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VERBATIM REPORT

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SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order please! I would like to welcome to the galleries today twenty-two junior Knights of Columbus from Harbour Grace with their councillors Peter Moriarity, Michael Foley, Jerome Jordon and Peter Foley. On behalf of all honourable members I extend to you a cordial welcome here today and trust that your visit is most interesting.

MR. F. AYLWARD: I would like to rise on a point of personal privilege and the point of privilege concerns an editorial in "The Evening Telegram" dated April 16 in reference to remarks made by me in the House of Assembly earlier in the previous week and the remarks I have made, Mr. Speaker, at the time I was presenting a petition on behalf of the residents of Little Harbour East with respect to a request from them to have a road from their community to the Trans Canada upgraded and paved. At that time I made reference to the plight of the people of the community and I said as follows and I quote from an extract from Hansard dated April 9, 1974, tape 1137.

Referring to the residents in particular the fishermen I said, "Then," (these people) "have to cope with the perils of the sea and here recently, problems presented by the tankers that transport the oil in and out of Placentia Bay to that refinery. Mr. Speaker, while I am on this topic, I sincerely trust that the Tanker Route Committee will soon find it possible to table their report because it is really ridiculous to think that these tankers are going in and out of the bay and that there is only now a committee studying it and that the committee itself has not yet reported. I am told by some of these fishermen that one of these tankers, and particularly that large tanker that anchored off, I think it was, Fair Haven," (I meant Bar Haven) "occupied one of the best fishing grounds in Placentia Bay. They have indicated that particularly the

fishermen from Southern Harbour have already experienced obstruction in pursuing the fishing.

"This is a very, very important matter and I sincerely trust that this committee will report and report promptly on this."

What I was of course requesting was that the committee on the tanker route that had been appointed, I said, table the report. What I meant of course was, Mr. Speaker, that they would submit their report to the government because at that time I had ascertained that the committee itself had not in fact reported.

My position, Mr. Speaker, with respect to that tanker route issue was made abundantly clear both to the Minister of Fisheries, to the Premier, to each member of the Cabinet and to every member of the caucus. In fact, I am not going to go into detail on this, Mr. Speaker, but just to have the record complete and then I will refer to "The Evening Telegram" I will just give you the date of some letters which I have written respecting this matter. The first one was on April 2, 1973 when I wrote to the Minister of Municipal Affairs and Housing and at that time I was bringing the same point to mind for his consideration and that was that these fishermen living in these particular areas, who were resettled in these communities, had in my opinion not obtained the services and the consideration from government that they deserve and if there were any talk of building a new town (and there was at that particular time) that the residents of these two communities, particularly the fishermen, would be ensured that adequate municipal services would be provided for them, and schools and that for their children, before the government embarked upon trying to ascertain or locate a new area for a new community to surround the workers who work at the plant.

On May 14, 1973, I wrote the Minister of Fisheries again and I brought to his attention a telephone conversation I had with him on May 8 when, at the request of the Chairman or President of SOFA at the time, a meeting of the fishermen of Placentia Bay was

convened and I attended that meeting and I pointed out to the minister in the correspondence that I was shocked at the little consideration that had in fact been given to the effect that these tankers on the efforts of fishermen to try to continue to make a living in Placentia Bay. This is a very, very lengthy letter and it outlines in detail, Mr. Speaker, my position. That was dated May 14, 1973. In this letter I suggested to the minister that I felt that this was a very, very important matter and not alone SOFA or any other committee but the government itself should see that this whole matter be investigated. While I do not take credit for it, it was subsequent to my submission that this Tanker Route Committee was appointed and on the same date I wrote - I realize the Leader of the Opposition is probably getting a bit fidgety on this, this is an important matter and I -

MR. ROBERTS: On a point of order, Sir, I do not begrudge the honourable gentleman's raising a point of privilege but I would make two comments: First of all, Sir, I would raise the question of timeliness. This editorial he tells us appeared in the evening paper on April 16. The House met on the 18th, 19th, and today is the third day we have met since then. I can appreciate the gentleman may have been involved as counsel in a court case, but secondly, Sir, he has been going on now for ten minutes and Your Honour has time and time again quite properly ruled that we must come to a - you know, I do not begrudge him for a moment his chance to lay out his case but Sir, referring to correspondence which he had with members of the ministry a year passed it is hard to see how that is relevant and I wonder if the gentleman could bring it to a point.

