"It has now been agreed between the university and government that in future Dr. N.Gogan will act as the focal point for the handling of inquiries from government officials wishing to know the most appropriate personnel to contact at Memorial with regard to participation in particular research projects. Dr. Gogan is executive assistant to vice-president Morgan and acts as secretary to the University's Senate Committee on Research and Dr. Gogan can be reached at the number. It has been likewise agreed that I shall act as information officer on behalf of the government to direct inquiries concerning government's interest in the funding of academic research having immediate, practical application. I shall also attempt to keep the relevant policy committees of cabinet ministers and deputy ministers informed of existing research studies and new study proposals which might be of interest.

"It should be clearly understood that this arrangement is not intended to inhibit direct contact between senior line department staff and their colleagues at the university. However, in future, specific requests for staff assistance or proposals to conduct research which might involve the use of university staff should be channelled in the first instance to Dr. Gogan or the Dean of the Relevant Faculty Institute. Government officials are encouraged to indicate on such occasions if they have a particular person in mind, also who they feel might be suitable to undertake the assignment. However, under no circumstances should they commence any form of negotiations with university personnel prior to approaching Dr. Gogan the Relevant Dean of the University.

"I should add that I would appreciate it very much if you

could keep me informed when such negotiations with the university are in progress. I do not wish you to deal with the university through my office although I will gladly provide any assistance that I can. If you would send me a carbon copy of any correspondence that you have with Dr. Gogan, Dean of Research Institute Directors, it would help me immeasurably in keeping up to date on the new linkage efforts."

They got their foot in the door of the Premier's office, Sir, now they are getting ready to take her over. They are getting ready to take her over. They had to set up down there a director, a Dean of Research Institute Director, to be able to cope with all the requests that are coming from the government for help. Deputy minister and senior officials of government no longer run the show, Sir, ministers no longer run the show, it is being run from over there on the Prince Philip Drive by a bunch of academics from Memorial University who could not run their own affairs. It took a student strike over their to straighten half of them out, and that is the crowd we have running this province at the present time. They found a way. They are like the lawyers, Sir, they found, they hit the jackpot, they found a new way to siphon off money from the public treasury for their own personal gains.

I could go on and on and on. There are dozens and dozens of other little non-essential items that are designed only, Mr. Speaker, to meet the psychological, physiological, social and ego needs of the party in power and their friends. Mr. Speaker, to

hear the way this government talks about restructuring you would think, Sir, it was some kind of a virtuous word that they were using. The realigning of government departments, Mr. Speaker, only means that we have a government now which is in evidence by this letter I just read, a government structured on text book patterns and that has shown itself, Sir, in the past fifteen or sixteen months to be unable to manage the affairs of this province. The major problems, Mr. Speaker, facing our people are being neglected and the whole situation seems to be treated as a joke by the existing administration.

For instance, Mr. Speaker, one of the major problems facing our people today is unemployment. In another few weeks, Sir, graduates from the Colleges of Trades and Technology and the Fisheries College will be entering the labour market. Students from the vocational training schools will be joining university students and mature, older students from high schools will be joining them in their search for jobs in this province. Sir, we are unable at the moment to take care of the chronic unemployed. We are unable to take care of those who have been unemployed for long periods of time. So I would say, Mr. Speaker, that the outlook for those students is dismal indeed. There are no new government projects to create jobs, Mr. Speaker. No new projects to take the place for instance of that great hydro development that has been going on for the past five or six or seven years at Churchill Falls. Construction of the linerboard mill in Stephenville has ended. If they ever get back to work down at Come by Chance, another couple or three months and construction on that giant project will end. So all the projects started by the Liberal Administration, Sir, that has been the old whipping boy in this session of the House, all the Liberal projects are now grinding to a halt, the projects that were started by the Liberals when they were in power, and there are no new projects,

Mr. Speaker, to take their place.

So I would say these graduates, these students that will come out of the vocational schools, the university, the Colleges of Trades and Fisheries full of idealism, full of enthusiasm are going to be awfully disillusioned, Sir, in the weeks and months ahead. We heard in the last few months the Premier and we heard the Minister of Finance state publicly that our economy is stronger than at any time in our history. That was the Christmas present we were given by the Minister of Finance. What a difference, Mr. Speaker, a few months made in that minister's thinking. About a year and a-half ago or two years ago, Sir, they were lashing out at the Liberal Administration because of growing unemployment in Newfoundland, despite the fact, Mr. Speaker, that the then government, the Liberal Government, the previous administration at that time pointed out that our province had hit a new record for numbers employed and the unemployment figures were a result of the increase in the numbers of young people coming of employable age. This is the very same argument the Minister of Finance threw back at us. Criticized us for making a statement like that when we were in power, Sir, and as soon as they become the government they tell us our economy was never stronger and this is the reason for high unemployment. Well, Sir, if that is the reason now that has been the same reason for twenty-three years.

Right now, Sir, the great critic of the Tory Administration, the Minister of Finance, is defending this past twelve months highest ever figures for unemployment on the grounds of the entry of newcomers to the workforce. Honourable members might have heard me this last week or so in the House talking about how the honourable minister can twist and turn figures, and there is an example, Sir: When he was campaigning, Mr. Speaker, we were criticized for the high unemployment but as soon as they formed the government they tried to defend their own position over the last year and a-half

or two years on the grounds that the reason we have high unemployment in Newfoundland at the present time is because of the newcomers entering the workforce.

The truth of the matter is, Mr. Speaker, that our unemployment rate in this province would be much higher at the present time had Ottawa not bailed us out through their local initiative projects and training, on-the-job programmes. Unfortunately, Mr. Speaker, these projects and training programmes are of a limited duration and my big complaint with these projects is that they are not year-round. I have been advocating that in this House for years, Sir. They should be year-round but they are going to come to an end the end of May and some may be extended on into September. What I am focusing attention on, Mr. Speaker, is the fact that the provincial government has done nothing towards fulfilling their election promises of creating jobs for our people. I will make in this honourable House a forecast right here now, and I hope I am proven wrong, Mr. Speaker, as this is one time when I would like for the government to prove that I am wrong, I predict, Sir, that we are headed for one of the worst summers on record for unemployment in this province. It is going to be a sad, sad situation, Sir.

Mr. Speaker, another one of the present administration's sins of omission is their obvious lack of concern for the ever increasing high cost of living in this province. Members of this honourable House, Sir, will remember on numerous occasions the vicious criticism of the Tories when they were in opposition about the cost of living in this province. Since my honourable friends on the government side of the House, Sir, took over the government and became the administration in March, 1972, gasoline in this province has increased substantially in price, stove oil and furnace oil that is so necessary with the kind of climate we have in this province, Sir, with the frigid, cold, damp weather

that we have, the price of stove oil and furnace oil has gone up twice since these honourable gentlemen formed the government and the consumer price index as published by Statistics Canada has just revealed, Mr. Speaker, that Newfoundland has been subjected to the highest increase in the cost of living in Canada.

Mr. Speaker, is it any wonder that people right across this province are so fed up with politics and politicians and the House of Assembly? Is it any wonder they are fed up, Sir, when they are just struggling, fighting, battling for survival, desperately trying to hang on and keep a bit of grub on the table? Can you blame them for being considerably disappointed, Sir, when they learn that more time was spent in this session of the House debating the purchase of an executive jet, an executive aircraft for ministers to fly around the province in and more time was spent on whether or not the Premier's brother-in-law is worth \$20,000 a year or whether poor old Newfoundland can afford a director of transportation at the cost of \$26,000 a year? More time was spent on these items, Sir, than was devoted to the high cost of living. Honourable members on the other side, Sir, spent considerable time on this. Not a word, not a sound except from this side of the House dealt with the cost of living and the impact that it is having on the average Newfoundlander.

Mr. Speaker, bread and butter issues seem to be a thing of the past for members of the government. They are more interested in collecting briefs and appointing committees than they are in doing anything, Sir. There is hardly a day passes in this province, Mr. Speaker, but you hear on radio or see an advertisement in the paper where briefs are invited on something or other. Briefs! You would feel like going down and passing in your drawers. Briefs invited on this and that and the other thing! Why the paper industry in this province at the present time, Sir, must be booming. The heads of organizations and various groups and the individuals who are interested can scarcely get time to eat their meals, Sir, they are

so busy preparing briefs.

Mr. Speaker, if this government think for one moment that this new gimmick of theirs is going to take the place of action or performance, Sir, then they are living in a fool's paradise. Our people are becoming too wise, Sir, to these stalling tactics and are not about to be fooled by nonsensical and foolish plans, talk about plans and about briefs as an excuse for their lack of action and incompetence. This is what you get when you allow yourself to be swallowed up by the academics down at Memorial University. This is what you get, Sir, wasting time when there are so many important things need to be done in this province,

Mr. Speaker, another major need of our people is good housing and what I mean by people here, Sir, are not only recipients of welfare, not only people in the low income bracket but people in the middle income bracket, Sir, who are too often neglected in any programmes that we design yet they are the ones who have to pay the price. They have to pay for everything. We would not survive but for the people in the middle income bracket, Sir. Nobody ever designs a programme for them. Can you blame them for becoming so disillusioned and disenchanted and disgusted. They are paying the bills and do not get the benefits. So this is another item, Mr. Speaker, that has gone down the drain despite all the fine promises made in their speech from the throne, last February I think it was. Our people are deeply disappointed, Sir, that our government has not made at least a gesture towards helping them to ownership of their own homes of adequate standards.

Mr. Speaker, remember the bellyaching that we heard about the price of beer in this province prior to the last two provincial elections and the biggest chawbag of all, not in this House this afternoon, the Minister of Social Services and Rehabilitation, who used to refer to it as the poor man's champagne. He told us, Mr. Speaker, as soon as they took over the administration, as soon

as we got the boot, as soon as we were hove out, the price of beer would be reduced. Well, Mr. Speaker, the voters of this province fell for it and they hove us out and they certainly got their reward, Sir, for swallowing this little piece of political bait. As a New Year's present in this province the Tory Administration announced an increase in liquor prices.

Now, Mr. Speaker, if we have to collect taxes in this province or I suppose in society for that matter, if taxes there must be, then probably the best way to get it is from liquor and tobacco. But, Sir, in this case the chief impact was on people in the lower income group. Scotch, Mr. Speaker, and imported liquors, in other words, Sir, the wealthy man's drink, received no increase in taxation but screech, Sir, the poor man's spirit, was taxed most heavily. That is the reward, Sir, the people of this province received for swallowing that little piece of political bait. You do not hear any ranting and raving and roaring now from the member for St. John's Centre or from any of the other members about the price of beer in this province.

Mr. Speaker, I could not start to recount the bellyaching from the other side when they sat over here about borrowing and the provincial debt. Why, Sir, you were afraid to come out of your house in the morning afraid you would hear the poor old province was gone belly up, bankrupt. You were afraid the sheriff was going to be standing outside of your door ready to grab you and your children and drag you off to the hoosegow because she is gone mad, she is gone belly up, the poor old province is bankrupt. The Minister of Finance, the biggest critic of all, a couple or three years ago lashed out so hard, Sir, against the former Liberal Administration and now we see that same honourable minister, Sir, back across the House, a member of a government that is setting new highs in borrowing. The way that this government is lashing out money right, left and centre, Sir, no wonder they have to borrow.

During the summer, when all the ministers are jetting around the far corners of the earth, we will hear about the Minister of Finance. We can expect to hear about the Minister of Finance making a few more trips to the bond markets of the world and every time he goes off to borrow a few dollars on behalf of the province he will take a squad of cabinet ministers with him, his buddies. The Minister of Finance will only travel in select company, no time for the Minister of Environment or the Minister of Municipal Affairs and Housing. The honourable minister will take his buddies, his cabinet buddies and his special advisers with him and away he goes to the bond markets of the world and every time setting a new record and putting on a great performance. The Minister of Finance can really do it up in style when he goes. One time the Minister of Finance of this province would go off with the comptroller of the treasury and there was a great furor, a great hullabaloo and now we have star performances by the Minister of Finance, occupying penthouses and lofty skyscrapers in North America and Europe with all his cabinet buddies and special assistants. The Minister of Finance is, I would consider, one of the buddies.

Mr. Speaker, the Minister of Finance is finding out that in order to keep this poor old province afloat, Sir, just to barely maintain the services we already have in this province, Sir, that we are going to have to keep on borrowing and borrowing. The government is going to have to increase the debt that we left and when we take over two or three years from now the debt will be \$1.5 billion. That is a fact of life, Sir. Nobody is so naive as to swallow that nonsense any more. The former minister who got the boot would not even swallow that, as naive and as gullible as he might be. Sir, the people of this province are like myself. They are not doctors or lawyers or educators. They are only poor, old sucks like myself, Sir, just barely scraped his way through high school, who understands, Mr. Speaker, that if you are going to maintain essential services in this province, not to mention, Mr. Speaker, the borrowing that will

be necessary in order to continue moving ahead, to expand and to develop, this is going to go on. People are not naive enough not to realize that, Sir, and, Mr. Speaker, changing governments is not going to change this fact of life and to say otherwise, Sir, is being less than honest with our people.

Mr. Speaker, when the full measure of the impact of this present selfish and undemocratic budget dawns on the people who decided to change horses in midstream in the effort to rid themselves of the much publicized but really nonexistent abuses of power, the masses of our people, Sir, will know that on March 24, 1972, they did indeed, under the influence of a campaign of character assassination, exercised their democratic right to be wrong.

MR. SPEAKER: The honourable member for St. John's North.

MR. J.A. CARTER: Mr. Speaker, I am not wishing to prolong this debate on the budget speech but still I find it very hard to sit still in my place and allow such statements as we have heard from the honourable member for Bell Island to go unchallenged. It is a fact, Sir, it is a plain unvarnished fact that in the first twenty-two years of this province's history since confederation our affairs were mismanaged to such an extent that we found ourselves with a very, very severe burden of debt. Now the first few years the debt did not seem to be so great although the mismanagement was equally bad. It grew and grew in geometric proportion so that the last three or four years of the Smallwood regime were the most critical and in fact had they been allowed to continue we would now find ourselves in very severe straits because the financial community I suggest had lost confidence in that particular regime. It was half in fun but all in earnest that the honourable Minister of Finance last year, in replying to a question from the member for Bell Island when he said, "Oh, it is no trouble to get money now, no trouble to get money now." What did the Minister of Finance do? The Minister of Finance quipped, "Personal guarantees." There was

more truth in that than fiction. The point was that the money markets of the world finally saw a responsible person from a responsible regime asking for a responsible amount of money to perform some responsible acts, for the first time in twenty-three years.

Well we find ourselves today at a crossroads. Our debt has grown so huge that we have to try and turn it as best we can and many people are asking the question, "Will we survive economically?" and "what kind of life can we look forward to if in fact every year we have to borrow more and more money?" Well I would suggest right away that the members of the opposition, if they would only use some discretion and learn the basic facts of economics, they might be able to help this province instead of hinder it. When they ask for more of this and more of that, more of the other thing, it is quite impossible for these to be granted without first putting together some set of priorities, and this I maintain this present government has tried to do. You could argue that it has not been as successful as it might have been but I firmly believe that this government has for the first time in our history since confederation made a serious attempt to try and put forward some priorities.

Now the budget speech of course allows members fairly wide-ranging debate so I propose to take advantage of this fact and not stick too close to the budget speech itself but to mention a few facts that are very closely related to the budget because of their financial implications. I have already in this House spoken and referred to two of the most critical issues in my view that have occurred this year. The first is the proposed downtown complex sometimes referred to as the Crosbie Complex, Atlantic Place, on Water Street. Now there have been many arguments both for and against this complex but my main concern is the implications that this complex presents, the financial implications. We understand from reliable authorities that the developer is not providing the

requisite number of parking spaces, and to provide commercial parking spaces can cost up to \$5,000 per space. If in fact the developer is being let off the hook for something of the order of 500 parking spaces, then he is in fact being subsidized by 500 times \$5,000 and this I maintain is unfair.

The other point of course is that with such an enormous development plunked right down in the centre of the downtown area that the access roads that are going to have to be provided for this complex are going to be very, very expensive and it is not the developer who is going to have to pay the price, it is the average taxpayer, both the municipal and provincial taxpayer, because inevitably this province will be called upon to pony up the extra funds required.

The other large issue that I see that has arisen in the last couple of weeks is the application by radio station or television station CJON to put a complex on Signal Hill. The implications there while not of such financial dimensions certainly raise some very, very worthwhile points. One of the points being;

what is to be the future of publicly held land? May any developer merely by making a proposal, even a generous proposal, acquire, for very little expense to himself, land that was promised the public in perpetuity? If this is possible, then I see this as an implication of the most serious dimensions. Whatever one may think of the particular piece of land in question, I think it is the principle particularly that is extremely dangerous. Those are two of the most significant developments of this year and I call upon my colleagues and I call upon all members of this House to think about them very carefully, long and carefully, think not only about the developments themselves but particularly about their implications. For those who are of a financial turn of mind, I would request them to think particularly about the financial considerations. If public land is to be given away, then there is certainly a loss of revenue. If developments be allowed that are eventually going to cost this province a great deal of money, then these are implications of the most serious nature.

Although it is perhaps too early for the historian to assess the achievements of this particular administration, I feel that the most important aspect of this administration's achievement is the removal of fear and the renewal of hope and trust. It is hard to analyze statistics particularly when all the statistics are not yet in. I understand that the private sector is flourishing and gives every sign of continuing to flourish. Unemployment is up but so are wages. It is a peculiar time in economic history but it does seem as if the cushions against serious want that are provided by federal and provincial governments and state governments for that matter in all North America seem to be having their effect. Therefore, Mr. Speaker, I look forward with hope to the next few years and I would request that all honourable members pay particular heed to financial priorities in their requests to the government and in their criticism of it. I would sincerely congratulate the Minister of Finance on his efforts and on his achievements. I merely wish to reiterate my personal confidence in that particular individual.

MR. SENIOR: Mr. Speaker, I would like at this time to say just a few brief words in commenting on the budget presented to the House sometime ago by the hon. Minister of Finance. In opening my remarks, I would like to congratulate the minister on the excellent job which I feel he has done and in the excellent budget which he has brought down this year. I think it is a realistic approach to spending in this province, an approach I think which must be taken.. I believe that we are heading finally in the right direction. There are certain significant things in the budget speech which I would like to comment on very briefly in a general sort of way. The budget speech indicates that we are spending this year more money than we have ever spent in the province's history. On a per capita basis, we are spending \$1,037, whereas the national average of all the provincial governments is only \$824, which indicates to me, Sir, that we are trying harder and spending more money to increase and improve the services for our people and to improve their standard of living.

On the other side of the ledger, however, our budget indicates that our revenue is much lower than the national provincial average. It becomes clear then that if we are to provide services at the present pace, we must increase our revenue. I do not see, Sir, and I do not profess to have any great understanding of financial matters but it is becoming increasingly clear to me that we cannot continue to borrow money at an accelerated rate to provide services and also to borrow money to maintain them. The only alternative then if we are to survive is to increase our revenues. I think this is the area which we are placing the emphasis on. I think this is the direction in which we are finally going. There are many ways in which we can increase our revenues in the province. I think one of the things which we have to consider is the kind of development in this province which pays. I think we have seen too much of the kind of development in this province which not only does not

pay but in fact has cost us many, many millions of dollars and will continue to cost us and our children a great deal of money in the future.