Also I would ask the ruling on the timing of this question, Sir. Really this is the third day this House has met since the editorial to which the honourable member refers as published in the newspaper.

MR. AYLWARD: If I may, Mr. Speaker, before you rule on that point: This editorial was dated April 16; The House of Assembly as he suggested met on the 18th and 19th and for the reasons which he

suggested, it was impossible for me to be in the House at the time. The first opportunity I had was on Friday. When I arrived here on Friday, again through no fault of my own, the proceedings of the House were at a stage where I could not bring the matter up and this is the first opportunity.

Secondly, I certainly do not want to trespass upon the time of the House and I do not want to get into any lengthy detail, I just wanted to refer briefly to the correspondence but I will follow any direction that Your Honour will feel inclined to make.

The only point I would say, Mr. Speaker, this is an important matter concerning the lives of the fishermen of Placentia Bay. As a member who is mostly concerned and who represent these fishermen, I would like to have on the public record where I stand and where I have stood on this, contrary to what the editorial in "The Evening Telegram" says and I will come to that in a moment as quickly as I am directed by you.

MR. ROBERTS: You Honour, we are quite willing to give leave if that need be. I mean the honourable member -

MR. AYLWARD: Perhaps, Your Honour, I could have leave.

MR. ROBERTS: The rules of the House, with all respect, do not make any reference to people -

MR. AYLWARD: If the Leader of the Opposition would be kind enough to give me leave, I would appreciate it.

MR. ROBERTS: Your Honour, I said that we would be delighted to grant leave but really it is not a point of really just to differ with a comment in an editorial. A point of privilege would be if the editorial misquotes or calls some vile name or something.

MR. AYLWARD: Perhaps I could ask leave, Mr. Speaker. The Leader of the Opposition has consented to give leave.

MR. SPEAKER: Order please! The Chair is reasonably satisfied that this is really the first opportunity, two reasons stated by the honourable member that he made after raising his point. I do think he was wandering

and taking more time than perhaps was necessary in getting to his point of privilege and so at this point I will ask the members of the House and the Leader of the Opposition if they will grant leave for the honourable member to continue. Agreed.

MR. AYLWARD: Mr. Speaker, I will certainly make it as brief as possible but I do want to, as I said before, make my position clear and perhaps the Leader of the Opposition has wondered what my position is vis-a-vis the "Telegram", what the "Telegram" has said.

AN HON. MEMBER: Inaudible.

MR AYLWARD: I will come to that in a second. On May 14, Mr. Speaker, as I mentioned, I wrote in 1973, I wrote the honourable the Minister of Fisheries and suggested to him that I thought that this matter was too big a thing and outside the main private organization to be investigating and I felt some action should be taken by government. As I said I do not claim any credit for the committee but I would point out that it was subsequent to my submission to the government that this Tanker Route Committee was constituted.

On May 14 I also wrote the Premier a lengthy letter enclosing a copy of my letter to the Minister of Fisheries. I received a letter from the Minister of Fisheries on May 21,

indicating that this committee was appointed. I wrote him again on May 24, requesting a copy of the terms of reference of this committee because I was very, very concerned about it. As I have said before, I was concerned about two matters: it was the general conditions under which these fishermen and the people in these communities live. Also, of course, the affect that these type of roads would have on their efforts to try and procure their living from fishing.

In addition, Mr. Speaker, on the same date I wrote every member of the ministry, enclosing a copy of my letter to the Premier and to the Minister of Fisheries. I received a reply from the Minister of Finance and the Minister of Manpower and the Minister of Mines and Energy. I requested that the matter be given urgent consideration.

I was very, very concerned about it and subsequently again wrote every member of the caucus and sent them copies of my correspondence. When I was advised that indeed a committee had been appointed, and Dr. Templeman was the Chairman of the committee, I wrote the Chairman of the committee and requested him if he would be kind enough to convene public hearings in the fishing communities in my district. I asked him at that time to have public hearings in the Area of Placentia, in St. Brides, in Long Harbour, Southern Harbour and Arnold's Cove.

I was advised that the Chairman of the committee, for reasons best known to himself and the members of the committee, felt otherwise. I wrote several letters to the Minister of Fisheries and to the Chairman of this committee, again urging him. Again, I know that this is the decision for this man to make in his committee. I was a bit disappointed but, Mr. Speaker, I have ample documentations here to support this.

Now I was subsequently - when the committees did not report, I as discretely and as I felt I should, tried to suggest whenever possible that this committee would report. I felt it was one of the most important assignments that were ever given any committee in Newfoundland. I certainly did not want to harass them but at the same time I wanted them to report.

When I spoke in this House of Assembly on April 9, and I spoke of the plight of the fishermen in Little Harbour East, and I asked the

committee to report, I to the best of my knowledge, I knew at that time and I subsequently confirmed that the committee had not then reported it.

Now the "Evening Telegram" on April 16, referring to my remarks in the House of Assembly, in an Editorial, headed "Tankers Or Fishermen" reads as follows:

"It is up to the provincial government to decide on the type and level of protection to be given the fishermen of Placentia Bay in their day-to-day struggle for fishing space. Faced with superior weight and speed of oil tankers they have no choice but to give way and watch their fishing grounds being occupied by huge tankers and their powerful wave-making tugs."

"Unfortunately for the fishermen they have no allies for the government have not indicated whether it is their friend or foe. Early last year it looked as if the government were going to be on the side of the fishermen. It appointed a special committee to study the tanker route in the bay and to make recommendations on how the tankers and fishermen could survive in the same waters. But that was last year and the fishermen are still waiting to hear the results of this committee's studies.

"Last week a government backbencher, MHA Fintan Aylward, asked the government to table the committee's report because the tanker operation is disrupting the fisheries in the bay and something needs to be done. Mr. Aylward obviously knows that the government are sitting on the report, which has been in their hands for more than one month."

AN HON. MEMBER: Inaudible.

MR. AYLWARD: "Perhaps he should be asking why it is taking so long to release the report to the House, the fishermen and the public?"

Now, Mr. Speaker, the point I am making is; at that particular time the committee had not in fact made its report to the government. The point of privilege is; that in my submission to the House of Assembly on April 9, I urged the committee to file its report.

The "Evening Telegram" says that the committee had reported that I knew they had reported and what I should be doing was urging the government to make public the report."

The point of privilege is, Mr. Speaker, that what I said was that I was asking the committee to report. When I spoke here the committee had not reported. The committee reported subsequently. I now understand that the report is in the hands of the government. But at the time when I spoke here, this report was not made.

So, I feel, Mr. Speaker, this is certainly a gross misrepresentation of the statement that I made here because what I was asking for was that the committee would report, and at that time it had not reported. I understand from the minister, speaking with him today, that it reported some four or five days after I made that submission in the House.

I would like -

AN HON. MEMBER: Inaudible.

MR. AYLWARD: No, no, I do not want any snide remarks from the Leader of the Opposition, I take this matter to be of a serious nature. I would like my position to be made public. I am not looking for anything other than letting the people I represent understand where I stood on this matter.

MR. ROBERTS: If I may say a word to the point of privilege. I think the Editor of the "Evening Telegram" should be had before the Bar of this House and arraigned somewhat because he made a statement which apparently is callously inaccurate. "That this report of the committee headed by Dr. Templeman was in the hands of the minister or the ministry generally two or three weeks before the Member for Placentia East spoke." This is a terrible thing, Sir. The privileges of this House are deeply affected and I think the Editor should be dragged before the Bar, physically if need be, Sir, and if the Editor cannot do this, I think we should go back to the old custom of hanging, drawing and quartering. I do not know if that would be serious enough, Sir, for this gross breach of our privileges.

I submit, Sir, with all respect to the honourable gentleman, he has not made a breach of the privilege of the House or even of his own.

At best, it is a difference of opinion between him and the Editor of the "Telegram". I am quite prepared to accept the honourable gentleman's word over that to the Editor of the "Telegram". I have no doubt there but I do not know why the House has been put to twenty minutes of listening to the honourable gentleman read his correspondence, as interesting as that may be to some.

MR. AYLWARD: Mr. Speaker, to that particular point made by the Leader of the Opposition. The only point I am making is this, Mr. Speaker, I am not concerned about the government -

MR. SPEAKER: Order, please!

MR. AYLWARD: - at this point. What I am concerned about is the submission I made to the House of Assembly respecting the fishermen in Placentia Bay. That was in error. I stood not on a point of privilege on behalf of the government, I stood on a point of privilege with respect to reports of what I said in the House, which was in error. That may be of no interest at all to the Leader of the Opposition but it concerns me.