I think the establishment of such agencies as the Rural Development Authority will do much to increase the revenue in this province by placing emphasis on development in the rural areas of our province. I think it is safe to say, Sir, that most of the long-term employment that has been provided in our province has been provided based on resource based industries. If we are going to develop resource based industries in this province, it necessarily means that we are also going to develop in rural areas because most of our resources are located in the rural areas of this province.

I think, too, Sir, to develop sensibly in this province, we must have a rational approach to resettlement. I think resettlement must be tied in very closely to development. I think in the past the resettlement programme has done much to discourage development in the rural areas of our province. I think we have seen too much of people moving from the rural areas of our province, where they were capable of making a contribution to the province, to areas where they could not make a contribution to the province but became a liability to the province. I do not see, Sir, how we can develop sensibly in this province with this kind of an irrational approach. I think the answer to this problem is to resettle people if necessary but resettle them within the rural areas in a form of community consolidation where they can still fish the same fishing grounds that they have in the past and can still carry on their way of life much the same as they did in the past but most important can continue to make a contribution to the Province of Newfoundland. It does very little good, Sir, to move people from an area where they are making a contribution to the province to an area where they cannot make a contribution and the province has to continue to borrow money to provide services for these people in their new location and has to continue

to borrow money to maintain these services. These are just a few general remarks in opening.

So, Sir, in a general sort of way, from an overall provincial point of view, I agree with the approach taken by the hon. Minister of Finance this year in presenting the budget to this honourable House. But, Sir, although I agree with the budget from an overall provincial point of view, and as a member of this honourable House I should be concerned with the overall point of view but I think, Sir, more important is that I should be concerned as to how this budget relates to the people who elected me to this honourable House. I would, Sir, like to make a few comments at this time in this regard, not in a sense that I am criticizing our government but probably, Sir, to point out some of the deficiencies and needs that exist in the Central Newfoundland Area, some of which I think have not been understood by government officials in the past and I think there is a very good reason for this. Over the years up until 1961, the Town of Grand Falls, as an example, was a company operated town and we still have a company operated town in the District of Grand Falls now, namely Buchans. Up until this time, it was not necessary for the provincial government to engage in any planning or to set any priorities for these particular towns because they were administered and most of the community amenities had been provided in these towns by the companies. So the provincial government did not have to take the responsibility for these towns. I think because of this that there was very little planning done and very little done in the way of setting up priorities. But, Sir, this is changing and it is becoming increasingly clear to me that we have to place more emphasis on the Grand Falls District and we have to place more emphasis on the needs that exist in this area.

Let me point out, Sir, just a few examples to show what I mean: In the last three years, we have negotiated with Ottawa several DREE agreements, which have brought a total of approximately some \$160 million into this province. When the first DREE Agreement was negotiated, the Central Newfoundland Area was designated as a special area which would

receive assistance from the special areas' agreement. In the first two DREE Agreements, Sir, we had a total commitment in the Central Newfoundland special area, which would include Gander to Grand Falls and all the area in between, of \$4,252,000, out of a total of approximately \$130 million. Out of that \$4,252,000, the District of Grand Falls, Sir, received \$500,000. In the amendment which was recently negotiated, it received an additional \$500,000. Now, Sir, it could be said that probably in Grand Falls District we have all the things that we need and there is no need for us to focus any attention on this area now. But, Sir, this is not the case.

When the original DREE Agreement was negotiated, a case was put forward for two schools to be established in Grand Falls. Apparently these schools could not be justified at that particular time and so DREE authorized payment of a study which was to commence in August, 1971. Well, Sir, we were satisfied with that; the fact that finally the federal officials and apparently the provincial government had recognized that there may be a need in this area and they would undertake a study to determine if in fact this need existed and the extent of the need. As far as I can determine, Sir, today this study has not started. This is very disturbing to us in the Grand Falls Area. There are desperate needs in the area. We have one particular school in Grand Falls Town which is literally falling down. It is sixty years old. The interior of the building has deteriorated. The washrooms are inadequate. The classrooms are inadequate. It is a health hazard. It is a fire hazard. I think, Sir, in the very near future, it will have to be condemned. So it is very disappointing to us in view of the fact that we had been designated as a special area and the fact that twelve DREE schools have been built or committed in the province that as yet the study for the school in the Grand Falls Area has not started.

Now, Sir, there are many other needs which exist in the area which may not have been brought to the attention of the government before. But, Sir, this is the only effective place I can speak. I

am the only representative that the people in this area have in this provincial government and so I am availing of the opportunity today, not merely to poke criticism at the government, that is not my intention, but to bring to the attention of government some of the needs which have existed there. I have attempted to do this over the last year, without being too successful in this regard.

Now, Sir, we have another problem area in this district which has existed for some time and it comes under the Department of Transportation and Communications. We have located approximately one and one-half miles from the Town of Grand Falls, one of the largest and busiest provincial parks in this province. I believe last year we had an attendance at this park of some 180,000 people I believe. Anyway it is the busiest park in the province. I would like to point out, Sir, that this is the only park in the province that does not have a slow access lane to the park. Now this may not appear to be very important but let me point out a few of the facts. We have in Grand Falls and Windsor probably 7,000 or 8,000 children and we have thousands of children commuting to and from this park in the summertime, on foot. There is no place for them to walk except on a gravel shoulder of the road or on the paved section of the highway, in a sixty mile per hour limit. Now, Sir, in view of the fact that this is the busiest park in the province and it is the only park in the province which does not have a slow access lane, I think, Sir, it is a matter of some priority and also because it is so close to the Town of Grand Falls and the citizens have to commute on foot, to and from the park. Also in this area we have a tourist chalet and we have a major service centre adjacent to the park which does not have a slow access lane, in a sixty mile per hour limit. This has been brought to the attention of the government officials but for some reason they fail to recognize the emergency that exists here. It will only be, Sir, when a major accident happens in this area or when several children lose their life that apparently the people are going to be sympathetic to the problems that exists here.

We have another area, Sir, which is causing us considerable concern and here again it has existed for quite some time. We have from the Trans Canada Highway into Grand Falls and Windsor three exits or three accesses to the town. On the western access to Grand Falls and Windsor through Lincoln Road, we have the only traffic light that I know of that exists on the Trans Canada Highway. When the Trans Canada Highway was built there was an overpass that was built in this area. The only thing that needs to be done now to make it an effective overpass and to alleviate the traffic problem in the area is to install the proper ramps and so on to go to and from the overpass. This problem has existed for some time but nothing, Sir, has been done about it. Why is it a problem area?

Sir, in a recent study which was conducted, from Lincoln Road to the Trans Canada Highway, that is west on the Trans Canada Highway, we have an average of 4,845 vehicles travelling per day through the traffic light. Going east on the Trans Canada Highway, we have an average of 6,890 vehicles per day, for a total of to and fro traffic of 11,745 vehicles per day, going through this traffic light. Going in the other direction, Sir, on Lincoln Road, going into Windsor, we have an average of 11,280 vehicles per day. On Lincoln Road, going into Grand Falls, through the traffic light, we have an average of 9,225 vehicles per day, for a total of to and fro traffic in that direction, through the traffic light, of 20,505 vehicles per day.

Sir, before I go on to the eastern entrance, I would like to point out another problem which exists in this area and it is this: Just north of the traffic lights, all vehicular traffic going into Windsor must cross the railway tracks. This has caused considerable delay, which I do not want to go into in detail and which is contained in the study. A matter of much greater urgency and much greater importance to the area is this: In a survey conducted in March, 1971, it showed that we had 3,297 pedestrians crossing this track on foot. In August, 1972, we

had 553 pedestrians crossing this track on foot. That was a difference Sir, in the two dates of 2,744 pedestrians crossing the track on foot per day. Why that difference? The difference, Sir, is this: In March, the schools were open and the difference in pedestrians crossing the track of 2,744 was practically all children. Now, Sir, this problem has existed in this area for quite some time. The overpass has been built there. All we need are the ramps to the overpass to alleviate all these problems that exist in this area. This has been brought to the attention of government officials but apparently it is too complicated for them to figure out. Why is it complicated? It is complicated because in order to install the proper access ramps; (1) we have to approach the Railway Grade Crossing Fund for a contribution from them. Then there is a contribution, Sir, which should be forthcoming from the Canadian National Railway. It also involves the Department of Highways for the cloverleaf loops. It has involves the town council. But, Sir, I do not find any difficulty in negotiating this. I have gone into it in some detail. I really do not see any problems here. I do not see any problems with the financing.

My purpose today, Sir, is to bring to the attention of government officials the urgency of this situation and the problem that exists in this area. Again, are we going to have to have children lamed or killed before anything is done about it?

Now, Sir, I mentioned the western entrance to Grand Falls and the problem that exists there. The problem is even greater than this, Sir: Because of the change in the way that Price Newfoundland has been getting its wood to the mill in recent years, we have dozens of trucks loaded with wood that have to come through this intersection every day. Now, Sir, there is an access to the mill that goes under the overpass but on coming back onto the Trans Canada Highway, on the crest of the hill, in a sixty mile per hour zone, the trucks have to go up at a very steep grade with no access lane to the Trans Canada Highway. This, Sir, is an intolerable situation which must be corrected.

Now to go to the eastern entrance to Grand Falls: The survey indicated that on the Trans Canada Highway, going west, we have 6,335 vehicles per day and going east, we have 7,530, for a total of 13,865 vehicles per day, that is an average. Going into Windsor, Sir, we have 5,065 and going into Grand Falls we have 2,970, for a total of 8,035. That is where the existing overpass is at the moment.

At the other entrance to Grand Falls, we show that on the Trans Canada Highway going east, we have 5,973 vehicles per day and going west we have 8,665, for a total of 14,638. Crossing the Trans Canada Highway, Sir, with no traffic lights, with merely a stop sign, at Grenfell Heights in Union Street, we have 2,658 vehicles per day going in one direction and 7,560 going in the other direction, for a total of 10,218 vehicles per day crossing the Trans Canada Highway through a stop sign. Now, Sir, I think it is time that something is done about this because this particular intersection is where we have a considerable number of accidents in the Grand Falls Area.

Sir, in comparing these three exits to the Towns of Grand Falls and Windsor, the point I want to make, Sir, is this: The area where the overpass and the cloverleaf exists now is the intersection where we have the least traffic. Surely, Sir, if we can justify a cloverleaf in the intersection where we have the least traffic, surely we can justify it in an area where we have the only traffic light on the Trans Canada Highway and where we have some 20,000 cars going across the Trans Canada Highway per day. Now, Sir, that to me is a serious situation. There are 20,500 cars crossing the Trans Canada Highway every day through a traffic light, yet we cannot justify a cloverleaf here but we can justify it in the area where we have the least traffic.

Sir, these are just some of the problem areas which I would like to point out. I would also like to point out that in view of the amount

of money that has been spent in this province in recent years, especially from the DREE Agreements, and considering that we have gotten so much from these DREE Agreements that I think if the proper emphasis and priority had been placed on these projects they could now, Sir, be completed. I do not think this is all the problem of the government. I think it is a combination of circumstances, of the conditions that have existed in this area over the years where we have been company-operated towns and the government have not had to place a priority and preference on this area that it will have to place today.

Another area, Sir, which concerns us greatly, another project, is the expansion to the Central Newfoundland Hospital. When I was elected member for Grand Falls District last year, I was made aware of the need for expansion to this hospital, with a waiting list of some 700 or 800 persons. Immediately, I contacted the Department of Health and received excellent co-operation from the minister and his officials and as a result a study was undertaken, which was completed at the end of March of this year and which in fact does recommend expansion to the Central Newfoundland Hospital and also outlines the type of facility which will be needed to cope with the problems in this area. I might say, Sir, that I have received a petition from some 7,000 residents, from a total of eleven provincial districts which are served by this hospital and which I hope to present in this honourable House tomorrow. I will be having further comments on this matter at that particular time.

Sir, I have repeatedly said since being elected a member for Grand Falls that we have great potential in this area for development. At a seminar, Sir, which was held in Grand Falls last summer, an official from the DREE Department in Ottawa said that the Central Newfoundland Area had more potential for development than any other area he had seen in North America. Sir, that certainly would justify the fact that the DREE officials in Ottawa are certainly sympathetic to our cause and I think we have to make our point and make it strongly of the needs that exist in this area.

There are just a couple of more things, Sir, which I would like to comment upon. I have not had a chance in this honourable House to speak very often. I have more or less listened to what has gone on and absorbed many of the things which have been said. There is another area which concerns us in the Grand Falls District and that is in the area of recreation. Last year, Sir, or the year before, the government constructed a stadium in the Town of Badger. Prior to this date, I am told by officials from the Town of Badger that they had a great problem with juvenile delinquency in this community. Since this stadium has been constructed there, the juvenile delinquency in this town is practically nil. We have had several other projects for recreation facilities that have been on the go in the Grand Falls District for the last year or so and one of them, of course, which has received wide publicity and much controversy is the Windsor stadium issue, which has yet to be resolved. It is a matter of some concern to the people in the area. We have a similar situation existing at Windsor, Sir, where we have had a juvenile delinquency problem of some degree for the last few years. Not only that, Sir, but there is a shortage of recreation facilities in the Central Newfoundland Area. The stadium which was provided by the paper company in Grand Falls some years ago has provided recreation facilities, not only for the Town of Grand Falls and the Town of Windsor but in fact the whole Central Newfoundland Region so much so, Sir, that the stadium in Grand Falls is booked around the clock. I in fact, Sir, have played hockey and played broom ball in the stadium myself at 5:00 A.M. because that was the only time when we could rent the facility.

There is a great need in the area for recreation facilities. I think, Sir, a lot of the controversy which has developed and a lot of the criticism and controversy which I have been subject to over the last year has not been justified. I feel, Sir, that the Town of Grand Falls and Windsor have done much themselves over the years to provide recreation

facilities for their people. In 1972 alone, Sir, the Town of Grand Falls spent \$263,600 of their own money to provide recreation facilities for their children. Now I think, Sir, with the people making this kind of contribution to their area, showing this much initiative and enthusiasm and digging deep down in their pockets and coming up with that kind of money, I do not think it should become a matter of great controversy when the provincial government have to get involved to provide recreation facilities for this area. I do not think so at all, Sir. We are not asking for any hand-outs. All we are asking for is sympathetic consideration and some assistance in addition to the efforts which are being put forward by our people.

Sir, I am happy today to be able to present to this honourable House some of the needs which exist in the Grand Falls Area. I might say that I have enjoyed being a part of this government in the last year. It has been gratifying to me, Sir, to see the tremendous progress made by our government in many areas. I feel, Sir, that the past year, as I have said before in this honourable House, has been a time of evaluation, of assessing where we are and trying to determine the best course of action for the future. I think we have been able to assess the situation, Sir, and evaluate where we are. I think that we have made considerable progress and made many constructive plans for the future which I think are going to pay off for the benefit of all Newfoundlanders, those who live in Newfoundland today and those yet unborn, who will reap the benefits of what our government are planning for Newfoundland in the future.

Sir, in summary, I would like to say that I am quite pleased with the budget presented to this honourable House, from an overall provincial point of view. I am not terribly disappointed that many of the projects I have referred to in my remarks have not been included in this year's budget because I do not think it was at all possible but I think, Sir, because of

the gravity of the situation and the seriousness of these problems that it was time for me today, Sir, to bring them to the attention of this honourable House. Hopefully in the future we can receive a more realistic and sympathetic hearing for the needs of the Grand Falls District.

On motion debate adjourned.

MR. SPEAKER: This House stands adjourned until 8:00 P.M.

The House resumed at 8:00 p.m.

Mr. Speaker in the Chair.

Motion, that the budget debate be adjourned, put on behalf of the honourable member for Labrador North.

MR. SPEAKER: Yes, I put the motion before.

MR. MARSHALL: Yes, I am sorry! You are right.

MR. ROBERTS: Mr. Speaker, before we proceed with the bill, whichever one it is the minister just called, could he indicate to the House, Sir, the approximate order if we are going to try to deal - we may do a lot of legislation tonight if we are cracking on it and it will be a little easier if we have some indication of the order which he proceeds to follow.

MR. MARSHALL: Mr. Speaker, first of all we will go to bill no. (24) which is with respect to the marketing of natural products, then we will do the amendment to the City of St. John's Act. We will come back to the Newfoundland Crop Insurance Agency (that is order (7)), then we will do order (6) the St. John's Municipal Council, public parks; No. (5) the St. John's Metropolitan Area Act. I am sorry, not No5 but order (15), and order (18) the Local Government Elections Act, then we will go into the bills on the Order Paper in the name of the honourable the Minister of Finance That is the Tobacco Act, the Gasoline Tax Act etc. After we get to that stage I can give the House another indication.

AN HON. MEMBER: (Inaudible)

MR. MARSHALL: Not unless you want to.

MR. HICKMAN: May I, with leave, Mr. Speaker, give notice of a bill?

MR SPEAKER: Agreed.

MR. HICKMAN: I give notice that I will on tomorrow ask leave to introduce a bill, "An Act Respecting The Application Of A Certain Provision Of The Crown Lands, (Mines And Quarries) Act."

On motion, second reading of a bill, "An Act To Revise And Consolidate The Law With Respect To The Marketing Of Natural Products." (No. 94).

HON. E. MAYNARD (MINISTER OF AGRICULTURE AND FORESTS): Mr. Speaker, this is a fairly routine bill. It is mainly an amendment to the Natural Products Marketing Act but there were enough amendments throughout the whole Act so we decided to bring in a totally new one. Mainly, it gives us the authority to enter into the national egg marketing scheme in which this is the only province in Canada not participating. We hope to do this within the very near future providing that this bill is passed through the House of Assembly.

It would also revise the very complex system of marketing schemes of various natural products and it would enable us to enter into agreements with other provinces and with the federal government on the marketing or the control of marketing of various other products as well as the egg industry. The board would be no longer a separate corporation but would be more or less a division of the Department of Forestry and Agriculture. The name of the board will be changed from the Newfoundland Marketing Board to the Agricultural Products Marketing Board to avoid some confusion we have between the Newfoundland Marketing Board and the Newfoundland Egg Marketing Board which are two separate things.

I do not know if there is any reason to give any more explanation on this and I will attempt to answer any questions that may be asked.

MR. NEARY: Mr. Speaker, I wonder if the minister could indicate to the House when the Cook Report will be tabled in the House? I understand that there is a draft copy available and it is done in rough form, I think the minister told us in the House a week or so ago. We would like to have a copy of it, Mr. Speaker. We should have had a copy, actually, before this bill was given second reading, Sir. We would like to know what the Cook Commission recommended and we would like to know why the delay in joining the marketing board. Why all the delay? Was it held up because of the Cook Report? Waiting for the Cook Report? I do not think we had much choice than to join in, we are the only

province in Canada right now which is not a member. Newfoundland would just become a dumping ground if we did not join. Why all the delay?