MR. SPEAKER: Order, please!

We have gone for considerable time with the point of privilege raised by the honourable member. I feel that since he made no recommendation or motion for any action to be taken, it was a matter of clarifying a point made earlier and we should probably let the matter drop at that.

MINISTERIAL STATEMENTS

MR. SPEAKER: The Hon. Minister of Education.

HON. G. R. OTTENHEIMER (MINISTER OF EDUCATION): Thank you.

Mr. Speaker, I wish to remind members of the Legislature and indeed the general public that the school board elections throughout the province will be held tomorrow. This, of course, is not the first time that school board members have been elected in many areas. There have been elections going on for some time, informal, but nonetheless on a valid basis. But now, of course, the legislation requires that at least one-third be elected and for the first time that will be operative tomorrow.

I would like to point out, in case there is any confusion, the

eligibility regulations with respect to voting: A person must be nineteen years of age or older, obviously; a Canadian citizen or a British subject and have children either attending the school in the area or lives in an area in which there is a school to which his children would go, if in fact he or she had school-age children.

I should point out as well, because I think there is some confusion in this, that being in arrears in payment of school taxes or assessments is not a bar to voting in a school board election. I repeat that; that whether a person be in arrears or not in school taxes or school assessments this does not in any way affect his right to vote.

I would point out as well in certain areas, certain school boards where voting cards were to be mailed out, this has been interfered with because of the mail strike. In those areas and indeed in any areas, if a person is inadvertently left off the school board voting list, a person may still vote by going to the appropriate place and either being sworn in or making a declaratory affirmation.

Finally I would urge as many people as possible throughout the province to exercise their franchise in the school board elections.

Mr. Speaker, I do not know if there be anyone who would wish to comment. I would also like to make a statement on behalf of the Minister of Social Services.

I am pleased to announce an increase in foster home

rates with effect from April 1. The increase will apply as follows: Children up to six years of age, the increase will be from fifty four dollars to sixty-two dollars per month: For children from six to twelve years of age the increase will be from sixty-two to seventy-two dollars per month: For children from twelve to sixteen years of age the increase will be from seventy dollars to eighty dollars per month: For children over sixteen years of age the increase will be from seventy-six dollars to eight-eight dollars per month.

In addition to these increases, the department will also pay a special clothing allowance of seventy-five dollars a year for children from five to twelve and one hundred dollars a year for children over twelve. Now it should be noted that this special clothing allowance is over and above and distinct from money provided for clothing and regular foster home rates.

I also wish to announce an increase in the rates for children living with relatives who presently receive social assistance at thirty-five dollars a month per child. Effective April 1, past, these children will be assisted under the Child Welfare Allowance Programme, as follows: Children up to six, forty dollars per month; from six to twelve, fifty dollars per month; Children over twelve sixty dollars a month. It will be of interest to note that these increases will apply to over 2,000 foster children and the total cost will be approximately \$245,000 during the fiscal year, cost-shareable under the Canada Assistance Plan.

It should also be noted that the new family allowances increases which came into effect on January 1 and they are paid by the Government of Canada, apply at the rate, of course, of twenty dollars per month per child. Government hopes that these increases will make it easier financially for people to care for foster children.

I have copies here for requests and to be tabled and for the opposition.

MR. SPEAKER: The honourable member for Bell Island.

MR. S. NEARY: Mr. Speaker, I am rather glad that the minister and the government took the gentle hint that I gave them a couple of weeks ago. I think one of the first duties that the Minister had as acting Minister of Social Services was to get me some information concerning the foster home rates. I imagine when the minister and his staff reviewed the rates that they came to the conclusion that they were too low.

The rates are still too low, Sir, in my opinion. The government has not gone far enough. It is a step in the right direction. The rates are still low, Sir, compared to what they are in other provinces of Canada and compared to what is needed to look after these children, Mr. Speaker. As far as I am concerned, Sir, there is no more dedicated people in Newfoundland than the parents who run these foster homes.

Sometimes they have to dig down in their own pockets to take out a few dollars to look after these children. Now it was not quite clear what the minister said about the family allowance. My understanding is that the family allowance is held in trust in the Department of Social Services on behalf of the foster children and on special occasions like birthdays and things like that, Christmas and Easter, some of the money is taken to buy gifts for the children.