MR. ROBERTS: Mr. Speaker, if I may say just a few words before the minister replies. Generally the principle of the bill, I think, is quite acceptable to us. It is not a new principle in Newfoundland's legislation and it certainly is not a new principle across Canada. Without going into the details of it; as I understand the scheme, it is proposed to abolish the old marketing board as such, which was set up three or four years ago under authority of legislation, the Natural Products Marketing Newfoundland Act, which I think was three or four years old. It just says; "The revised Statutes." I think it was passed in 1968 or 1969, as I recall it. I believe the bill actually grew out of an incident involving a number of the farmers in the Kilbride Area.

Under that bill and under this one there are some procedural differences but the important one is that the minister may establish certain commodity boards. The effect of these boards, as I understand it and if I am wrong perhaps the minister will correct me, or the power they have, in so many words, is to create a marketing scheme, and this essentially is a legal monopoly. I do not find that objectionable. Monopolies can be good or monopolies can be bad but the purpose of this bill is to give the minister the power to set up a board to deal, for example, in hay. It could be a board in hay. When the board was constituted it would be a corporation and the minister could approve a marketing scheme and that would say that all hay sold in the province shall be sold through the, let us call it the Hay Marketing Board to carry our analogy through.

That makes some sense, Mr. Speaker, because that is often the only way that producers, primary producers, can be protected from cutthroat competition. I think this would be the policy underlying the principle of this bill. It is not a new policy in Newfoundland and it is certainly not a new one across Canada. The only board we have

now I guess is the egg marketing board or whatever its official title is. I understand the people in the hog industry are beginning to talk of that and I think there was some talk of potatoes and possibly turnip coming under one. Maybe there will be a number. Some provinces such as Ontario have twenty or thirty possibly, a great number of these boards.

We do not find that objectionable. I think it should be noted that what it does is ensure that the primary producers get an adequate and a proper price, proper return for the product. The effect of that, of course, Your Honour, is that people out in Embree, for example, will pay a little more for their hay under the hay marketing board, if we are to have one. I do not think we should be under any illusions as to what it will mean.

The one point in the bill, Sir, that I find objectionable and I do think that we should look at this, is that the minister, under this bill, Your Honour, may impose a scheme, as I understand the bill, and the relevant section, if the minister wants to look it up, is (13)4, I am sorry, it is on page (11). "A scheme may be established without a vote of the producers." In other words, if the minister be satisfied that an adequate proportion of the hay producers, to carry forth our analogy, have agreed to a plan - now an adequate proportion could be five per-cent. The bill is quite general. It says, Your Honour, "No scheme shall be established or revoked or commodity board constituted thereunder, unless the minister is satisfied that the scheme or revocation thereof is recommended and approved by such proportion of the producers or persons engaged in the marketing of the product as the minister deems satisfactory and, for the purposes of being so satisfied, the minister may cause the board to hold a plebiscite of producers upon a question of the favour or disfavour of a scheme."

Now, Sir, I find that objectionable on two counts. First of all it leaves it entirely to the minister's discretion as to what proportion is adequate. I do not think the minister would consider anything less than fifty per-cent adequate but he may. If he does not

his successor may, because when we say 'minister', Sir, we do not speak of the gentleman who holds that office at the present time. He may or may not be there tomorrow or next week or next month or next year. I think that is a defect in the bill, Sir. Under this, if the minister so deemed it, not even the cabinet, the minister so deemed it adequate he can say; "All right, ten per-cent of the people who grow hay in Newfoundland are in favour of having a hay marketing corporation. I hereby establish one under section (13)1, and I further establish a marketing scheme and I feel that everybody who sells hay from now on will sell it at not less than the following price."

That power the minister has. He does not have to find the proportion, Sir, that is one grave clause in our view. Secondly; he does not have to have a plebiscite. I find that offensive too, Sir. I do not see why the primary producers in any agricultural scheme, and of course, this natural products bill does not specifically exclude fisheries, but as it does not include it, I assume, in the legal sense, fish could not come under it. It would be a very interesting point, but they do not. But any agricultural product under this the minister can deem it that an adequate proportion of the producers of that product have consented to a marketing scheme or to the establishment of a corporation and then he can order that a corporation be established and thence it is established; or he can order that a scheme be established and there it is established. No number for the proportion - it should be one-half, in my view. That is the system we follow, one-half plus one of this House, one-half plus one in the constituency, One half plus one is the basic majority that is necessary in a democracy. Secondly, Sir, there is no provision for a vote. Even if we said it has to be one-half, unless there is a provision that there shall be a vote if a sufficient number ask. We can draw analogies from the Labour Relations Act, but if a given number reply or if the board, an independent board, not a minister, an independent board deem it necessary they can order a certification vote.

There is no certification vote in this legislation, Sir, as

I read it, Sir, I could be wrong but section (13) is one of the main operative sections in this Act. Sir, I would put these points to the minister and I would hope that when we come to a committee stage on this bill, as we shall shortly, whether it is tonight or a little later, but we shall come to it, and I hope he would be open to amendments on that.

The two points again, Sir, are the need to have a fixed minimum proportion established, and I submit it should be fifty per-cent. Also, the requirement that a vote be held, one can word it a number of ways, unless more than fifty per-cent indicate that they choose to dispense with the vote. You can do it a number of ways but there must be some way. Here it is left entirely to the discretion of the minister and while we may have great faith in the discretion of the minister and I do, I am not so sure this is a power that is necessary to be confined to his discretion. I think it is the sort of power that he could easily do without. The Act can be administered just as effectively and, in my view, can be administered far more equitably if these points are made.

Other than that, Sir, we are for the bill. It is a technical and procedural change, as I think the minister has indicated, on the old legislation. I gather it is necessary to bring us into line with the various marketing schemes which are now being brought forth under the complementary federal legislation. That is fine. It is not a new policy in Newfoundland, it is not a new policy in Canada, it is merely a means of ensuring that the primary producer gets what is considered to be an equitable price. It takes it out of the free-market system entirely, out of cutthroat competition. If he wish, the socialist measure, and I find it for one rather a good one, I think it is a valid use of the power of the state. It should be noted though that consumers may pay more, because the price of hay, Your Honour, is set by a board or a corporation in this Act. The price of hay could be set very high and one must then sell hay through the board or else take the risk of the legal action which will follow. That is a risk,

it could happen.

I can recall honourable gentlemen opposite emoting at great length about egg marketing boards. There is no doubt in my mind, Sir, that the egg marketing board, in the short run, if it were not there, in the short run we would have the lower price of eggs in Newfoundland. I think that is true. What are eggs selling for now?

AN HON. MEMBER: Eighty-nine cents a dozen.

MR. ROBERTS: Eighty-nine cents a dozen? Well they are one of the few commodities of food that has ever come down. A few years ago they were a dollar and a dollar and ten cents a dozen. They have come down.

AN HON. MEMBER: They have gone up too.

MR. ROBERTS: They have gone up too, sure they have gone up. Most things always go up but at least they are still below what they were a few years ago. Mr. Speaker, if it were not for the egg marketing board, in the short run, there is no doubt in my mind at all that the price of eggs would drop, probably dramatically, in the short run. How long? Long enough until every poultry producer in the province is forced out of business. I make that as a flat statement but if I am wrong perhaps the minister will challenge me. Indeed, if I be wrong, I then ask him to challenge me. Without the egg marketing board every producer in this province would be forced out of business by eggs coming in from outside. They would all be forced to the wall and then, Sir, when they were forced to the wall, then the price of eggs would start going up because there would be no check at all on it. Now there is an effective check. To me that is an example of a policy which was implemented under the predecessor bill and soon will continue to be implemented under this bill. The old egg marketing board will obviously be changed into a corporation.

Although the ministry have not had the intestinal courage to table the Cook Report yet, it is obvious from the statement the minister made here in the House, they are going to carry on with the

policy of an egg marketing board by whatever name. So be it!

Mr. Speaker, with those few comments I would ask the minister to deal particularly with the points under section (13). I think I will conclude, at least, this portion of the debate.

MR. J.A.CARTER: I have a couple of observations that I would like to make. I agree with some of the statements that have been made, that there is need for a marketing board. In certain cases there is the danger of dumping and once products are dumped the primary producers can go out of business and then it may take years before they can get back into business again.

The idea of a product marketing board is to regulate the supply. There are some different ways of doing it but a marketing board seems, especially since it falls into line with the federal regulations and federal marketing boards, to be the only workable way of bringing about control of basic commodities. However, I do have a couple of comments of my own to make and that is that I find myself in the very peculiar position of having to partly agree with the honourable the Leader of the Opposition on the section (13) where it says; "The minister may cause the board to hold a plebiscite." When we come around to clause by clause discussion I would like to put in the word "shall" substitute the word "shall" there. I think it would give more protection.

One other point I would like to make is that if a new product should be brought under the marketing board's control, I would rather see either the Lieutenant Governor-in Council or preferably this House of Assembly pass upon such a new measure. It may seem like a small point to bring in, once having an egg marketing board, to bring in for example a hay marketing board, but the implications could be quite serious for the people concerned with the production of hay. Therefore, I would like to see some protection, namely, the glare of publicity that surrounds any activity or any action that this House takes, I would rather see that as the means to protect the producers concerned.

We in this party were greatly opposed to the previous egg marketing board and I think the reasons are quite obvious. It was not that we disagreed with the idea of marketing boards or of an egg marketing board in particular but we did suspect the motives of the previous government in setting up that marketing board. We knew that the previous Premier was very heavily engaged in the production of eggs and we all remember egg day at the Confederation Building when Russwood eggs were sold around from department to department. I think this was an abuse of privilege, an abuse of power and thank heavens those days are gone. I hope they never return.

We did see an irresponsible government before and I would like to make sure that this bill does not allow a future irresponsible government to get away with anything without the full glare of publicity. I do not agree with the Leader of the Opposition that the consumers will pay more, They will pay a regular price. If primary producers are forced out of business, there is no doubt in my mind at all that consumers will pay more. I agree with the theory of this bill but I just have a couple of cautionary remarks and with those I will sit down.

MR. SPEAKER: If the honourable minister speaks now he closes the debate.

MR. MAYNARD: Just a few words, to answer a couple of the question, Mr. Speaker. The question on the Cook Report: I explained, I think, a few days ago in the House here, why the Cook Report had not been tabled. I am not holding it back for any reason. The first draft that came in to us was not a final draft. It was sent back to the author, Dr. MacEachern of the National Research Council, who is rewriting the report and he had promised to have it in to us two weeks ago. We still do not have it but as soon as we do get the Cook Report, in its final form, we will table it in the House of Assembly. There is nothing to hide in the report in any way.

The delay in joining the national scheme - we wanted to be, first of all, very careful of what we were getting the province into. We were not prepared to rush hastily into something that was not quite fully understood. Although the other provinces were in, we did have an understanding with the other provinces that they would not use Newfoundland as a dumping ground until we had time to take a close look at the national scheme. We have taken a look at it now and whether the government consider that Newfoundland should participate in the national scheme or not is beside the point, because really in this point in time we do not have a choice. If Newfoundland does not participate in the national scheme, then certainly we will become a dumping ground. This has not happened up to this time and we did need the change in our legislation in order to enable us to join the national scheme.

The Leader of the Opposition mentioned various other commodity boards that are being set up or are in the making. There are two or three that are coming into national prominence now, one is the broiler marketing board and there is another one, the turkey marketing board I think. This will enable us to participate in both these even though we do not have any turkey production. We will be participating in the scheme as it is worked out. In any case, this legislation will enable us to enter into any national scheme that is devised by the provinces and by the federal government.

In relation to section (13)4, I would like to take a close look at that and discuss it with some of my legally-trained colleagues and perhaps we could discuss it further in the committee stage. I will certainly take a look at that particular clause and the wording of it.

On motion, bill no. (94) read a second time, ordered referred to a Committee of the Whole House presently, by leave,

Motion, second reading of a bill, "An Act Further To Amend The City Of St. John's Act."

HON. H.A. COLLINS (MINISTER OF MUNICIPAL AFFAIRS AND HOUSING): Mr. Speaker, it is with some pleasure that I rise to introduce this bill which

has been referred to as the bill which will permit universal suffrage in municipal elections in the City of St. John's. The necessary amendments are listed here which will make that possible. This amendment is brought about, in the main, as a result of the royal commission on the City of St. John's Act, commonly referred to as the Phelan Commission.

Many of the major recommendations contained in that royal commission report on the City of St. John's were implemented in 1969, prior to the last municipal election in the city. This represents the one major recommendation which has not been acted upon so far. It will permit all people, possibly all people who are nineteen years of age and over, to be able to vote in the municipal elections. In the past, many governments were reluctant to extend the franchise on the basis that they could see possibly where a great number of young people might be inclined to run slates of candidates which might end up in City Hall and be governing the people although they were not taxpayers. I believe that the history of municipal politics, all across Canada and across Newfoundland now, has proven that that is not the case and that those young people are indeed interested in municipal politics in terms of voting for mayors and councillors and should be given the right to do so.

All of the municipalities in Newfoundland, all of the municipalities operating under the Local Government act, permit people to vote. Of course, we are all aware of the fact that in federal elections people eighteen years of age and over are permitted to vote and in Newfoundland, provincial elections, of course, it is nineteen years and over. It gives me great pleasure, Sir, to move second reading of this bill.

MR. F.B. ROWE: Mr. Speaker, needless to say my colleagues and I support the principle of this bill. I was going to ask that very question that the minister related to. Why in fact could we not have people of eighteen years and over voting in local government elections in this province the same as they would for the federal elections

and this sort of thing? Probably the minister could just comment on that when he gets an opportunity to do so.

Since we do support this particular piece of legislation, I might say that it is my feeling at least that all forms of local government in this province should be compelled to hold elections. We have had members on local improvement districts and this sort of thing appointed by the cabinet over the years and I think now the time has come where people are going to be responsible to other people in the community and that the time has come for them to have to seek re-election in order to carry out this responsibility.

I would like to see all forms of local government in fact having to be elected to their office before they start to serve the people in these various communities. Universal suffrage should be a part of that process as well. I would like for the minister to probably comment on that, if he is anticipating within the near future bringing in some legislation with respect to compelling elections for all forms of local government and also possibly having it for eighteen years of age and over. We support the principle of the bill, Sir.

MR. ROBERTS: Mr. Speaker, if I may add a word or two: My colleague has stated our position quite clearly and I do not propose to add to that but there are one or two comments I should like to make. First of all, as the minister has said quite correctly, this recommendation of this policy is a result of one of the recommendations of the Phelan Royal Commission. That commission has, I think, served the City of St. John's very well. Mr. Phelan was on it; the late Mr. Foran, and Mr. D.W.K. Dawe, Q.C. was the third member. I think they served very well. There are, however, two recommendations still not dealt with and I wonder if the minister could comment upon them.

The first is the ward system. I am sorry, the Minister of Justice indicates he does not like the idea. Well I am not saying whether he should like it or not but, Your Honour, the Royal Commission did recommend a form of modified ward system for the City of St. John's. Indeed as I recall it, and it has been some time since I read the report, they recommended what amounted to a system of comptrollers, people elected by a city-wide vote as the present members of the council are. That would be about one-half of the membership of the St. John's Council and the other half would be elected by wards which would be much like the constituencies of the House of Assembly. When they recommended that, Your Honour, you would think that they had recommended invasion of the family home and the replacement of the sanctity of motherhood. I could never understand the reaction, I never could.

The House of Assembly, Your Honour, the House of Commons at Ottawa is each elected on a ward system. Your Honour is a member of this House because Your Honour represents a constituency. Each of us here in this House was elected to represent a constituency and not one of us was elected at large. St. John's, with 100,000 people in it and eight members on the City Council, has roughly 12,000 people per councilor. That, Sir, is larger than the average constituency in this province will be when the provisions of the Redistribution Act, as passed by this House recently, passed with the support of all members. There the mean will be of the order of 10,000 to 11,000. So I do not see any reason why we cannot have a ward system in St. John's - the municipal politicians will probably come down on me for this.

Now the Royal Commission after great examination and men whom I do not think anybody would consider any of the three gentlemen as flaming radicals. They are not the sort of men who could be accused of standing on barricades waving the bloody red flag of revolution. These men are respected citizens, two of them leaders of the bar, eminent members of the bar of this province, and the third, the late

Mr. Foran, perhaps as knowledgeable as any man in the history of Newfoundland about municipal government, a treasure chest of knowledge not just about St. John's but about municipal government. I am not sure Mr. Foran was alive at the time of the report. Yes, he would have been alive at the time the report was submitted.

I do not see why we should not have a ward system. The Royal Commission recommended it. It would mean, Sir, that people living in an area of the city would have a man or a woman they could go to directly just as if somebody is living in Howley and he does not like the provincial government services he can get on the phone to the gentleman from Humber East and he can say to him, politely or not as the case may be, "Would you do something for me?" If nothing is done then the person living in Howley knows to whom he should look. He knows who his representative is. But, Sir, nobody in St. John's knows who their representative is except they know it is seven or eight or nine. In the case of the mayor, the mayor should be elected at large even though the premier of this province is not elected at large, the prime minister of Canada is not elected at large. Each of them sits for a constituency and then by the immutable processes of our constitution becomes Her Majesty's first minister.

So I would like to hear the minister state the government's position on this. I know there have been unfortunate incidents in Corner Brook. I think it went wrong in Corner Brook and yet the Royal Commission, with the full benefit of the experience of Corner Brook, because the Corner Brook incident in the early 1960's had got to a head and in 1963 the city was placed under commission. Maybe Corner Brook was too small. Maybe the fact that in Corner Brook municipalities with greatly disparate public services were brought together, because Townsite and Curling had nothing in common. Their level of public services was like night and day. But here in St. John's, leaving aside areas like Mundy Pond and Shea Heights

where services are still inadequate, most areas of St. John's have services roughly comparable to any other part of this city.

So I think it is something we should think about. The Royal Commission did make the recommendation and the government do not have to accept it, Lord knows. But if they are going to reject it, they should state their reasons. It is a matter of policy and the minister should state the policy on it. I cannot make him but I give him the invitation and ask him to do it. Secondly, the Royal Commission also recommended a new City of St. John's Act be drafted. We could call it, in grandiloquent terms, the City Charter, the basic legislation under which the city operates. I know that some effort was made during our tenure in the administration to begin work on it. It is a massive job. I wonder if the minister could tell us whether any real progress has been made. I do not think we got that much done on it, to be quite candid, but it is something that needs to be attended to. The basic City of St. John's Act, as I understand it, Sir, is still the one drafted by Mayor Gosling, the man after whom the Gosling Library is named. Is that not the bill that the mayor worked out with great, great effort and pain and trouble and brought it into the House, in an outport government, and emasculated it? I have heard that story but I do not know if it is true or not.

In any event, are we going to get a new City of St. John's Act which is legislation that governs, in a municipal sense, one-fifth of our people? I am glad the minister pointed out that all other municipalities in Newfoundland now have to vote at nineteen. This will mean now that everybody in Newfoundland who is nineteen can vote. I have never understood the reason why it was not done before. I am responsible. I am guilty, if there be guilt. When we were in the administration we moved to end the corporate vote of nonsense, where a man could have fifteen or twenty or thirty votes. It could have been nonsense but it was the law of Newfoundland, and we also

brought in the spouses.

That leads me to ask the minister if he could give us an indication of how many extra people may be enfranchised by this. I do not think it is very many. I will be enfranchised by this, I suspect. But, Your Honour, anybody who lives in St. John's, as I understand it, the basic franchise - now the gentleman from Ferryland was a member of the council and could correct me if I am wrong, The gentleman from St. John's West was deputy mayor of St. John's in one of his many earlier careers and that is the only councilors we have here from St. John's.