MR. MARSHALL: On a point of order, Mr. Speaker, because I think this should be clarified. The honourable member for Bell Island is really making a debate on a ministerial statement and he is out of order. I refer to Beauchesne, page 84, Clause 91, "When a minister makes a statement on government policy or ministerial administration, either under routine proceedings between two orders of the day or shortly before the adjournment of the House, it is now firmly established that the Leader of the Opposition or the Chiefs of recognized groups are entitled to ask explanations and make a few remarks, but no debate is then allowed under any Standing Order."

Now, the honourable the member for Bell Island is not the Leader of the Opposition, the Chief of any recognized groups. We have been allowing statements to be made on behalf of the opposition, brief ones,

but he is entering into, Your Honour, a debate and no debate is allowed and I think this is accepted. I think it is getting out of hand. That is why I am rising on a point of order.

MR. ROBERTS: If I may, Your Honour, I quite agree that the gentleman from St. John's East is right in saying there is no debate allowed and that is a matter of opinion, on the facts of any given situation, whether or not there was a debate. I do not think my colleague was entering into a debate. The gentleman from St. John's East differs. Your Honour will come to whatever conclusion Your Honour feels is warranted on what has been said back and forth.

The other point I think is not quite as clear. The practice in Ottawa is not as Beauchesne, and Beauchesne is, Your Honour, is aware, but a reference should the practice not be clear. Our Standing Orders say that where our practice or our rules are silent, our first recourse is to our rules, the second recourse is to our practice and precedents, the third recourse is to Ottawa's rules and Ottawa's practice and then Beauchesne follows on.

Beauchesne was done some considerable time ago. About twenty years ago, I would think the fourth edition of Beauchesne was written. The practice since then has changed considerably and in Ottawa now, the Chief of the Party or the Chief of the recognized group speaks or a spokesman for the group. I submit that is our practice here. It should be our practice here and my colleague from Bell Island was not speaking on anything except the matter of making a few remarks by way of response to a ministerial statement. In so doing he was speaking for those of us in the opposition and occupying the same place and exercising the same privileges and enjoying the same rights, I am sorry, exercising the same rights and enjoying the same privileges as if I had spoken as Leader of the Opposition.

I think that is the point that should be established. The other point as to whether or not he was entering a debate, I submit that he was not but that is a matter for Your Honour to judge on the facts of what has been said back and forth.

MR. CROSSIE: On a point of order, if he want to make this submission, that there is no long established practice in this House that anyone other than the Leader of the Opposition speak in response to ministerial statements or leaders of groups: The member for Bell Island may be the leader of a group but in the Liberal Party, I do not know. He is not the Leader of the Opposition. As a matter of fact, in the year 1970-71, a fierce battle was fought here for the Leader of the Opposition or for leaders of recognized groups to be allowed to comment at all on the ministerial statements. It was then made very clear, when that right was finally established, that one could only ask questions. So there is no practice of long standing in this House, (1) that the Leader of the Opposition even be allowed to say a word. That was not the practice till 1970 or 1971. (2) It was clearly then not to practice for anyone other than he or the leader of a recognized group to be allowed to say a word in response to ministerial statements.

There is no practice in this House, and the rule in Beauchesne is the one that has always been applied here.

MR. ROBERTS: Mr. Speaker, if I could make a brief reference to that and I am quite familiar with the events of 1970 and 1971 but the practice since Your Honour sat in the Chair, and this is the third session with Your Honour, the fourth but the third in this general Assembly, I think has been quite clear and I submit it is the right practice. I did not say there was a practice of long standing in this House nor should I have said that because that would not be accurate. The practice had begun, started in 1970-71, has gone on since then. I think it is a point worth ruling. Your Honour may wish to rule now. Your Honour may wish to consider the matter and research it further. I think it is a point well worth ruling upon because we do not speak by matter of leave. Either we speak by right as established in the practice of the House or we prefer, Sir, not to speak at all in this House but to speak outside. We do not speak on this matter by leave.

MR. SPEAKER: Well, since I have occupied this position, there has been some leeway given with regards to members of the opposition replying to ministerial statements. However, on this particular occasion I feel that the honourable member for Bell Island was leading to somewhat of a debate on this particular statement and I am sure that if he has any questions he would like to have clarified, then maybe now or during the question period he could get the answers from the honourable Minister of Education. I suggest that as he continues that he confine his remarks to questions of clarification.