AN HON. MEMBER: The member for St. John's North has ambitions.

MR. ROBERTS: The member for St. John's North has ambitions in many directions, all of them to be frustrated. Mr. Speaker, as I understand it, the basic franchise in St. John's, well now it would be anybody who is nineteen and a citizen and all that sort of thing. Up until now it has been anybody who is a citizen etc., like most qualifications, who either own or rent property and the spouses thereof. Now that does not include me and I am not complaining. I mean I am one of the few people who do not. I suspect the only people who would be enfranchised are young men and young women over the age of nineteen who have not yet moved into their own establishment, be it renting an apartment or buying a home. So I wonder if the minister could give us some indication.

What I am saying, Sir, is I do not think that this is a terrific leap forward. It is progress and it should be welcomed. The administration should be congratulated for doing it but it hardly is the millennium. It will not take the franchise - Your Honour it is like the great reform act in England in one sense. That did not extend the franchise by very much, not numerically. I do not think this does numerically extend the franchise by a great deal. I would be interested to know if the minister has some figures or maybe the Minister of Finance, the gentleman from St. John's West, or somebody else does. I think

it would be of interest.

Finally, Sir, could I make a plea to the minister?

I do not make a partisan plea as the minister and I will not concur on partisan matters and if we do I shall be worried.

But, Sir, this act carries on, perpetuates the system of the voters card. Now I have never heard of it anywhere else. I do not know but maybe it is general in all municipalities. That I do not know. I can see it being relevant where one had to be a taxpayer. Under this bill, Sir, you will have to get a card from the city clerk and if you do not get one there is a provision where you can go by and try to get one. But before you vote you have to go in and you have to give your card in. Now, Sir, to vote in a federal election you have to make sure your name is on the list but if you are not that interested you do not deserve to vote. All you do is go into the booth, give your name, the deputy returning officer in the booth strikes off your name or makes a mark to indicate you have voted and cannot vote the second time and then the same is true in the provincial election with the exception if your name is not on the list we are much more open, in being sworn, taking an oath that you are eligible to vote, that you have not voted before and you can vote.

Now I realize that federal and provincial elections have polls but there is no reason the City of St. John's cannot have a polling division. Maybe they could use the same ones that the province uses. Maybe they can use the same ones that the federal election uses. Perhaps the provincial would be better because the franchise in each case is at the age of nineteen.

AN HON. MEMBER: I hope there will be no burning of the ballots.

MR. ROBERTS: I hope no burning of the ballots but no election is won or not by four or eight votes or whatever the case may be.

Your Honour, I have heard a lot of talk and we all have about the cost of extending the franchise. Well I do not

know anything about the affairs of the City of St. John's but I do think it is nonsense. I do not see how it will cost a great deal more to extend the franchise than it would not to extend it. It will cost a lot more if, well let us say there are 100,000 people living in the city and say 50,000 of those are electors, nineteen and over, and it is probably a little higher than that but let us say it is about that proportion, Sir. It will cost a great deal to prepare 50,000 voting cards. I suppose they would be like post cards. They will have to be issued to each elector. Well, if they are mailed out, 50,000 at eight cents each is \$4,000.

AN HON. MEMBER: No, it is a little cheaper than that, six cents.

MR. ROBERTS: Well, what is a post card. Six cents. Well that is \$3,000 just for the mailing bill. I do not see what purpose it serves. To identify the voter? Your Honour he is identified federally and provincially without a voting card. We can have polling divisions. There is no reason why not. That would make sure a person could not vote once here in the East End and then get in his car and drive up to the West End and vote a second time. That would not be proper. But the provincial and federal acts, which are remarkably the same in this case and standard throughout Canada, surely are adequate. So I would ask the minister to consider. I think it is an outdated provision. It may have had some merit when we had a property vote or we had a corporate franchise and a corporation could nobble along to the polls and vote. But surely that theory is gone, Sir. That was founded on the theory that municipal governments somehow were related to property.

We now have come full circle in Newfoundland. We had made it nearly all the way when the Liberals were in power but we did not take the final step and the present administration can take full credit for that. They have done it. We have now come to the point where municipal governments -

MR. NEAPY: We were going to do it.

MR. ROBERTS: Oh, yes, we would have done it but the fact is they did do it.

MR. NEARY: As a matter of fact we announced it in the House - so they are not heroes.

MR. ROBERTS: No, in any event it is not going to increase the voters' list by that number I suspect. I do not know the figures. I quite candidly do not. The point is, Sir, that it is being done now and this bill means that we will come to the point where the right to vote in all elections in Newfoundland for all people will be depended on just two things: the age of majority which is nineteen and hopefully it will be lowered, and if the present administration do not we shall, to the age of eighteen. Secondly, the necessary citizenship and residence qualifications which once again are standard and acceptable and are basic: So we think it is a good bill but the point about the voting cards, I think these are an unnecessary anachronism. They are expensive and I see no purpose they serve. I suspect it is just a hangover and I think it is a costly hangover, one we could do without.

The point about the ward system, I would be most interested to hear the minister's statement of the policy of the administration with respect to that. Having said that, Sir, we will support the bill and support it gladly.

MR. SPEAKER: The honourable member for Labrador South:

MR. M. MARTIN: Mr. Speaker, one suggestion I guess. I see nothing objectionable in this particular piece of legislation. It amazes me that the democratic process should take so long and such great pains to finally arrive at something approaching a democratic process. If we are talking about amending the City of St. John's Act there are probably a number of other amendments that could be made. One that I would suggest, and I would also like to hear the minister comment on, is the one, I stand to be corrected on this but I think it is incorporated in the City of Corner Brook Act whereby the council is required to hold public hearings on issues

of major importance. I would like to see incorporated into this act as well in the form of an amendment something that would require of the council to bend to the public will and being forced to hold public hearings when a certain number of people want them. This is probably not the time to debate that but I would just like to get the minister's ideas and comments on this particular thing and whether or not it can be introduced in the future.

MR. CARTER: Mr. Speaker, I had not intended to take any part in this debate but I wish to echo the sentiments of my colleague from Labrador South. I think it is quite wrong for any city council to be able to make any major proposals without taking into consideration the wishes of a vast number of citizens. It is not enough to say that you just go and elect them every four years. If decisions are made that are putting the city at a crossroads, I think it is most important that they be accountable to some public forum. I think we have just witnessed a disgraceful episode in the St. John's City Council whereby they have trampled upon the rights and the privileges and the sentiments of a great number of the citizens. I just wish to register my protest at this point although I quite freely admit that that is not the purposes of this particular bill.

MR. CROSBIE: Mr. Speaker, I would like to have a few words on the bill because I would like to take some credit for getting the Phelan Commission appointed. That was back in 1966, Mr. Speaker, when I was a brash young man, mislead, misguided, misbehaved and ran for the liberal party in St. John's West and I got the government of the day to agree, that was Mr. Smallwood, I got Mr. Smallwood to agree that we should appoint a commission to revise the City of St. John's Act. That was an election promise that was kept. Mr. Phelan was the chairman and Mr. Don Dawe and Mr. E.B. Foran were the members.

Now, Mr. Speaker, I have not looked at that report for some time but that commission was supposed to draft a new City of

St. John's Act and I presume -

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: That is right and to complete that job, the honourable gentleman has his finger right on the point now, they had to get the report of the Frazer Commission on the revenue and tax sources in St. John's. The Frazer Commission Report only arrived I think it was last year in 1972 and by that time the Phelan Commission had been long gone. They got worn out and tired waiting for the Frazer Report so they never did finish drafting the new City of St. John's Act. I would like to say that in my view this is something that should be done. I think the Leader of the Opposition mentioned it or somebody on the other side. We do need now a job to be done and a new City of St. John's Act. I hope that the minister will be able sometime during this year to organize the drafting of a new City of St. John's Act. They can go by the Phelan Commission Report and by other views. I do not think there need be any Royal Commission to do that. It is just a question of getting a competent draftsman and giving him proper instructions.

One of the things that I think should be amended, Mr. Speaker, and we might be allowed the luxury of some personal opinions on this legislation.

AN HON. MEMBER: It would be dangerous for a minister.

MR. CROSBIE: Dangerous for a minister, yes but the City of St. John's Act has always been considered to be almost not a government bill. But one of the things that should be changed in the City of St. John's Act was mentioned by the member for Labrador South who said that there should be public hearings. Well I think there should be public hearings in certain matters. The act should require public hearings where there is going to be zoning change. This is one area. I do not think that you can provide in the law that there must be a public hearing whenever one hundred citizens demand it or a thousand even but to do certain things such as changing the zoning, which is really the municipal

plan, as you have to do in Corner Brook, then you have to have a commissioner appointed and he listens to public objections to it.

MR. ROBERTS: (Inaudible).

MR. CROSBIE: Right and the fact that the commissioner in Corner Brook was Mayor Adams. Mayor Adams has always been the commissioner on these matters in Corner Brook. Now the City of St. John's Act should provide that where there is zoning change suggested by the City Council there should be a public hearing so that interested bodies can make their views known. If the city does not choose to do that voluntarily well then the act should require it.

There are also too many, in my view, arbitrary powers given the City of St. John's Council. I remember a case I was involved in, two or three years ago, where the zoning permitted the erection of an apartment building and it was zoned for apartments. This is one of the things specifically permitted in such a zone, the building of an apartment building, but because some of the property owners adjacent objected the council refused this person who had purchased land there the right to put up an apartment building and when an action was taken to the Supreme Court for an order of mandamus the court held the discretionary power given in the City of St. John's Act was such that they had the right to do this. That to me, Mr. Speaker, is extremely peculiar indeed. I believe that if an area is zoned to permit certain uses and a person applies and their plans comply with the building code and the rest of it they should get a permit and not the City Council arbitrarily say, "No, although the zoning permits it you are not going to be permitted to do that." So these are some of the areas I think should be looked at in the new City of St. John's Act.

I would also like to say this, Mr. Speaker, I am very much of the firm opinion that where we give a municipal council jurisdiction to decide matters they should be permitted to decide the issues themselves within that jurisdiction that they are given

by the government. The citizens who have been after the provincial government this year wanting us to interfere either on the Water Street complex or on Signal Hill or whatever are asking the government to do something that they should not do. The remedy is in the hands of the voter. The election is next November and if the voters of St. John's do not like these actions they can change the council. They should not ask the provincial government to step in arbitrarily and amend the City of St. John's Act or attempt to stamp the City Council into submission if we do not agree with some action they are taking which they have the legal authority to take. I think that it would be very misguided for the government and the government have already stated that we will not do that. The remedy is in the hands of the citizens of this city. All of them over nineteen years of age who are resident in here a year or longer next November will have the right to vote and then we will see whether the citizens will support the council in their actions or not.

On the ward system, my feeling has been that on balance I have been against a ward system but I certainly see no reason, speaking as the member for St. John's West and not for the government as it has not really been considered by the government, I see no reason why the ward system, another look should not be taken at it. Perhaps it is something that is desirable for St. John's. I have always felt differently. I have always felt that it is better for the councils to be elected generally and then they take an interest in the city as a whole rather than all being just down in the City Council Chamber scrambling for their own little section of the city. Perhaps that should be looked at again. There is no reason perhaps why that should not be done.

So, Mr. Speaker, I am happy to support the bill, as we all are, I think, in the House, that this unanimous franchise be given everybody nineteen and over so that they will all be able to

decide some of these burning issues next November. We will see then whether the groups who have been so vocal on the Signal Hill matter and on other matters whether they have the majority on their side or not.

On Signal Hill, while I am up, Mr. Speaker, because I do not want to be accused of not expressing an opinion as the member who represents St. John's West. I have gone up on Signal Hill several times. I was up Sunday to look at that site and I cannot see anything but an improvement coming from a building going up there provided that they are not permitted to have great neon signs and the rest of it, if it is proper architecture and the building plans are proper. The site that I see up there that is supposed to be the CJON site is only going to be an improvement to Signal Hill because if you drive up there today it is hopeless looking. It is just rock, bog, tin cans, some kind of a ruddy little pond and I am not sure whether it is Deadman's or George's Pond, the one on the right hand side up past the Battery. Therefore considering this very carefully, I really cannot get disturbed about this development up on Signal Hill.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Well, we all are entitled to our own opinions.

MR. CARTER: How much should they pay for it?

MR. CROSBIE: The honourable gentleman from St. John's North says, "How much should they pay for it?" Now that is another question. I would like to know if the city is going to lease land to these developers, crown land. I certainly think we should be told what the rental -

MR. ROBERTS: Who owns the land?

MR. CROSBIE: It is crown land, as I understand it.

MR. ROBERTS: Can the crown rent it?

MR. CROSBIE: Under the City of St. John's Act the City Council of St. John's has authority to lease and control all crown land within

the city limits not occupied by the crown.

AN HON. MEMBER: Ownership -

MR. CROSBIE: Ownership and freehold still remains in the crown but the city has the power to lease it and the power of control over it.

MR. ROBERTS: Zoning power is one thing but -

MR. CROSBIE: No, not zoning power. Under the City of St. John's Act they have control of crown land within the city limits and can lease it, occupy and lease it - the City Council has. Now the act of course can be changed to take that away but at the moment that is the position. I think the public should be told what arrangement is being made in connection with this land. If it is being leased to the developer, what is the annual rental and what the terms and conditions of the lease are should certainly be disclosed. As for myself I am really thinking quite seriously about it and I do not have any brief for CJON one way or the other. I do not think they should get it because they have done any great service for the country or any nonsense like that. They are in the business of making money and they have made plenty of money. I do not think they should get it for nothing but I can see nothing wrong with that site being used for some suitable development if it is properly zoned. Therefore that is my opinion and I take this opportunity to express it.

MR. MARSHALL: Mr. Speaker, as another member for St. John's I cannot add any more to what the honourable the Minister of Finance has said with respect to his observations on this bill. The debate has been rather far-ranging but I would like to say that whatever one's own personal views on these issues that have come up from time to time, particularly within the past two or three months with respect to Atlantic Place and with respect to Signal Hill, whatever one's personal views are with respect to it, the request to interfere with the city council in the exercise of the powers

that had been given to it by the province is a very, very serious step indeed and one which ought not and cannot be taken, no matter what one's personal views are unless there was something like a grave and great and horrendous, irreparable harm that was going to come about.

MR. ROBERTS: In Gander.

MR. MARSHALL: In Gander, that would be a much different situation. There was a grave and great and horrendous harm involved in that. But with respect to this, Mr. Speaker, our position, the position of the government certainly and as a representative of St. John's is to say that we are extending the voting franchise to include everybody so that everybody now will have the right to speak and do what they may. If they judge the council has done wrong, they can answer in November. If they judge that what the council has done is all right, they can act accordingly as well.

I would like to congratulate the minister for bringing this progressive piece of legislation before the House encompassing the recommendation of the Phelan Commission and also acquitting one of the promises that we made in the throne speech this year.

MR. SPEAKER: If the minister speaks now he closes the debate.

MR. COLLINS: Mr. Speaker, I do not know who it was opposite mentioned, I believe it was the member for White Bay North mentioned the possibility of reducing the voting age from nineteen to eighteen. As all honourable members know, the provincial voting age now is nineteen. Whether that will be changed or not I suspect will be made known in due course but certainly I believe it might be a mistake to go further in municipal elections than we have gone in provincial elections. I can see that just as soon as the age is reduced to eighteen in provincial elections then there is no reason why we cannot follow through in municipal elections.

There has been some debate on the merit or lack of it with regard to the ward system. The only experience in Newfoundland, as honourable members have mentioned, has been in

Corner Brook when after the amalgamation of the Townside, Corner Brook West, Corner Brook East and Curling, the ward system was introduced.

I believe all of us who can remember back that far will realize that the ward system in Corner Brook did not work too well. There are different opinions depending upon whom you might talk with. There is always the danger, of course, in municipal politics that with a ward system some of the elected members might become a little parochial, maybe some of a stronger will than some others.

We think that in Newfoundland where local government, relatively speaking, is new that maybe we should not move toward the ward system certainly not at the present time. The honourable Leader of the Opposition asked how many people would be enfranchised as a result of the amendments. That I am afraid I cannot answer. I really do not know but I should think there will be a considerable number of young people who will be enfranchised. I can possibly get the information although I do not know where to turn to look for it because until the voters list is done we would not have an accurate count. We could probably guess at it.

MR. ROBERTS: That should be fairly easy to do I should think because we know how many are eligible under the old City of St. John's (present) Act

MR. ROBERTS: and I think the provincial voters list which are only taken - in the fall of 1971 the most recent provincial voters list, February 1971, so it is two years old. I for one would be interested if the minister could obtain the information. I suspect it is not as large as many people might think.

MR. COLLINS: Mr. Speaker, we could get an estimate, I would certainly undertake to do that. I will not be able to do it tonight but when we go into committee of the whole maybe we can have that information for the Leader of the Opposition.

"Why do we have voting cards?" I really do not know why this was not changed. The only thing I can see is that the practice heretofore was that voting cards would be used and that the City of St. John's Act is being looked at very carefully. It is a major job to rewrite a new charter for the city. As all honourable members know, we have the Royal Commission On Local Government now sitting, We have also received the urban study of the Avalon Region which is in the hands now of the councils and communities of the region. We want to make sure that all of the people understand that particular study and we also want the royal commission eventually to conduct public hearings into that particular study so that all of the people would have had an opportunity to have some input into what the final government policies will be. I would say then that the chances of having any other major amendments to The City Act would have to wait until the next municipal election.

MR. ROBERTS: Mr. Chairman, would the minister answer a question? He mentioned, like most of us, he does not know why these voting cards are in the act and I suspect it is just a hangover, a legislative hangover, Could he undertake to find out and perhaps with a view to letting us know at committee stage. It may well be, if anybody were to look at it, like the emperor's clothes, it may well be that it would be quite possible at committee stage to strike those sections and thus make the act much simpler to a minister, because to send out 30,000

MR. ROBERTS: or 40,000 voting cards is a fair amount of clerical work whereas otherwise you merely need a voting list. Your Honour, you know, you go in and identify yourself and get your ballot and mark it in the normal way.

MR. COLLINS: Mr. Chairman, there would be a tremendous number of amendments needed. We are taking a look at The Local Government Act now to permit separate elections for mayors and councillors and when one realizes the number of amendments which must be made, it is almost unlimited.

I do not know if that is what it is here but I will certainly undertake to see what is involved there and when we get to committee of the whole we can get back to it.

On motion a Bill, "An Act Further To Amend The City Of St. John's Act," read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Motion second reading of a Bill, "An Act To Establish The Newfoundland Crop Insurance Agency."

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

MR. MAYNARD: Mr. Speaker, this is a bill that will establish the crop insurance agency of the Province of Newfoundland and will enable us to enter into an agreement with the Government of Canada under The Federal Crop Insurance Act of Canada, to make a contribution in proportion with the money needed to implement the insurance plan.

This legislation is being brought in at this time and we hope to be able to implement some insurance or insurance on some crops this year more particularly potatoes and turnips. Fortunately there will not be sufficient time to implement insurance on other root crops during the coming season but other crops can always be added on by Order-in-Council at a later date and no doubt they will be.

The insurance is for the purpose of insuring against such thing as drought, excessive moisture, rain fall, flood, frost, plant disease; natural disasters if you will, that cause the crop failure.

MR. MAYNARD: There are a great number of regulations and amounts to be paid and so on and so forth considered under such a scheme. We have made up a question and answer pamphlet which we will be distributing to farmers to give them the basic rules and regulations of a crop insurance scheme - made up of something in the vicinity of sixty-five questions and answers which sets out in very plain language what the crop insurance scheme is all about.

We are still not too sure as to how many farmers will want to participate in such a scheme but we hope that all farmers will because it will eliminate the need for government bringing in emergency programmes when frosts do a considerable amount of damage to crops as they have at various times over the past few years.

There is very little more that I can say on opening remarks. I would like to be in a position to answer if possible any questions which may be posed by other honourable members.

MR. SPEAKER: The honourable the member for Bonavista North.

MR. THOMS: Mr. Speaker, this is a piece of legislation which really has been overdue in Newfoundland for a long time and I am glad to see the minister bring it to this House at this present time.

It is really a continuation of the former Smallwood Administration, the policy as I understand that they did have crop insurance in the plans at that time.

Now, the farmer of Newfoundland I am quite sure he puts all his time and all his money, all his earthly efforts into producing a crop. We have many farmers in Newfoundland today that have even had their houses mortgaged so that they can finance their farms. I am quite happy to see that this legislation is being brought forward. I believe it will give all our farmers a much needed protection against the elements of nature in Newfoundland, will give them a more stable income, will stabilize farming in Newfoundland, more than ever it has been stabilized before.

The bill is a good one. To my mind, if the regulations that are to be drawn up under it are lenient enough, are liberal enough to allow

MR. THOMS: our farmers to participate, they indeed I am sure will participate.

I would like to draw the minister's attention to section 2, subsection (k), where it states, "Insurable crop for sale on one or more acres." The words, "One or more acres," I agree with, but I also believe that the minister should consider adding, in some way or form, greenhouses because the greenhouse production in Newfoundland today is on the rapid increase. Ten years ago I believe it was nil but today the crops which are grown in greenhouses are of quite a marketable value. I am quite sure many of the farmers, particularly in my district and in the District of Bonavista South and I am sure in many other districts, would welcome insurance for their greenhouse crops, would certainly welcome this. I do ask the minister if he would consider rewriting if necessary (k), of section 2, so that it could include the greenhouses of the province. This may be on a square foot basis, I presume it would, but of course the minister can consult with his officials on this.

All in all, Mr. Speaker, we certainly support this legislation.

MR. SPEAKER: If the minister speaks now he closes the debate.

MR. MAYNARD: Yes, Mr. Speaker, just a couple of comments. First of all I disagree with the honourable member for Bonavista North that this was considered or in fact any plans made by the previous administration. I think certain people in the previous administration talked a lot about it but they certainly did not do anything concrete about it and as far as I know, there were no plans, there was no work done on the crop insurance scheme for Newfoundland until the time that we took over the administration of the province.

This legislation has been drafted during our term of office and we are quite happy to introduce it as a piece of legislation by this administration.

It will give farmers a great deal or measure of security, I agree with that, as far as the greenhouse question is concerned, we would have

MR. MAYNARD: to determine whether or not greenhouses are insurable as far as the Federal Crop Insurance Legislation. This I will undertake to do. Certainly I cannot give those answers within the next day or so, but I will undertake to find out whether or not greenhouses can be insured. Most root crops can and I see no reason why not, but it will depend on whether the federal legislation permits it or not.

On motion a Bill, "An Act To Establish The Newfoundland Crop Insurance Agency," read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Motion second reading of a Bill, "An Act Respecting The Establishment And Operation Of Public Parks By The St. John's Municipal Council."

MR. COLLINS: Mr. Speaker, this is a minor piece of legislation which has been brought in on the request of the City of St. John's. It is our understanding that the camp known as the Sunshine Camp is operated by Rotary. I believe that particular park is being passed over to the City of St. John's either as a gift or the city is making some minor payment for it. This will permit the city to establish and operate that particular park.

The bill will not cover the operation of Bannerman Park and Victoria Park, Quidi Vidi, Bowring Park and others which are established under The City of St. John's Act.

MR. SPEAKER: The honourable member for St. Barbe North.

MR. F. ROWE: Mr. Speaker, I was wondering just you know what is the exact necessity for this particular bill which the minister has described to cover the Sunshine Camp. Could not the Sunshine Camp be covered under the original act or the act amended? What is the exact necessity for this particular bill? Is it only for the Sunshine Camp and are there any other areas of the city possibly that can be covered under this new bill? For instance, the existing open areas in the city at the present time, there are a number of them

MR. F. ROWE: all around the city, I can think of them around certain areas of Quidi Vidi and between the Boulevard and Taylor Place and there are other areas up around this development where you do have open areas and you do have some recreational facilities put in these areas by the city council. Is this bill meant to cover these open areas or does the original City of St. John's Act cover these open areas?

Sir, probably while we are dealing with this bill it would be a good time to bring up this whole matter of open areas in the city anyway. There are a number of open areas to my knowledge that have a fair amount of land adjacent to these areas that were originally farm lands or just large plots of land owned by certain people over the years.

Now what is happening and this is particularly so in the area of Quidi Vidi Lake where you have original farms for instance adjacent to an open area and instead of the city council purchasing that farm when the head of the farm is ready to retire or who dies, instead of the city council purchasing this land and adding it to the existing open area in that area, what is happening is that this land is being purchased privately by businessmen for the purpose of putting up high-rise apartments or apartments.

Now this has happened down there just to the northwest of the Institute for the Blind. Apparently there was, I cannot remember the name of the farm now, I think it was Brown's Farm, anyway that is not important -

AN HON. MEMBER: Poss' Farm.

MR. F. ROWE: Poss' Farm, there were about three or four acres of land there. This now apparently has been purchased by a businessman who is putting up an apartment building there and it has caused a minor controversy in that area. The same thing is going on across the lake, on the southside of Quidi Vidi Lake, and I think, I do not know whose responsibility it is, but I think it is the government's responsibility. They say they would like to have a hands-off policy to as much a

MR. F. ROUPE: degree as possible as far as the running of the city is concerned, but I think there comes a time when the provincial government has the responsibility to protect the citizens of the city. I do not know if this is such a good idea, sticking up these apartments next to the municipal park.

I understand that surrounding the lake there is a belt there that is considered to be a municipal park and then you have the national park upon Signal Hill and there is certainly nothing of historic value or commercial value or recreational purposes or tourist value as far as these apartment buildings are concerned. I think that it is most unwise that these buildings are going up in areas where we do have a fair amount of open space and where the citizens purchased and built homes in these areas for the simple reason that there was a nice view and there is a fair amount of open space for the children in these areas and it is in the vicinity of three or four really good educational institutions - Vanier School, MacDonald School and this type of thing.

I think somebody has to step in and take the bull by the horns here and stop this. Where is it going to end? We already had one building completed there a few years ago, one under construction over on the southside of Ouidi Vidi now, is being occupied now, and now I understand there is another building about to go up on Ross' Farm.

Where is it all to end? The traffic problems are going to be increasingly difficult in this area if this type of thing keeps up.

I will stop speaking on that particular one because it just happens to be in the area that I live myself. I know that there was a committee formed there, I was not a member of the committee, and who protested against this possibility of an apartment building going up. My understanding is now that they are planning to go ahead with this.

It is going to cut off a beautiful view, a view of Ouidi Vidi Village and the lake itself. Sir, I think the minister might indicate, when he gets up to close the debate on this bill, what protection there is for the open areas in the City of St. John's.

I am afraid what is happening, once you have these buildings going

MR. F. ROWE: up on adjacent land now, the next thing you know parking lots are going to be made out of the open areas and the very reason that people move into these areas is not going to exist at all.

Sir, there is one other point, I want the minister to indicate specifically whether or not this bill does in fact cover these open areas or if not what bill does cover the open areas that are not really parks in the calibre of Quidi Vid Park or Bowring Park and Victoria Park and Bannerman Park?

Sir, one other point, section 5 (2) reads that every park officer has and may exercise within any public park - well presumably now this is the Sunshine Park, for want of a better description, all the powers possessed by or given to a member of the Constabulary Force in Newfoundland.

Sir, there is no mention in this Act about the training of these park officers and I do not know whether it is a wise idea in fact to have the powers possessed by any member of the Constabulary conferred on these park officers if they do not get the same training as the Newfoundland Constabulary personnel themselves.

I would like for the minister when he is closing again to relate to that particular section 5 (2) of the bill.

With that, Sir, I will take my seat.

MR. SPEAKER: The honourable member for Labrador South.

MR. MARTIN: Mr. Speaker, a finer point of clarification of one of the matters raised by the honourable member for St. Barbe North, I would like the minister to make this quite clear because I am not quite sure exactly what the bill means with respect to this matter of the open spaces.

The minister could indicate, so that there will not be any doubt, whether or not this will allow the municipal council to establish in these open spaces parks under the jurisdiction of the St. John's Municipal

MR. MARTIN: Council. For instance would it be possible to take in a certain area of land which is held in trust by the city - Crown land held in trust by the city, declare that a park? Presumably, if that could be done, then funds could be made available to clean it up.

MR. SPEAKER: If the minister speaks now he closes the debate.

MR. COLLINS: Mr. Speaker, with regard to section 5, subsection (2), I presume that the city council will ensure that those park attendants are properly trained. Of course, they will have to be trained if they are going to enforce powers which the Newfoundland Constabulary normally would. They are thinking I think in terms of the park which I mentioned, the Sunshine Camp.

With regard to the open areas in the city, there is a committee of officials of my department and the Department of Forestry and Agriculture meeting in ongoing meetings now with regard to land use. The urban study which I referred to a few moments ago, which has been received, has made some very worthwhile recommendations with regard to open spaces in terms of what should be set aside for agricultural purposes as opposed to taking all of the better land and erecting apartments or whatever.

Of course mainly this falls within the jurisdiction of the city. It is within the city boundaries because the municipal plan of course shows the different zoning, different pieces of land which are set aside for parks or whatever. At any rate there is a committee looking into this and hopefully can come up with some good recommendations because certainly it is an area where we must all become more and more concerned as developers encroach more and more on the open spaces.

On motion a Bill, "An Act Respecting The Establishment And Operation of Public Parks By The St. John's Municipal Council," read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Motion second reading of a Bill, "An Act Further To Amend The St. John's (Metropolitan Area) Act."

MR. SPEAKER: The honourable Minister of Municipal Affairs and Housing.

MR. COLLINS: Mr. Chairman, this amendment to the St. John's Metropolitan Area Act is to provide for the designation of the territories which are administered by the St. John's Metropolitan Area to permit the metro board to impose taxes or rates or fees or whatever, to meet the cost of municipal services.

Specifically, this has been requested to cover the area of Kilbride, which is not within the city boundaries. It is administered by the Metropolitan Area Board.

Last year the government installed a water and sewer system in that particular region and of course the metro board cannot impose taxes on the users without this amendment which we brought here tonight. It will also eliminate the requirement of having to come to the House of Assembly for every other area that might be serviced. It would give the metro board the power to designate certain areas within its boundary for -

AN HON. MEMBER: Inaudible.

MR. COLLINS: Well that is partly true I suppose because the St. John's Area Board is an appointed group. That is not the best arrangement in the world but it is the arrangement which is in effect now and has been for a goodly number of years.

AN HON. MEMBER: They are appointed by the Lieutenant-Governor.

MR. COLLINS: They are appointed by the Lieutenant-Governor. I am sorry, did I say elected?

That is not the only place in Newfoundland because there are numerous local improvement districts across the province which were established years ago. I think it is a step in the right direction but as someone mentioned tonight, it is not the end all and we are looking forward to bringing about proper elections in those areas

MR. COLLINS: across the province. Hopefully, here again when the urban study has been dealt with, etc. some way will be found to help those people elected as well.

MR. F. ROUE: Mr. Speaker, I am not quite sure whether we, over on this side of the House, can support this particular bill. It is not the local improvement district that administers the tax. It is, as I understand, the metropolitan board itself. Is that correct?

They designate an area as what it is - they designate it a service area, that is the St. John's Metropolitan Board is the body that does that and therefore they are the ones who administer a tax or a fee or a charge and it is not the local improvement district itself that does it. Is that the understanding?

Anyway, Sir, it does amount to taxation without representation in this particular case and the honourable Leader of the Opposition will elaborate on that in a few minutes. The question I was going to ask, were there any areas - the minister suggests there is only one area - the Kilbride Area that has requested this type of thing so far. Are there any others coming up to the minister's knowledge? I would like to ask and also, is there any grievance procedure for the citizens who do not wish to have the imposition of these taxes? Is there any kind of a mechanism set up whereby citizens could bring their complaints to the metropolitan board and in fact protest the imposition of such taxes?

I am not sure, Sir, whether we can support this particular bill and I feel sure the Leader of the Opposition would like to elaborate on this a little more than I have.

MR. ROBERTS: Well, Mr. Speaker, as my colleague has said, we find the bill effective. I realize the quandary in which the minister finds himself and I have a certain degree of sympathy.

As we know there is going ahead a proposal, a project I should say, to install water and sewer services. I believe they are in the Kilbride Area. I believe that was started by the Smallwood Administration and the work is now - we approved it at cabinet level. I do not know

MR. ROBERTS: who actually dug the first sewer but I know it was approved at cabinet level but the work has certainly been carried on by the present administration. All one has to do is to drive out the Southern Shore Road and every twenty feet it is cut up where the laterals have been put in.

Okay! The people in that area, as I understand it, are willing and, if they are not, should be willing to pay the same sort of charges that are imposed in other places throughout the province. The people of Kilbride are, I assume and I have every reason to believe, willing to bear their share of the burden as are the people in Englee in my own constituency or in the Town of Gander in the minister's constituency.

That is fine, what we have to do is to set up the mechanism whereby they can be allowed to participate in the democratic process in paying their taxes. Whether the taxes be called service charges or user charges or whether they be called property taxes or rates does not really matter. The point is that citizens will be paying money to the government or to a government body. That is okay.

It equally follows that in the St. John's Metropolitan Area the problem as I understood it has been that if the board were to levy a tax it would have to be a tax of general application. There is no reason why people living in the Goulds, for argument's sake, should pay a tax for people living in Kilbride. That makes sense.

So the minister has had to work out a means of getting over this and his means is the bill before us, Sir, to designate so-called designated service areas, fair enough in itself.

The Metropolitan Area Board makes good sense. Hopefully it will be replaced. The urban area study, which the minister presented a couple of weeks ago, is a guideline. Out of that or the process which begins with that will come a new form of metropolitan government for the St. John's Area.

Well there will be loads of time to talk about that. There will be loads of time to work out what it should be. Obviously it will replace the St. John's Metropolitan Area Board. That is fair enough. The board has served a purpose and it will now be replaced. In the meantime we have this transitional problem which is not so transitional because the odds are, as I recall it, the three recommendations of Proctor and Redfern - was it Proctor and Redfern? Yes, it was Proctor and Redfern, Max Bacon and that crowd.

The people of the Urban Area Study, the recommendations all envisaged a form (There were three separate ways laid out and there may be more) of government over the whole area, a form of government other than the provincial government, a form of municipal government. Okay, that makes sense. Obviously that form of government will have to have the power to levy taxes. We are right back where we started. The weakness in this bill is not in the designated service area concept. That is rather a good one. Whoever thought it up should get full marks. The weakness is in the fact that there is no way in which the people in the Kilbride Area, to my knowledge there is no way in this very simple little act, very simple little bill, there is no way in which they can make their wishes known. The Minister of Finance said earlier when he was speaking on another matter that if people do not like what a city council does here in St. John's or if they do not like what a municipal council does throughout the province, the people know the remedy and in due course they will exercise it. But, Sir, the St. John's Metropolitan Area Board members are not subject to election. They are appointed by His Honour, the Governor-in-Council. That is not a remedy here. It does say, "subject to the minister's approval." The minister's approval may or may not be conditioned upon a public hearing or even upon a plebiscite.

I see no reason, Your Honour, why this bill should not be withdrawn (I do not think the amendments can be made at committee, they are so substantial) and come back with the designated area concept in it.

but with new provisions, two provisions in it: First of all that before any tax be imposed, it be publicly announced, like the school tax areas. You cannot impose a school tax without giving I think two months notice. This tax could come on overnight. Once this act becomes law, the board could designate it on day one and that afternoon the minister could approve it, if he so wished. Then the next morning people would have to begin to queue up to pay their taxes. It could happen like that. That is the way the act reads. There is no reason why there should not be a period of notice, perhaps thirty days. School tax authorities, people proposing to establish them have to give them I believe sixty days notice. Notices are in the newspapers and made publicly and any person who wishes to register his objections may do so. Secondly, Sir, I would submit that there should be provision whereby if a body of citizens object, say if one-third of the citizens object or one-quarter, maybe in a petition, that there shall be a plebiscite and the issue of the plebiscite be quite clear. "Do they want the service or not?" They cannot have the service without the tax. I am not suggesting they should. Obviously what I am saying does not apply to the Kilbride Area. The service is going in out there. There will be other areas within the Metropolitan Board; the minister himself has said so. If it were just Kilbride, we would have, you know, a bill, "An Act to Have the Kilbride Designated Area." The minister and I are on common ground there. It is quite possible to have plebiscites in other areas. The issue would be simple. It would be put to the people. Since they have no elected representatives and there is really no way they can, under the Metropolitan Board concept, let them have the choice. "If you want water and sewer, it will cost X dollars per month. You have to pay for it. You are only paying part of the cost. The government picks up the rest, through grants and subsidies."

There is no reason that I can see why that could not be done. It is not overly cumbersome. It is not difficult. It is surely a democratic idea. I think it is a good idea. As the gentleman from Bell Island says and as the gentleman from St. Barbe North says, this is

taxation without representation. What I have said could equally apply to local improvement districts. Unfortunately, the policy being worked out now, I gather is to replace local improvement districts with elected councils of one form or another, and that is a good thing.

Here we have a bill which gives an appointed board, estimable ladies and gentlemen—a cousin of mine has the honour to serve on that and grace it with her presence, her intelligence, her charm, her wit and her beauty. She also happens to be a close friend of the Minister of Finance; in fact I submit not unconnected with her appointment to the board. The honourable minister did not even know she was on it. The minister may be ingenuous but he is not that ingenious, Mr. Speaker. In any event the point is, here we have taxation without representation. There are ways and I have just suggested very quickly a way around it. I do not see how it would be cumbersome, not unduly cumbersome, no more cumbersome than any election. A plebiscite could be held fairly quickly. I think we should look at that. I would ask the minister to withdraw the bill. Either withdraw the bill or give a commitment that at committee stage amendments will be introduced. I think for our part, on our side, we would agree to withdraw the bill and then bring it back in. The amendments can be done in a couple of days; amendments that will serve the purpose of public notice before a tax is imposed. Even the much abused St. John's City Council cannot change the zoning laws without at least giving a week's notice. Here this could be done overnight. The board could meet at 10:00 P.M., pass it at 10:05 P.M., the minister could be standing outside with his pen, with the cap off, and a piece of paper, marking approved across it, and at 10:06 P.M. the tax could be imposed.