MR. NEARY: As a matter of fact when I was so rudely interrupted, Sir, by the honourable member for St. John's East, I was about to put a question to the acting Minister of Social Services and ask him if he meant that now the twenty dollar family allowance is going to be used to offset the cost of maintaining these children in the foster homes or would it still be held in trust in the Department of Social Services as had been the custom in the past and used to buy the children special clothes or school books or give them a present at Easter or at Christmas time or on their birthday? I got the impression from the minister and I do not know, maybe I am wrong, that the money was going to be applied towards the cost of maintaining the child in the foster home.

However, Sir, it is a step in the right direction and as the minister indicated, fifty per cent of the cost is being paid by the Government of Canada. So in actual fact the cost of the Province is going to be around \$115,000 or \$120,000 and I hope, Sir, that the foster home rates will be reviewed periodically from now on. Would the minister care to clarify that family allowance thing?

MR. SPEAKER: Does the minister care to clarify that now or during the question period?

MR. OTTENHEIMER: Well, I can do it now and dispose of it.

The system whereby family allowance was held in trust for the use of the foster child, in special cases and in special needs, has not in fact changed, nor do I think that it should.

MOTIONS:

HON. J. C. ROUSSFAU (MINISTER OF MANPOWER AND INDUSTRIAL RELATIONS): I give notice that I will on tomorrow ask leave to introduce a bill, "An Act Respecting The Barbers and Hairdressers Shop Closing Act."

Answers to Questions for which notice has been given.

Oral Questions:

MR. S. A. NEARY: Mr. Speaker, the Hon. Premier is like a jack-in-the-box again today. He could not stay in his seat any longer than -

MR. SPEAKER: Order, please!

MR. NEARY: - three or four minutes.

MR. SPEAKER: Order, please!

MR. NEARY: Sir, I have a number of questions to put to the Premier and the Premier is not in his seat. Would the honourable House Leader indicate whether the Hon. Premier is coming back or has he spent all of the time he is going to spend in the House this afternoon?

HON. W. W. MARSHALL (MINISTER WITHOUT PORTFOLIO): Inaudible.

MR. NEARY: Well, Sir, I will put a question. While I am waiting to see if the Premier is coming back to his seat, I will put a question to the Minister of Education. Would the Minister of Education tell us what is going on out in Stephenville with a substantial number of instructors being laid off or fired or their services terminated, at the upgrading school in Stephenville? Just what is happening? Just what is going on out there in Stephenville?

MR. SPEAKER: The Hon. Minister of Education.

MR. OTTENHEIMER: Mr. Speaker, at Stephenville there is a federal programme, a federal Manpower programme, BTSD, Basic Training For Skills Development, to which each year the federal government makes available a certain amount of funds. For the next academic year or for the next year, the Federal Department of Manpower is making less funds available for that programme than it had previously. This will in all probability require some of the instructors in that area, in that basic training for

skills development area, that there will be no students, you know, for them to teach because there will be less BTSD students there, because there is less money under the Federal Manpower programme. Being less money and less students there will not be a need for the same number of teachers.

Any teachers whose services are no longer required, indeed whose services cannot be utilized because there will be less students, with less federal money available, will be given the first option on any other vacancies within the vocational school system. There will be vacancies occurring in different areas and they will be given, obviously, first choice in those areas.

MR. NEARY: Mr. Speaker, a supplementary question. Would the Minister of Education indicate to the House just how drastic this reduction in Federal Manpower Allowance is going to be? Is it going to be a twenty per cent reduction? A fifty per cent reduction? How much is it going to be? And if it is going to affect the other vocational schools and the College of Fisheries and the Technology College? Will it affect the programmes that are being carried on in these schools?

MR. OTTENHEIMER: Mr. Speaker, it will probably have some affect in other areas where BTSD programmes are on as well. With respect to the actual amount less that the Federal Department of Manpower is making available under this programme - I wish to be totally accurate because here I am giving a figure - I wish to be accurate anyway but a figure of another government, and what I would do therefore is take it as notice so that I can check. (My memory may not be correct in this) and give the actual amount or percentage tomorrow.

MR. NEARY: Well, Mr. Speaker, a supplementary: Would the minister indicate then if it will be necessary to run night courses in the school with this cutback? I do not know how serious the cutback is going to be but, obviously, there will be a reduction in the number of students in all of the schools. Will it be necessary now to run these night courses here at the College of Trades and in the other vocational schools that the minister had planned?