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: I am being extreme but it could happen. There is nothing in this bill to prevent it from happening. I think there should be. I ask quite simply, Sir, if the minister would withdraw the act, to amend it. I think these would improve it. I find the present bill offensive, not

in what it sets out to do, that I quite agree with, but I do find it offensive, Sir, in the way in which it sets out to do it. This is taxation without representation. It is quite unnecessary and I do not think we should be asked to approve it. I for one intend to vote against this bill in this form.

MR. COLLINS: Mr. Speaker, with regard to this business of taxation without representation, it is true in this particular case. Of course, there is nothing to stop the people in Kilbride from seeking permission to establish a town council or a community council or whatever. There has never been any request made to me for that. For the information of the hon. Leader of the Opposition and members opposite and all members of the House, last fall there were numerous meetings held in Kilbride. I am told that all the people who were to be affected by the imposition of the tax were present. I do not know how many meetings but certainly there were three or four meetings held. All of the objections of the householders and the people who own vacant land, etc. made their views known to the Metropolitan Area Board representatives and representatives of my own department. An agreement was reached last fall on the amount to be paid. I forget what the figure is now. I would not like to say what the figure is because it might be wrong. At least an agreement was reached on a monthly water and sewer rate. When the Leader of the Opposition said that the people should be given a chance to make their objections known, whether it would be a week or two weeks or a month or whatever, the people have been given that chance. The member for the district was in attendance. I am pretty sure that some honourable members opposite were also. I am led to believe that one of them was. I do not know which one it was who was present at the time. As far as we are concerned the people know what the tax is going to be. It has been adjusted from what was originally planned. I can see no reason, Mr. Speaker, for withdrawing the bill.

In the meantime I can assure the House that if there should be any reason why we should give notice, I am perfectly willing to give them

a month's notice or even a two months' notice if that is necessary.

I believe that all of the groundwork has been done.

On motion a bill, "An Act Further To Amend The St. John's Metropolitan Area Act," read a second time, ordered referred to a Committee of the Whole House, presently, by leave.

Motion second reading of a bill, "An Act To Amend The Local Government (Elections) Act."

MR. COLLINS: Mr. Speaker, this particular amendment is to enable any person whose name does not appear on the voters' list to take an oath before the returning officer, a deputy returning officer or a poll clerk, if he or she be qualified in the election, and may thereupon be allowed to vote. Previously, if the name of a person were omitted from the list, they had to leave the booth to obtain a certificate from the municipal clerk and in which case they may not bother to vote, and that has happened very often. In this particular amendment, people will be permitted to vote if they are willing to take an oath, the same as done in provincial elections.

MR. ROBERTS: Mr. Speaker, I am very pleased to support this bill. What it does essentially is or in almost every way what I asked be done in respect of the City of St. John's Act. I read the explanatory note as did the minister. Simply it says; "A person whose name is not on the voters' list will not need a voting qualification certificate." I quite agree with that. I think it should be done in the City of St. John's. I am glad to see the minister is doing it elsewhere. I hope this means that we will end this nonsense in St. John's.

The other point, the election of mayors and councillors separately, again I think it is straightforward. It is only when the Local Government Act Amendments come in but I assume they will. I think the ministry is committed to this. If they are not, this indicates they are. That is a wise provision. It is traditional that the man getting

the highest vote at the poll is elected mayor. I think that is vindicated almost invariably in our municipalities in this province. There may be exceptions. I submit that people should be given the choice to vote for a man as mayor and equally to vote for a councillor, be it six, eight or ten or however many councillors there are. That makes sense. We will support this act gladly.

On motion a bill, "An Act To Amend The Local Government (Elections) Act," read a second time, ordered referred to a Committee of the Whole House, presently, by leave.

Motion second reading of a bill, "An Act To Amend The Social Security Assessment Act, 1972, the Act No. 56 Of 1972."

MR. CROSBIE: Mr. Speaker, the purpose of this amending act does three or four things. First it changes the name of the S.S.A. Tax Act. The act has been called the Social Security Assessment Act from the beginning. That name, of course, is a complete misnomer and I presume the original purpose of calling it that was to give the impression that the tax was being imposed for purposes of social security. It is only that in a very general sense. It is just a taxation act. We feel that it should be called, "The Retail Sales Tax Act," because all the act does is impose a retail sales tax. This would be consistent with the name of similar acts in Ontario and Quebec. The second amendment is that at the present time, the act provides that where a person turns in to any other person, at a retail sale in the province, any tangible, personal property upon which he has already paid S.S.A. Tax, then he is only required to pay the tax on the difference between the purchase price of the new item and the price allowed on the trade in, i.e., when you turn in a car and buy a new one, if your turn in is valued at \$2,000 and the new car is \$5,000, you only pay S.S.A. Tax on the difference of about \$3,000.

MR. ROBERTS: Is that unlawful?

MR. CROSBIE: Oh, no, this is the situation now in the province. Now there is no provision at present which permits a person who trades in

previously taxed tangible personal property to take advantage of such a benefit if the transaction takes place outside the province. In other words, i.e., there have been people who say bought a car in Newfoundland and a couple of years later they go to the mainland and they trade their car in on the mainland and buy a new car there and if they are unwise enough then to come back to Newfoundland and apply for a new licence, if we find out they bought a car on the mainland, we immediately assess

S.S.A. Tax on the car that they bought on the mainland. Now we have not been able to give them the allowance for the trade in on these rare cases because the act does not provide for it. The person may have had a used car he bought in Newfoundland; then he goes to the mainland for a holiday and buys a new one in Nova Scotia or Ontario and trades in his old car and when we catch up with him and impose a S.S.A. Tax, he has not been allowed the credit on the turn in. The amendment that is in the bill here will permit us to give him the credit then on the property that he turned in, the same as if the whole transaction took place in Newfoundland.

The third main amendment has to do with long-term lodgings. It is normal in other provinces, Mr. Speaker, for the sales tax not to be applied on lodgings if the person is a lodger for over thirty days. In other words there are some people living in hotels or lodging houses here who are not just in as visitors, they are there all year long, say an old lady, some people who are living in an hotel much longer than just the ordinary vist of a few days or a week or two. At the present time our act requires us to impose a seven per cent tax on the rent they pay for their room. The amendment would bring us in line with the other provinces. It would let us exempt long-paying guests on lodgings supplied by licenced establishments. In other words, if the guest were going to be there for longer than thirty days, then the sales tax would not apply to the room rental that that person pays.

Another amendment contained in this legislation is in the fishing industry exemption. The act now exempts fishing apparatus and supplies from S.S.A. Tax, when purchased by a bona fide commercial fisherman or fish processor, to be used solely for the commercial catching and processing of fish. The way the act is worded now, you are exempt if the equipment or machinery is to be used solely to catch or process fish. Now this has created problems because some of the fish plant operators occasionally use the facilities for other purposes than fish, i.e., freezing blueberries or what have you. Now as the act is now drafted, if it be not used, just solely for processing fish, you shall not be exempted. Obviously what is meant is that the word should not be "solely," it should be "primarily." The exemption would apply to fishing apparatus and supplies when purchased by a bona fide commercial fisherman or fish processor to be used primarily for the commercial catching and processing of fish.

Another change here is that at the present time there have been projects which are exempted from the S.S.A. Tax, i.e., the Upper Churchill or the first oil refinery at Come-by-Chance. The contractors who get contracts to do those projects are exempt from paying S.S.A. Tax on the materials and equipment that go into the project or on the equipment that they purchase to use on the project. Now when those contracts are completed, of course, the equipment is frequently taken by a contractor and he moves on and does a job in some other location and that job is not tax exempt but he has the equipment and he has the equipment without paying sales tax on it because it was used originally on a sales tax exempt project. Well that part of the amendment is to provide that we can tax them on that equipment when it is taken from the original tax-free project and is moved somewhere else. We then can tax them on the value of the machinery at that time. Now, we are not permitted to do that at the moment. In other words, if somebody bought earth-moving machinery to use on the Upper Churchill, he did not have to pay the sales tax on it and he could now move that

machinery from the Upper Churchill and use it somewhere else and still not pay any tax. This will change that. We tax them on the value of the machinery, as it is now, when they move it from the project.

Finally to reduce incidents involving avoidance of tax, which in the final amendment would give the deputy minister power with the approval of the minister to refuse to issue a registration certificate to any corporation controlled by a person who has failed to remit amounts due to the deputy minister under the act or who control another corporation which failed to remit amounts due to the deputy minister. In other words we now have delinquent vendors. They have received a S.S.A. Tax licence for a licenced vendor. It might be an individual who is in arrears of S.S.A. Tax or it might be a person who had one company and the company went bankrupt and he owed us several thousands of dollars in S.S.A. Tax. He goes out and incorporates another company and he starts all over again. Well we would like to have the power to refuse to grant that person another registration certificate. That is what the final amendment would do.

I think, Mr. Speaker, that all these amendments are worthwhile and I therefore move second reading of the bill.

MR. ROBERTS: Mr. Speaker, having followed the minister's eloquent, forceful, articulate and altogether persuasive address, my colleagues and I, after much consultation and discussion, say that we will support the amendments. They are really just tidying-up amendments. The Retail Sales Tax Act has been in almost since the start of our life as a province. I do not suppose there has been a year that there has not been amendments brought to the House; I do not suppose there will ever be a year but I guess that is the business of administering the act. We shall support it.

On motion a bill, "An Act To Amend The Social Security Assessment Act, 1972, The Act No. 56 Of 1972," read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Motion second reading of a bill, "An Act Further To Amend The Gasoline Tax Act."

MR. CROSBIE: Mr. Speaker, these are several amendments to the Gasoline Tax Act. The first amendment is this: The act requires every person who has gasoline in his possession upon which he has not paid tax to report the matter immediately and pay the tax which would ordinarily have been payable had he purchased the gasoline at a retail sale in the province. There is no provision in the act which empowers the minister to make an estimate of the tax payable by a person who fails to make the required remittance or to maintain adequate records. In other words under the S.S.A. Tax Act, a storekeeper has to keep proper records. If he does not keep proper records and finally there is an inspection and he has not remitted the tax, he or she, then under the act (There would be no records there, of course. It is difficult to know how much they sold and what tax is owing) the minister or the officials in the department can make an estimate of what the sales were for that business over the period of time that no remittance was paid in S.S.A. Tax. Then they can be assessed on that estimate of what business they did. The same situation applies with respect to the Gasoline Tax occasionally, where proper records are not kept. The amendment would, therefore, give us similar provision. If they have not maintained proper records or have not made the required remittance, we would estimate what the business was and what Gasoline Tax they should have paid. A person, of course, has the right to appeal that. If they are not satisfied, they can appeal to the courts.

The second amendment is in connection with the penalty clause. At the present time the maximum penalty for violating the Gasoline Tax Act is a fine not exceeding \$200. There is no minimum fine. There are quite a few abuses, Mr. Speaker, of the Gasoline Tax Act, particularly abuses with respect to using tax exempt gas in the wrong way. Gas is exempt from tax for certain purposes, i.e., in connection with the fishery or with logging. Certain uses of gasoline are tax free. That gasoline is usually coloured gasoline. There are quite a few abuses of these regulations and since the difference between tax-free gasoline and the fuel that pays the

tax is quite considerable, the people are not deterred by the present fine. In other words if you are going to save \$1,000 or several thousand dollars by using tax exempt gasoline improperly, why should you worry if you pay a \$200 fine? To try and discourage that we are suggesting a change in the fine situation so that the minimum fine would be \$50 and the maximum fine \$5,000. If you get a major violator, somebody in business who is really taking advantage of the situation and gaining a great deal in a monetary sense, then the magistrate can give him a much larger fine than the act provides at present.

The next amendment provides for inter-provincial truckers. The Gasoline Tax Administrators of the Atlantic Provinces have made a proposal whereby each of the provinces will tax gasoline consumed by persons engaged in inter-provincial trucking on the basis of consumption in each province. At the present time you may purchase gas in one province and it might be consumed in the other provinces without those other provinces receiving any benefit. In other words the dirty blighters are buying gas in Nova Scotia and they come in here and use it on our roads and do not pay us any tax on it or vice versa. It is shocking. Anyway the Gasoline Tax Administrators have gotten together -

MR. ROBERTS: There will be four taxes?

MR. CROSBIE: No, there will be an agreement entered into between the provinces whereby they would agree to the proper division of the Gasoline Tax due to each as a result of inter-provincial trucking among the four Atlantic Provinces. I do not think that this amounts to a great deal of money, Mr. Speaker.

MR. ROBERTS: What happens to the trucker, for instance, if he runs his motor coming across the Gulf?

MR. CROSBIE: Well then we will have to get international law to apply.

MR. ROBERTS: The International Court of Justice.

MR. CROSBIE: He may have to go to the Hague, as my honourable colleague suggested here today.

MR. ROBERTS: Our constitutional expert suggested the Hague today.

MR. CROSBIE: We may be on our way to the Hague again.

AN HON. MEMBER: It is gone up again.

MR. CROSBIE: If it is Haig and Hague, we will have Haig.

MR. ROBERTS: I will subscribe to send him one way.

MR. CROSBIE: I move second reading.

MR. ROBERTS: Mr. Speaker, I am literally overwhelmed by the minister's erudition in the matter. Again this is one of these tidying up acts. Of course we shall vote for it. The province obviously needs all the revenue it can get. If the result of this is that the Minister without Portfolio, the gentleman from St. John's East is sent to the Hague, then, Sir, on our side - that is "H-A-G-U-E" for the benefit of any other honourable gentlemen who may think I am punning on their names.

MR YOUNG: (Inaudible).

MR. ROBERTS: I am glad that the gentleman from Harbour Grace understands that much. That is something he has come to understand anyway. If the result of this be that the gentleman from St. John's East goes to the Hague, Sir, we for our part will heartily vote for any such appropriation-in-aid provided it is for a one-way ticket.

On motion a bill, "An Act Further To Amend The Gasoline Tax Act," read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Motion second reading of a bill, "An Act To Repeal The Telegraph Tax Act."

MR. CROSBIE: Mr. Speaker, this act is not a long nor detailed one. This bill would repeal the Telegraph Tax Act. Now the reason for that, as honourable gentlemen know who read the report of the Auditor General, is year after year the Auditor General has been pointing out that there are arrears in the Telegraph Tax piling up year after year and he gets after the government to collect this Telegraph Tax. The

difficulty has been that several corporations who are subject to this tax have taken the position that this tax is ultra vires to the province and that we cannot collect the Telegraph Tax from them. The C.N.T. is a federal crown corporation. In any event our legal officer has advised the government that this contention - in other words if we went to court we would not be successful and, therefore, the only thing to do is to repeal the Telegraph Tax Act, because there is no point having a Telegraph Tax Act on our statutes if we are unable to collect the Telegraph Tax from the several companies that are operating in this province. This is why that this is now before the House.

MR. ROBERTS: Mr. Speaker, this is the Finance Minister's night. Once again he has won around to his point of view with his forceful interventions and his learned expositions. The Telegraph Tax, as he has said, has been the subject I suppose going back to Mr. Allen's time as Auditor General. As I recall it, this was a hang-over from the pre-Confederation era when Newfoundland did have undoubted jurisdiction to tax whomever she wished and came Confederation the tax remained on the books but the company concerned, as the minister has said, objected. Obviously we are not going to be able in law to levy the tax so there is little point in having an act which says we should try and collect the tax. It means the Auditor General's Report will be one paragraph shorter next year; either that or he will be able to write a paragraph about something else.

On motion a bill, An Act To Repeal The Telegraph Tax Act," read a second time, ordered referred to a Committee of the Whole House, presently, by leave.

MR. MARSHALL: Mr. Speaker, I would like to call Motions three and four so we do not have to come back out of Committee.

On motion, that the House resolve itself into Committee of the Whole to consider bills no. 75 and no. 84, Mr. Speaker left the Chair.

RESOLUTION: That it is expedient to bring in a measure further to amend The Loan and Guarantee Act, 1957, the Act No. 70 of 1957, to provide for the advance of loans to and the guarantee of the repayment of bonds or debentures issued by or loans advanced to certain corporations.

HON. J.C. CROSBIE (MINISTER OF FINANCE): Mr. Chairman, this is the Resolution on the amendment to the Loan and Guarantee Act. As has been the custom every year going back to 1957, during each year it becomes necessary for the government to agree to guarantee loans for certain purposes to companies or individuals in the province, usually in connection with industrial development. The bill now before the House has in its schedule the guarantees that were granted by the present government during the year since the end of March 1972. As is the custom, I presume we will debate all of this on the Resolution and then, if passed by the committee, it will be a formality at the second reading stage.

The loans are first, Mr. Chairman, Archibald Inns Limited \$125,000. That was a guarantee given by the government in August 1972, a guarantee at the bank. The proceeds of the loan are being used to rebuild and refurbish the old Archibald's Hotel in Harbour Grace. The loan is secured by a mortgage on the property, in favour of the government.

AN HON. MEMBER: Are there any further securities?

MR. CROSBIE: I asked them for the security and what they say here is mortgage on the property. Does the honourable member mean personal guarantee or something? There is equity in the enterprise but there are

no personal guarantees.

MR. ROBERTS: (Inaudible)

MR. CROSBIE: He is putting in \$75,000.

MR. ROBERTS: Probably the old hotel would be valued at that.

MR. CROSBIE: Yes. Anyway it is the old Archibald's Hotel and the loan is to rebuild and refurnish it and it is secured by first mortgage. The amount is \$125,000.

The second loan in the bill is Burgeo Fish Industries Limited. This is the company, of course, that owns and operates the fish plant in Burgeo. It is now a crown corporation. The guarantee is in the amount of \$700,000. It was given in October 1972 and the purpose of the loan is to provide the company with an operating line of credit. In other words, this is the company's line of credit at the bank. The bank requests the government to guarantee it and since the company is wholly owned by the government the government agreed to guarantee this line of credit. There is no security, we own the company, we have all the shares.

The third loan, the Canadian National Institute for the Blind, is a guarantee of \$40,000 given in July 1972. The purpose of the loan or the guarantee of the loan was to enable the Canadian National Institute for the blind to continue to provide a programme throughout the province. The institute for the blind operate a small body of mobile eye clinics and they came to the government and said that they could not continue on with that programme last year, about half way through the season, unless they obtained further funds. The government agreed to guarantee a loan for them at \$40,000.

MR. NEARY: It could not have been for a better cause. It should have been given as a grant.

MR. CROSBIE: I am coming to that. It is very likely, Mr. Chairman, that the government will probably have to pay off the loan. In other words, there is no formal decision yet. It is up before treasury board but I think that will be what will happen.

The next one is the Carmelite House Inter-Faith Committee. This is the Carmelite House Senior Citizens' Committee in Grand Falls. The guarantee is \$100,000 authorized June 1972, and the purpose of the loan is to convert the old Carmelite Hotel into a senior citizens' home in Grand Falls. Of course there is more money than that required to convert this building into a home for senior citizens. The rest of the finances have been arranged by them but they needed a guarantee, apparently, of a loan in addition to what financing they had arranged with C.M.H.C. or whoever else it was. The government guaranteed it and it will be paid back by them out of the government grants they get over the next ten years.