MR. OTTENHEIMER: Mr. Speaker, the reduction in students that we are speaking about now is in the BTSD area, not in -

MR. NEARY: What is that?

MR. OTTENHEIMER: Basic Training for Skills Development.

MR. NEARY: Inaudible.

MR. OTTENHEIMER: It is a Federal Manpower programme whereby students come in for a period usually no longer than one year. It can vary in time for a few months to a year, depending upon their progress. This is a federal programme whereby - actually what it is, it is an upgrading courses under the Federal Manpower plan.

The idea behind it is; after people have completed certain level of upgrading they may then go on and take training in a particular trade. Now in this area, let us say, upgrading programmes administered by and financed by the Federal Department of Manpower, a certain amount of less funds are going to be available next year than were available last year. This will mean less students obviously and a certain number of less teachers. This, I do not envision that this is going to affect the trade courses in any way nor do I think it will materially affect the need for what we call an extended day and that is using these facilities during longer periods, because the big problem there was never this upgrading but was with the shops, the workshops and the areas in which the trade instruction is given.

MR. NEARY: Mr. Speaker, another supplementary question. Does the minister mean then that there will be cutbacks only at Stephenville, Carbonear and Bell Island, because these are the only places where they have adult upgrading centres, as far as I know? Will it be in these three schools? If so, would the minister indicate why this cutback is being implemented at the present time? Does it mean that the need now is not as great as it was or is it just an economic measures? Could the minister indicate why it is being done at this particular time? I appreciate the fact that the minister cleared up that matter of trades training because it does not involve, but what about apprenticeship training? Will there be a cutback in the apprenticeship training programme? Would the minister indicate to the House the answers to

some of these questions?

MR. OTTENHEIMER: Mr. Speaker, I do not envision any affect on apprenticeship or trades programme here. In answer to the honourable gentleman's question as to why the cutback. Well I cannot speak for the Federal Department of Manpower, it is their money, it is their programme. They use our facilities, purchase places, and they do this in every province. They purchase so many places for so many students in this upgrading programme. But now they have determined that there will be a cut of a certain percentage in that programme. I prefer not to give the exact percentage until I am sure that I am totally accurate.

But it is a decision upon which the government have been in touch with the Federal Department of Manpower, pointing out that we do not agree with it and we do not think it is an opportune time to require these cutbacks in the upgrading programme, but to date that is their policy.

MR. NEARY: Mr. Speaker, a supplementary question. Is the minister saying then that the Government of Canada have given no reason for this cutback? Because I asked the minister and he said, "He did not know why." That seems to be most unusual. Did not the Government of Canada give a reason? Is it an economic measure? Is it because the need is not there? Could the minister indicate if there is a need there? This matter is quite serious, Mr. Speaker, and I know I am asking a few questions on it but I think it is important enough for the minister to make a ministerial statement.

MR. OTTENHEIMER: I would presume that the federal government reason, as I understand it, is to economize, is to put more stringent limit on the amount of money made available. It is my opinion and indeed the government's opinion that this is not a wise move and that the upgrading programme should not be affected in this way and should continue and that there should not be any withdrawal or there should not be any cutback in the upgrading programme. It is our opinion that it should continue without any cutback.

MR. NEARY: Mr. Speaker, the minister still has not indicated to me or to the House what is the reason behind this. Could the minister find out what the reason is? It is quite a serious matter.

MR. OTTENPEIMER: The only reason the federal government have given is that they wish more control upon their funds under the Manpower Training Programme - therefore have stated that a certain amount only will be available next year. That amount is somewhat less than was available last year. They have done this for what in their opinion, are economic reasons. In this government's opinion, it is not a good move.

MR. NEARY: Well then would the minister indicate if his department of if the province will pick up the slack? I mean the minister has admitted that there is still a desperate need for upgrading. Has the minister made any representation to his colleagues in cabinet to pick up the slack, to keep this programme going, which is so badly needed? Are we just going to let it die? What is the situation on that?

MR. OTTENHEIMER: Mr. Speaker, obviously the Provincial Government cannot continue to develop the federal upgrading programme, which is an extremely expensive one and under which there are manpower allowances paid. The allowances paid to the federal manpower upgrading students are extremely generous and in some cases \$4,000, \$5,000 and \$5,000 plus per year. The federally financed and sponsored upgrading programmes could not be continued by the province. Certainly, we do hope to continue and to develop where possible basic adult education programmes which hopefully serve the same purpose.