The next loan, \$35,000, Fort Amherst Sea Foods Limited. That company, Mr. Chairman, is the well known company that operates in Quidi Vidi. Mr. W.J. Bursey used to be the operator but his son, Ray now operates it. This is a guarantee given in June 1972 and the purpose of it was to provide working capital. They were having some difficulty there last year and needed assistance. This is a very important operation from the point of view of the fisherman in the area, St. John's and general vicinity. Mr. W.J. Bursey, himself, is a pioneer in the fish business here and he has had his ups and downs.

AN HON. MEMBER: He is a regular visitor to the public galleries here.

MR. CROSBIE: Right. He is often a spectator here in the House of Assembly. He is now retired really but still very much interested in the fish business that his son is carrying on. I think this guarantee was well justified, Mr. Chairman, because they are not hidebound, they are always willing to try something new. The security is mortgage on land and premises and a floating charge on all their undertakings.

MR. ROBERTS: Is that a first mortgage?

MR. CROSBIE: This is something they did not specify here. I think it is, I do not think there is a mortgage now. They just say here; "mortgage" so I am assuming it is a first mortgage.

MR. ROBERTS: Strange is it not that they need a guarantee to get a mere \$35,000?

MR. CROSBIE: Right.

MR. ROBERTS: The minister had a lot of experience but that is a big premises down there.

MR. CROSBIE: I will make sure whether that is a first mortgage. They were in a period of some stringency which I think has been overcome.

MR. ROBERTS: No personal guarantees?

MR. CROSBIE: No.

MR. NEARY: Does that mean they are going to develop the caplin industry?

MR. CROSBIE: They got a grant in connection with that from the Department of Fisheries, recently.

MR. ROBERTS: Does the minister know the story on the caplin industry?

MR. CROSBIE: I know part of the story.

MR. ROBERTS: Mr. Ross Young did some reports. They are worth looking up.

MR. CROSBIE: Mr. Bursey and Mr. Young did not get on well together. I do not think they did.

MR. ROBERTS: That is an understatement.

MR. CROSBIE: Yes. The next loan is Mr. Ronald Higdon and that guarantee is for \$26,500, July 1972. The loan is being used to expand Mr. Higdon's fish processing plant in New Harbour, Trinity Bay. The purpose of that loan is certainly worthwhile. The security is a mortgage on the property and a chattel mortgage on the equipment.

The next loan is Mee-Fix Sports' Wear Limited. That is a guarantee of a loan of \$10,000. It was authorized originally on December 30, 1971.

MR. NEARY: New Year's Eve.

MR. CROSBIE: By the past administration. The formal letter of guarantee was issued, I think in May 1972. This administration did

not have much faith that this guarantee was going to be successful but because Mrs. Hatch had been told by the government that she was going to have the loan guaranteed and had entered into commitments, we felt that we had to go ahead with it. We did go ahead with it and it is in default. The purpose of the loan was to establish a club sports jacket manufacturing business in Harbour Grace. I believe the business has since failed. I am not up on all the details but I know it is in default and I would suspect that we are going to have to pay off the loan and accept the loss. There was a personal guarantee in the assignment of inventories.

The next loan is Newfoundland Steel (1968) Company Limited. That, of course, is the steel mill at Donovan's. The amount of that guarantee was \$2 million. That was to keep the operation proceeding last year. The company was owned by us. It was a crown corporation so there was no other security. Everybody knows the history of what has happened to it since. That guarantee will be repayable by the province. As a matter of fact, I think we already have repaid, I think the bank loan was up to \$3,700,000 and we have repaid all of that, as authorized by the House, from Interim Supply.

P. Janes & Sons Limited has a guarantee of \$79,500. The purpose of that was - August 1972...

MR. ROBERTS: That is not Ed Janes?

MR. CROSBIE: Yes, that is Mr. Janes' Company in Hant's Harbour. The purpose of it was to expand their frozen fish operation in Hant's Harbour. The security is a mortgage on land, premises and buildings. Mr. Janes, of course, has been quite successful out in Hant's Harbour particularly in the queen crab.

Then the guarantee to Sunshine Dairy Limited of \$150,000 in May of 1972. The loan was used to enable Sunshine Dairy Limited to establish a more efficient and modern dairy. The purpose of that was this; Sunshine Dairy is quite important as far as the farmers in St. John's are concerned, the ones who have milk to be processed. They

were having some difficulty and they needed money to make their dairy more efficient and to modernize it. If the government had not helped them in this way, I think they may have closed which would, of course, be quite a blow to the dairy farmers in the St. John's Area. That is the purpose of the guarantee. There is a floating charge on all the assets. I know that there is an agreement also that gives us not control over everything they do but they have to get our consent to various things. So there is an agreement, I think it is registered in the Registry of Deed or Companies, and the floating charge on all the assets.

The final loan is Terra Nova Co-operative Credit Society Limited, a guarantee of \$20,000. That was given in March 1972 or April. The loan was used to provide Terra Nova Co-operative with an operating line of credit. There is no security. I am not up on the details of how this co-operative operates. However it is set up, the government guarantee money for it and assist the co-operatives in financing their operations. I think that is how it works. This was \$20,000 that they needed last year for an operating line of credit.

These are the loans, Mr. Chairman, I will say that it is a much smaller list than has been the case in the last number of years.

MR. NEARY: It will be bigger next year.

MR. CROSBIE: We hope it will not be any bigger next year. Of course we are hoping that the new Development Corporation will be able to take over a lot of this risk-taking. However, if that is not successful or there are too many impediments to wit...

MR. NEARY: Do not forget the million and a-half lashed out in Rural Development.

MR. CROSBIE: Yes, but these were loans to small people all over the province.

MR. NEARY: It is the same thing.

MR. CROSBIE: Small people. Now the honourable gentleman is going to

attack these people who got loans from the Rural Development...

MR. NEARY: I am not attacking them but why try to hide it? It is there.

MR. CROSBIE: We are not trying to hide anything, it is all open and above board. We are lashing it here and there and the honourable gentleman praised that the other night, the Rural Development Authority. Now when I sit down I am hoping he is going to get up and praise these guarantees.

MR. NEARY: I am listening to the hockey game. It is one-to-one.

MR. CROSBIE: I think that covers it all, Mr. Chairman.

MR. ROBERTS: Mr. Chairman, most of these I think have been adequately dealt with by the minister and most of them I suspect are well known to the Committee, the purposes for which the loans have been made and so forth and so on. I have one or two questions I should like to ask.

I am intrigued by the loan to Archibald Inn Limited in Harbour Grace. Indeed I have been in this building recently. It has been renovated and it seems to be coming along very nicely. The minister was a little vague as to the security that was being offered other than, presumably, a first mortgage to the premises. That is unusual. As I recall it, when the minister before was negotiating on behalf of the government with people in the motel business, he insisted upon personal guarantees and these were given. I know of at least one case where that was so. I may add, that case in question, there was not a nickle cost to the government. The guarantee has been released even though the loans are still outstanding.

AN HON. MEMBER: Was there a guarantee?

MR. ROBERTS: If the honourable gentleman and I are talking about the same one there was a personal guarantee by the principal shareholder in the enterprise.

MR. CROSBIE: A very wise precaution.

MR. ROBERTS: I agree it was a very wise precaution and I wonder why it has not been done here? I do not know who is the principal share-

holder in Archibald Inn Limited, I do not know whether it is a new company or whether it is a company that has been doing business for some time but I would, however, ask the minister if he would table the feasibility study. I wish the proprietors of Archibald Inn Limited good success but I must say I have some doubts about the success of an establishment in Harbour Grace on these terms. I have some acquaintance with some of the people who were involved in a much larger tourist establishment near Harbour Grace, actually on Saddle Hill in Carbonear. I do not know what that cost the government but that venture cost the government a fair deal of money, I suppose several hundred thousand dollars when all was said and done. It would have cost more if the government had not stepped in and bought the property or taken it over under the various mortgages and so forth and made it into the Harbour Lodge.

I would be grateful if the minister would table the feasibility study. It may be said that that is the private concern of the Archibald Inn Limited, that firm - I have no desire to know their business but after all they are asking us for \$125,000 out of a total capitalization, apparently, of \$200,000. That is five-eighths, a little over sixty per-cent of a business that has been established, fine people, but a risky business. I would like to see the feasibility studies I think they would be very worthwhile. I would also like to know what the interest rate is on this. The minister mentioned it was at the bank and I assume that means it is at the current rate whatever that may be. Could he tell us what the rate is? Does Archibald Inn Limited borrow at the prime rate or do they borrow at some greater rate? Banks lend. Gosh! Your Honour, you can get money at a bank at seven or seven and a-half per-cent if you are in the right financial brackets and then again, banks sometimes go up to as much as twelve or thirteen per-cent.

I would also like the minister to tell us, if he could, please Sir, the policy under which this loan has been advanced. It is the only loan for tourist development purposes in the Loan and Guarantee

Act. I think it follows it is the only loan for tourist purposes that the government have given. That would follow. Now is this a general policy? Are people throughout the province who wish to get tourist industries under way, are they to come to the government?

MR. DOODY: It only applies to Harbour Grace.

MR. ROBERTS: It may be said that the new development corporation will step in there but I must say, the more I hear of the new development corporation, Your Honour, the less it impresses me. We will have a debate on it at some point but we had some discussion on the estimates of the Industrial Development Department. I think the Minister of Industrial Development expressed some grave doubts and I may say I share them. I am not so sure the agreement which the government have negotiated is a very good agreement. I am not so sure it will serve the purposes which it should serve and which needed to be served and still needs to be served. If people are turned down by the development corporation, in the tourist business this is important. If we are going to have a tourist industry in Newfoundland we are going to have to be prepared to put capital into it. Capital can be hard to come by. I have no direct involvement in the tourist business but my family certainly are involved in the accommodation business and I can assure Your Honour that capital is very hard to come by. There is nothing wrong with the government providing it and I do not even find it wrong that there has only been one loan this year but I would like the minister to tell us whether this is a general policy, whether anybody may apply or whether Archibald Inn Limited have had some, in effect, special treatment?

The Carmelite House Inter-Faith Committee - the minister told us I believe, that loan was authorized in June of 1972. I welcome that and of course we shall vote for it. I am sorry the gentleman from Labrador West, the Minister of Rehabilitation, is not (here he comes now) here, He now is here and I am glad of that, because this is the proof of what we were trying to get at four o'clock in the morning when we were talking about St. Anthony, St. George's

and I believe it was Lewisporte, the third one, and Grand Bank. The places that have gotten off the ground, where there are substantial loans in respect of Corner Brook, Gander and now Grand Falls. If these large and prosperous centres, they are large and they are prosperous, cannot afford to - this represents the equity, the down payment, the non C.M.H.C. part, that is what it is - if they cannot afford to do it without government guarantee than I would suggest to the minister that not only will St. Anthony fall by the wayside but that (the Minister of Rehabilitation) Grand Bank will fall by the wayside, St. George's will fall by the wayside and Lewisporte will fall by the wayside. In other words, this whole policy, I fear is in shambles, in disrepair. It will not work, it will not achieve the aims it wants.

If we had to guarantee and we do gladly - I find that the present administration did this, not us, but we had come to the same conclusion.

AN HON. MEMBER: (Inaudible)

MR. ROBERTS: It was done in June 1972, that is nine months ago. I find it interesting that these large homes with all the economies of scale and in the Central Areas of Corner Brook, Grand Falls and Gander and next to St. John's, these are among the larger communities. Perhaps Stephenville should be in there as well, but these are the urban centres. If they need government financial help, substantial committees of substantial citizens, if they need government help for the non-essential Mortgage and Housing Corporation funded part of their operation...

AN HON. MEMBER: How many beds in the Carmelite House?

MR. ROBERTS: I have no idea. I do not know how many beds are in the Carmelite. They are building an addition on to the Carmelite but I do not know how many beds are going to be in it. I was in Grand Falls the other week and they are building a fine, big addition on the back, near the ball park.

MR. HICKMAN: 7,500 beds.

MR. ROBERTS: It could be, I really do not know. I do not doubt the minister.

MR. ROUSSEAU: (Inaudible)

MR. ROBERTS: I am not talking about a grant, this is a loan in addition to. The Carmelite, it is going to, say cost \$1 million, for argument's sake, to finance the Carmelite. They bought it from Mr. Hicks the owner or the company, I do not know but Mr. Hicks was the principal, Mr. Otto Hicks. They bought it, that is fine, Then they had to renovate it and bring it into operation and that cost a lot of money. I should imagine they gutted the building. It is stone, a very substantially built building but I should think they just about had to gut that building inside and rebuild it. That is what they did with Archibald's Hotel in Harbour Grace, There is nothing left - nothing was kept except the floor, It was two stories, The floor between the ground floor and the first floor and the concrete shell, everything else was ripped out and has had to be replaced. That is probably true of the Carmelite although I do not know, I have not checked that carefully. Then they had to furnish it. They are starting anew. They are renovating the old building.

AN HON. MEMBER: (Inaudible)

MR. ROBERTS: That is what I mean, they had to gut her out, The walls will be left, very substantial walls. When Lord Northcliff built he built. Grand Falls, as you know, was built in six weeks. The whole place was built in six weeks. That is what you can do when you have one thousand men and you took them off building the mill. I do not know how long the staff house, the Carmelite, took to build but it is a very solid building, very substantial.

So then, where did the committee get their money? Most of it they got from Ottawa, through C.M.H.C., on a long - I do not know what, a fifty year loan? A forty year loan at relatively low interest rates?

AN HON. MEMBER: Fifty years.

MR. ROBERTS: Fifty? That is the same in Corner Brook and in Gander. Then they had to find the balance because Central Mortgage would not lend, would not lend one hundred per-cent of the cost. They would not, they will not, they do not. They have raised the per bed limit but they will still not lend one hundred per-cent of the cost. They will not. The Minister of Justice looks quizzical but they do not, it is that simple. No they will not lend you one hundred per-cent of the cost, ninety-five but not one hundred.

MR. HICKEY: (Inaudible)

MR. ROBERTS: The gentleman from the East Extern tells me they will lend one hundred per-cent. I could be wrong; it would not be the first time, it will not be the last.

MR. HICKEY: The amount of money you are referring to is a grant.

MR. ROBERTS: Yes. Well this is not a grant here.

MR. HICKEY: Grand Falls?

MR. ROBERTS: It says it is a loan. If it is a grant the Minister of Finance has misled the House completely and utterly and he would not do that. Maybe the government is going to have to make a grant to pay it off, that could happen. I do not know where the Carmelite Hotel gets its credit.

MR. CROSBIE: It was already agreed to by the previous administration.

MR. ROBERTS: Yes I know. We did that, sure and I suspect --

MR. CROSBIE: That grant will be used to pay off the loan.

MR. ROBERTS: Yes, sure, but I mean, we are not talking about a grant here we are talking of a loan. This is the Loan and Guarantee Act. What I am getting at is the asking of the Minister of Rehabilitation to reconsider his very ill-considered policy. I suggest, Sir, that we are not going to get these homes off the ground in Grand Bank, in Lewisporte and in St. George's or Stephenville Crossing is it? Stephenville Crossing, both in St. George's District and in St. Anchoy because of the - maybe Grand Bank, a very prosperous area and very enterprising people. The people are equally enterprising in other

parts of this province but they may not be as prosperous. I am not against the loans I am just asking them to make more loans.

AN HON. MEMBER: Oh! To make more loans.

MR. ROBERTS: Because St. Anthony have asked and have been turned down. Where was the honourable member at four o'clock? He was home asleep at four o'clock in the morning. He was home asleep.

MR. NEARY: No, he was out having a leg of Colonel Sanders.

MR. ROBERTS: A leg of Colonel Sanders? The honourable member means his chicken, I mean the Colonel's leg would be --

MR. NEARY: Oh I agree with the honourable member.

MR. ROBERTS: The gentleman was home spelling us. He bounced in at nine o'clock and took on the whole committee for four or five hours. All I am doing is asking the gentleman from Labrador West to reconsider his whole policy. I think it is wrong. I think this is the sort of thing that proves it.

Fort Amherst Sea Foods - anything that will help Mr. Bursey in an economic sense I am all for. I mentioned the caplin industry. I do not know what the current economics are but I do recall vividly the earlier venture into the caplin industry. The reports I am sure are in the files. Mr. Ross Young was a towering public servant, a tower of strength and of wisdom and knowledge. He and Mr. Bursey certainly did not agree on this and there were some first-class rows. Mr. Young's point and I think he submitted documented evidence to prove this, is that while Mr. Bursey and his company produced a very good product of tinned caplin, no doubt it could be all sold and sold readily, there was practically an unlimited market, it could be sold - really it competes with sardines. That is the competition.

At the time the relevant figures, I assume these were wholesale prices to the processors, were I think fifteen cents a tin. I pick that from memory but let us say the proportions are accurate. Fifteen cents, you could sell all the caplin that you could produce at fifteen cents a tin, and to use our Newfoundland

caplin would provide work for our Newfoundland people. The only problem was, there was no conceivable way that anybody could see that the cost of producing those caplin could be got down below twenty-five cents a tin. On the strength of that, Mr. Young recommended and the government accepted that there be no loan made, because it would be economic foolishness.

The company has come a long way since then and although I have no objection to the loan, I would be interested to hear the Minister of Finance tell us why there is no - a company in that position with substantial assets and a proven record, they are not a new company, why they had to get help for an amount, relatively speaking, as small as \$35,000.

Mr. Ronald Higdon, New Harbour - I confess I know nothing about Mr. Higdon and I would be interested in what sort of operation he has over there, what sort of experience he has, furthermore, what he has been able to do with \$26,500 because that is a very small amount for a fish plant. (The gentleman from Trinity South is not with us. He is out in the corridor, pacing up and down.) It is a fairly small amount to build a fish plant. If a man can build a fish plant for that, we should, of course, help him, assuming he has a good record and all of that.

Finally I would be interested to hear the minister, if he would, tell us who Sunshine Dairy Limited are. Is that a co-operative?

AN HON. MEMBER: Yes.

MR. ROBERTS: It is a co-operative. Who owns the co-operative?

AN HON. MEMBER: (First part inaudible) the dairy farmers.

MR. ROBERTS: I do not know, but if it is a co-operative it is not Sunshine Dairy Limited. It may be owned by them - it is a profit making enterprise and I may add, very profitable if one - I do not know what their balance sheet is; I have never seen it. I have never seen their profit and loss statements. Why would I?

AN HON. MEMBER: It is not a co-operative.

MR. ROBERTS: It is not a co-operative; it is owned by a number of

milk producers, dairy farmers. It is not a co-operative. That is what I was just saying. The Minister of Justice thinks it is a co-operative.

MR. HICKMAN: I know it is not a co-operative under the Co-operative Act. The farmers I believe --

MR. ROBERTS: It is like General Motors only General Motors is a little larger, they have more shareholders, or Bell Canada.

MR. HICKMAN: Yes.

MR. ROBERTS: They were in financial difficulties and they raised the price of milk two or three times. You cannot pick up the newspaper in the morning without seeing another two cents on a pint or a quart of milk. If they were in financial difficulties before they should be out of them now. What I find interesting - I agree with what the Finance Minister said, it is the outlet in the area, in St. John's, and as far as I know there are - what? There is Kelsey's, There are only two places you can sell your fresh milk.

AN HON. MEMBER: Or Island Dairies.

MR. ROBERTS: Island Dairies? That is the crowd that were nailed for --

MR. NEARY: That is where I get my milk every second day.

MR. ROBERTS: Every second day, but do they buy fresh milk?

AN HON. MEMBER: I suppose they do. That is what I -

MR. ROBERTS: Well, that only compounds the doubts I have about this. What the government have done essentially is fund a private company and not the only company. Now maybe there is an argument for having three or more companies buying milk from farmers but does Sunshine Dairy buy only from themselves? I have heard stories

Persons have come to me, farmers, with the story that the only people who sell to Sunshine Dairy or certainly the first claim is the shareholders, farmers, dairy farmers producing milk. If the honourable gentlemen opposite would look up the report done by a gentleman named Mr. Clifford Retson from the Nova Scotia Agricultural College at Truro, in 1967, they may have their eyes opened. The whole Sunshine Dairy operation, as I recall it and it has been six or seven years since I saw that report and it was not made public and one of the reasons was just that, questioned very seriously the way, the economics of the production and distribution of milk in the St. John's Area, and here we have the government compounding, not the felony, the insult.

I hold nothing against Sunshine Dairy Limited or any other dairy or any other sunshine or any other limited but the government have given them a loan. We do not know on what terms. The Minister of Finance says there is an agreement and I do not doubt that and he says it may even be registered. Maybe it is but I have not looked it up. I do not haunt the registry to see what is being registered down there. We only have a floating charge of security and that implies one of two things. It implies to me either a mortgage registered against it or section (88) outstanding. Yes, it is section (88) even though there is a new bank act, even though that has been redone it is still section (88).

So I wonder if the minister could tell us a little more about this quite curious chain of events. The price of milk has gone up. What is it now? Forty or forty-two cents a quart. It

will soon be as expensive as beer. The price of milk has gone up despite substantial financial assistance. \$150,000 out of a guarantee is a big help. I suggest that if the government are going to save this industry and that is what the minister intimated that they would save Sunshine Dairy, they are benefiting a number of farmers. I have no quarrel with that but that is all they are doing. They are not benefiting anybody else. There are apparently other outlets for fresh milk in St. John's. They are benefiting only a number of farmers and not only that the government are being party to these price increases.

MR. CROSBIE: (Inaudible).

MR. ROBERTS: Well, the minister can say what he wants but the fact remains. Prices, I would remind him, have gone up not just for Sunshine Dairy but for the other dairies as well. I do not know who starts it or maybe they do it together, which would be unlawful, would it not, under the Combines Act? I think the minister should tell us a little more about it. It maybe that my conclusions are not well-founded. That could be but the minister was not exactly brimming over with information when he came to the Sunshine Dairy Limited loan. He made a few statements which I accept but these raised a few questions which I have outlined.

I find it always interesting when the government steps in to help one portion of an industry, furthermore one which is not a co-op. We have exploded that myth. It is a commercial business, I do not know if they have made money or not, which buys milk from Israeli, its owners, and I have had it suggested to me by people who should know, they may not know but they should know and I take them at face value, that the first people to sell milk to the Sunshine Dairy are the farmers who own it, the shareholders. In other words the government, if my analysis is correct, are in effect helping a bunch of people to benefit themselves. There is nothing wrong with that necessarily but it does have most interesting and most serious implications.

If it is a public service then perhaps we should have some controls on it. If we are stepping in to help the public, maybe the agreement specifies no raise in the price of milk to the consumer because the dairies sell directly to the consumer, no raise in the price of milk to the consumer or for that matter to the supermarkets unless the government approve it. That is no more of an invasion than the egg marketing board. That is the same thing and let the government do something about it. They can find \$150,000 worth of credit and that means, although there is no cash in it, Your Honour, it means if Sunshine Dairy gets into financial difficulties the government are on the hook for \$150,000, and for security they have a floating charge.

Well I would like the minister to explain it. It may well be in order but certainly on the basis of what he said so far there are questions. The other point I would ask, Sir, and it applies to most of these - what are the terms of the loans? Are bank loans callable on demand? For example Archibald Inn Limited, the minister said that the government had gone on the back of the note at the bank. Now the normal way for financing a motel operation would be maybe twenty year money, pay your money off over twenty years, the interest each year and the principal on a reducing balance. Banks do not lend twenty year money or if they have they never have in my experience. The banks lend what? At most five years. Mortgage companies lend twenty year money: Trust companies lend twenty year money. Institutions lend twenty year money but the banks have always considered themselves to be in the short-term financial market, indeed so much so that one can find pious protestations from bank presidents as they do not really lend long-term money. They have all set up their own mortgage companies now.

So what is the term? Archibald's Inn had nine units in it, Sir, and it has a bar and will have a dining room when it is completed. There is no way that industry can pay off \$125,000

together with interest of let us say eight per cent. That is \$8,000 and another \$2,000 which is \$10,000 a year. No way can it pay off that loan in less than I suppose ten years. Even that, Sir, would require a net profit, an operating profit of \$22,000 or \$23,000 a year and that is a big profit on nine units, one bar and one dining room, Believe me, it really is. If it is that profitable I suggest there would be no need to have had a government loan in the first place.

So I wonder if the minister could be a little more forthcoming on that and perhaps tell us a little about the somewhat interesting circumstances of that loan.

MR. MARTIN: One point, Mr. Speaker, which may already have been raised while I was out of the chamber. I am not exactly certain what the procedure is here. I understand that in certain cases when the government loans money to corporations that they appoint one member of the board. I am wondering if this is the case here and if so, what is the function of that person?

MR. CROSBIE: Mr. Speaker, it is all most interesting and now just to deal with the member for Labrador South's question first. The government does not necessarily appoint a member of the board if a guarantee is given. It depends on the amount of the loan and the enterprise in question. I do not believe in any of these that there has been a director appointed by the government to any of them.

Now first on Mr. Ronald Higdon - Now none of these are loans by the government to the people involved but these are guarantees of loans to these people and companies by the government. Now Ronald Higdon whose guarantee is \$26,500 has a fresh fish filleting plant, a small plant in New Harbour, Trinity Bay, where he fillets fish, packs turbot and other species of fish and at the moment he has forty-five people employed. Now the member for Trinity South, the Minister of Rural Development says this plant

is doing very well. So it appears that that was a good guarantee but it is not a large operation.

MR. ROBERTS: (Inaudible).

MR. CROSBIE: Well with forty-five men employed I would not think that this would be a very large portion of the -

MR. ROBERTS: It is sort of an intrigue, that a man needing a guarantee for a small portion of a plant.

MR. CROSBIE: Well, smaller men need smaller guarantees and larger ones need larger guarantees.

MR. ROBERTS: Yes, but that does not answer the question.

MR. CROSBIE: Now, Mr. Speaker, I would also like the committee to understand that the Department of Finance is presenting this bill but we do not have all the details on these loans because they come up from various departments.

On Archibald Inn Limited, it is not our general policy to give guarantees of loans for hotel or motel purposes and in fact to the contrary. The reason a guarantee was given in this case, as I understand it, is that the Development Corporation was not operative and the operation needed the money there a few months ago and after waiting for some five or six months while we kept telling them that they should go to the Development Corporation and the persons in question finally persuaded the government they could wait no longer and the government agreed to guarantee this loan for them. I understand that there is an application to the Development Corporation now and if successful the guaranteed loan will be retired out of the proceeds of the loan or whatever the Newfoundland and Labrador Development Corporation may give. If not successful, then we have a mortgage on the property.

As to how long it will take this enterprise to pay back the loan the feasibility study I would have to check. I know that there are balance sheets and pro forma balance sheets and so on submitted but I would have to check with another department as this was processed -

MR. ROBERTS: Mr. Chairman, to a point of order. I do not mean to interrupt the minister but really the level of babble in the House and it is not my colleague from Bell Island, the level of babble has risen so that one cannot hear the minister and some of it is in the chamber but others of it is honourable gentlemen perambulating outside and strolling. I want to hear what the minister has to say. It is nearly as funny as the funny papers.

MR. CROSBIE: Now, Mr. Chairman, that is the position on Archibald Inn Limited. As to the interest rate on the loan, this is a loan at the bank and I presume it would probably be one per cent over prime, seven or eight per cent, but I can find that out. This is quite a legitimate loan, Mr. Chairman, and we hope that this enterprise will be a great success. There was another hotel attempted in the Carbonear Area which of course was of too great a size to be economic in that area. This is a smaller proposition and it should be a success as it is not too large for the area. However, only time will tell.

There were some questions on the Carmelite House, Senior Citizens Home. The guarantee of a loan there is given in an amount of \$100,000. This was an arrangement really agreed to in principle by the previous administration. The loan is to be paid back out of government grants which they are to receive over a ten year period, which were promised them by the last administration. So the guarantee of a loan here is not really a guarantee of a loan. It is really a subterfuge or it is to provide now, instead of the government giving \$100,000 at that particular time, they promised a guarantee of a loan which would be paid back out of government grants over ten years. So it is really a subterfuge and the policy has been changed. How the new policy will work in connection with other homes for senior citizens only time will tell.

Then there were some questions on the Sunshine Dairy Limited. That was a loan that came up through the Department of Mines, Agriculture and Resources and I will have to inquire as it is

certainly not a co-operative. I do not know who the shareholders are but the position was that they needed this assistance if they were to continue functioning as, if they were not functioning there would be a lot less milk sold in the St. John's Area and there would be a number of farmers who would have no market for their milk. The government is certainly not party to an increase in the price of milk. We have assisted Sunshine Dairy Limited in modernizing their plant and hopefully they will be successful and provide the market for the farmers and that their prices will be reasonable to the public. Why they have raised their prices, I do not know. We all know that Canada as a whole and this province is in the grip of inflation, galloping inflation really, and an inflation that can only be counteracted or the measures for counteracting which remain in the hands of the Government of Canada, because essentially it is a matter of the money supply and all the rest of those important economic devices and machinery.

Now that is all the information I have on these. I will try to get some more information on the Sunshine Dairy and Archibald Inn Limited for the honourable gentleman and when I get it I will give it to him or report it to the House. Otherwise that is all I can give the House on this tonight anyway.

MR. ROBERTS: Mr. Chairman, I thank the minister and whether he will choose to give me the information outside the chamber or whether he wishes to report it to the House or Committee of course is up to him. I am surprised, as normally the minister comes extremely well prepared. I recall such virtuous performances of his as the play, in seventeen acts, about Spencer's Hotel in Winsor, where the minister came primed. I only hope Archibald's Hotel does not become another incident along those lines. The only difference would be a different actor would be doing the virtuous performance. So we shall see.

MR. CROSBIE: It will not be I.

MR. ROBERTS: No, I said it would be a different actor. It will be a better performance to, a much better performance. I suspect there is a story behind this loan and eventually I am sure it will come out whatever the story is.

I wonder, the gentleman from Trinity South is back in his place, Sir, and I am quite interested in Mr. Higdon's fish operation over in New Harbour which I believe is in Trinity South Constituency. To provide forty-five jobs is a very good thing indeed. Really I could ask a number of questions of the Minister of Rural Development. What sort of plant is this? What does it do? Is it a feeder plant or is it a processing plant to the stage where it comes out in five pound or one pound I.Q.F. or whatever pack they are using? Where do they get the fish? Is this inshore fish or are these longshoremen fishing into the plant?

Mr. Chairman, the babble rises again. The Minister of Justice this time, is it? The Minister of Justice is holding them down, well he is about as successful at that as he is being Minister of Justice and that is not very successful.

The thing that really interests me though, in addition to that, is the financing. \$26,200 is a very small amount of money for these purposes. It is not a small amount of money. It is a lot of dollar bills piled up one on top of the other but it is relatively speaking a small amount of money. I do not want to know Mr. Higdon's private business affairs as these are his own concern but after all the people of the province now have a \$26,000 stake in making sure that he is successful. Now surely that is a small part of the whole. I mean you cannot provide any sort of facility, I should not think, for \$26,000. Why to build a house here in town, I realize it would not cost as much to build a house in New Harbour but it probably would not be that much less, would cost you \$20,000 or \$30,000. So for a man just to build a place to process fish, not a stage, a regular building with concrete floor and running water and all the things

that are needed, that would cost \$26,000.

Now that is fine but I would like to hear what sort of facility he has and what it has cost him because if it cost more than that, what percentage or what proportion in round terms is the \$26,000. The Minister of Finance opined, and I am not so sure he would want to stand by this and I would not hold him to it because I realize he is just speaking as it comes. As he says, he does not know a great deal about these things, that this may be a small part of the overall thrust of providing a plant which provides work for forty-five people. So that is a fair amount of work. It is a big help to that community and it would be a big help to any community to have that sort of work go ahead. But if it is a small proportion of the cost, why is it that a man has to come to look for assistance for a small proportion? If a man could find three-fourths of the cost, it is strange that he has to come to the government for the other \$26,000. I am interested in this and since the gentleman from Trinity South is with us perhaps he could say a few words.

This is something I think that the committee should know about because there has not been a lot of publicity given to this operation at least in the general press. Doubtlessly it is well known on the South Shore of Trinity Bay or in New Harbour and Dildo and all that area. I do not think it is too widely known and perhaps the minister could say a few words on it.

MR. REID: Mr. Chairman, in answer to the Leader of the Opposition, Mr. Higdon, his father and his brother started a fish plant there and started buying fish directly from the fishermen in New Harbour. They then put in a filleting plant and spent their own money for a while. Last year they wanted to extend their premises and employ more people and handle more fish and have it prepared and readied to be sent to a freezing plant. They employed roughly around thirty-five to forty-five people there in New Harbour. They started

with very little and they were looking for somewhere between \$25,000 and \$27,000 to extend their premises and also to improve on their equipment. That was all they were asking for. There are three of them there devoting all their time to the plant and they have made a wonderful success. They are also packing salt turbot and herring during the off season when fish is not too plentiful.

MR. ROBERTS: Well I thank the minister. I think Higdon should be congratulated because that is surely the only time in the history of Newfoundland that an operation employing thirty-five or forty people in the fishing industry has gotten off the ground with apparently only less than \$30,000 from public sources and even that by way of a loan, a regular commercial loan which may or may not be required to be paid by the government but let us assume that it is not. These people apparently are not fly-by-nights as they have been at it for some time and know what they are doing. That is very good. That is a far better average than the Rural Development Authority has made because those are interest-free loans in the RDA and the cost per job is considerably more than that figure of roughly a thousand.

I think the Higdon should be congratulated and I thank the minister for giving it some interest. I am quite prepared now to go ahead and vote with some enthusiasm for that particular portion of the bill before the committee.

On motion, resolution, without amendments, carried.

A bill, "An Act Further To Amend The Local Authority Guarantee Act, 1957."

MR. CROSBIE: Mr. Chairman, this is the traditional amendment to the Local Authority Guarantee Act which comes in every year for different purposes. The schedule to the act has to be amended and for each municipality that receives a government guarantee of a loan during the year. All of the municipalities concerned are mentioned in the schedule and the amount of the various loans.

These are loans at the bank and are usually retired out of -

MR. ROBERTS: Could the minister tell us what the loans are for?

MR. CROSBIE: Yes, the Minister of Municipal Affairs I think can indicate what they are for but in most cases they are for water and sewerage work and maybe the odd one is not for water and sewerage. It can be taken for granted that ninety per cent of them are for water and sewerage. The City of Corner Brook is there for \$1,500,000 and these are for various public works projects in the City of Corner Brook and not just for water and sewerage. You can just about take every case there as water and sewerage but maybe there is the odd one that is not water and sewerage. Occasionally it is for paving roads or some other project like that or for developing lots for sale. In many cases these loans are bank loans guaranteed by the government and every now and then there is a bond issue from the Newfoundland Municipal Finance Corporation which retires these loans and of course, that bond issue is guaranteed by the government.

MR. ROBERTS: Mr. Chairman, as the minister said, a similar bill comes before the committee each year, I do not know if it always has but it certainly has as long as I can recall and presumably always will. He has explained what it is for. That is straightforward. I do however have a few questions not so much on the individual projects because they really just represent the implementation of policy and indeed I suspect that most of these amounts were guaranteed initially by the Smallwood Administration. The minister perhaps could indicate or his colleague, the Minister of Municipal Affairs, could indicate which of the guarantees were made by the present administration and which of them were the original guarantees, by which I mean the cabinet orders. All of these guarantees, Your Honour, have already been issued and executed, money advanced, money spent and all we are doing now is ratifying

the cabinet's action and then, as the minister just said, eventually these will be swept up by the Municipal Development Finance Corporation. They will lend the municipalities the money and the municipalities will take the money and pay off the bank loans and everybody is happy and it just goes on every day in the province.

However there are several points that arise out of this which are relevant to the amounts under debate. First of all, the paving policy. I must confess I think I have intelligence that is not too far below the norm but I am completely unable to understand the administration's paving policy. I think I knew what the one was which the Smallwood Administration ended.

MR. CROSBIE: This is irrelevant.

MR. ROBERTS: Well, some of these are paving and surely it is relevant to talk about the paving thing.

MR. CROSBIE: Which one is paving?

MR. ROBERTS: I do not know. I ask the minister and he would not indicate. He said some of them. The minister said some were for paving.

MR. CROSBIE: No, I said that sometimes they have loans for paving and so on.

MR. ROBERTS: Sometimes it is up and sometimes it is down. All right I want to talk, if I may, about the paving policy.

MR. CROSBIE: Really it is farfetched.

MR. ROBERTS: The minister brings in another bill and disavows it, leaves it floundering in the committee. Is he going to leave this one floundering?

MR. CROSBIE: We will leave the honourable Leader of the Opposition and the minister here to discuss it.

MR. ROBERTS: Well I am all for it. If the committee want to call it eleven o'clock, Your Honour, I am quite happy. Do we want to call it eleven o'clock? There are a few things I want to talk about on this.

MR. CROSBIE: Let us report the other one out and then we can go back into committee tonight.

MR. ROBERTS: I do not want to come back into committee tonight.

If I yield the floor now it will be on the understanding we go home, if not I talk until eleven. I can do it either way.

MR. CROSBIE: (Inaudible).

MR. ROBERTS: Fine by me, but we go home at eleven tonight if not -

MR. CROSBIE: (Inaudible).

MR. ROBERTS: All right I am all amiability tonight, Sir.

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

MR. STAGG: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed the resolution further to amend the Loan and Guarantee Act, 1957, and recommend that a bill be introduced to give effect to the same and ask leave to sit again.

On motion, report received and adopted.

On motion, resolution read a first and second time.

On motion, a bill, "An Act Further To Amend the Loan And Guarantee Act, 1957," read a first time, ordered read a second time presently, by leave.

On motion, a bill, "An Act Further To Amend The Loan and Guarantee Act, 1957," read a second time, ordered referred to a Committee of the Whole House on tomorrow.

MR. MARSHALL: Mr. Speaker, I move that the House at its rising do adjourn until tomorrow, Wednesday, April 25, 1973, at 3:00 P.M. and that the House do now adjourn.

On motion that the House at its rising adjourn until tomorrow, Wednesday, April 25, 1973 at 3:00 P.M., Mr. Speaker left the Chair.