MR. NEARY: Mr. Speaker, I hope the minister will clear up this matter by making a ministerial statement in the next day or two. It is a very serious matter, Sir.

I would like to direct a question to the Minister of Finance. Would the minister indicate to the House if he has met with the officers of the St. John's Fire Fighters' Association, Local 1075, IAFF, and what the results of these meetings are and when these people can expect an answer from the minister?

MR. CROSBIE: Mr. Speaker, since I saw the gentlemen mentioned by the honourable member opposite here a few minutes ago, I assume that he already knows the answer to the question. The men he refers to are officers of the Firemen's Union. I cannot remember the exact name now. They dropped in to see me this morning. The government have certainly not given any answer and it is not likely that there will be any answer for sometime yet in the matter of such moment. The matter upon which they dropped in to see me was to ask whether the government

would agree to open up the two year wage and collective bargaining agreement that had been entered into with them last year, (I think that agreement expires at the end of March, 1975.) to open up on the matter of salaries. Obviously, there has been no decision by the government nor would there likely be for several weeks at least yet.

MR. NEARY: Mr. Speaker, a question for the Minister of Justice. Would the Minister of Justice indicate if there are any new developments on the province taking over the federal fire station down here at Pleasantville? What will become of the employees in that fire station? Have there been any new developments in the last couple of weeks?

MR. HICKMAN: No new developments, Mr. Speaker.

MR. NEARY: Does the minister have any idea when the transfer will take place? Will it be within the next month, two months, three months, six months? These men down there are on tender hooks. They want to know the answers.

MR. HICKMAN: Mr. Speaker, the men down there are no more on tender hooks than is the Provincial Government. Regrettably the Government of Canada, in that particular field, does not seem to believe in consultation. They went straight to the men, met with them and indicated that they were thinking of a change and then came to see my deputy minister and asked him what the views of government would be, which is a rather unusual way to approach it. He made it very clear that we were not very happy, nor were we, with the proposal. The officials went back to report to their senior people within the department and we have not heard anything since, not a word. There has been absolutely no consultation other than a very abrupt meeting without notice to tell us what they had in mind.

They did indicate (I have to give this second hand) to the deputy minister that they had told the men in the Pepperrell Fire Station that if and when there was a change, their position would be protected. They did not see fit to tell us.

MR. NEARY: Mr. Speaker, a question for the Hon. Premier. I could not think of a more appropriate day to ask it, Sir, than today, we have so many representatives from Harbour Grace here. Would the

Premier indicate if he has had any representation from Ocean Harvesters, a plant which the Hon. Premier is familiar with in Harbour Grace, to get their production up in that plant? Has there been any representation? Does the government intend to provide any assistance to Ocean Harvesters to increase their production in that plant and to make it a year-round operation?

MR. MOORES: Which question would the honourable member like me to answer Mr. Speaker?

MR. NEARY: Answer whichever one he wants.

MR. MOORES: Well there are different answers to them all. The fact is that we have had representation as all the plants on the Northeast Coast are of concern to the government, we want to do something to assist all and not any individual plant. This is the objective of the government.

MR. NEARY: Would the Premier indicate if anything will be done this year to help to increase the production at Ocean Harvesters Fish Plant there in Harbour Grace?

MR. MOORES: As far as the government is concerned, Mr. Speaker, there is virtually nothing that the government can do to increase the production at Harbour Grace, unless the Hon. Member for Bell Island wants to go fishing in the deep water as opposed to the House of Assembly.

MR. NEARY: Mr. Speaker, we run up against a road block all the time. Sir, I am quite sincere.

MR. SPEAKER: Order please!

MR. NEARY: Mr. Speaker, I wonder if the Premier would indicate to the House if it is the intention of the government to table the feasibility reports that have been done on the Lower Churchill, especially with regard to transmitting power to the Island of Newfoundland? Will these reports be tabled in the House? They were referred to in the Minister of Finance's speech and the Premier referred to them several times publicly outside the House. We would like to know if they are going to be tabled.

MR. MOORES: They have been tabled fairly generally now, Mr. Speaker, to those who want the technical information that is in them. We have not considered tabling them in the House but it is certainly something that we can give consideration to.

MR. NEARY: Mr. Speaker, I wonder if the Hon. Premier could indicate to the House if there are any new developments on the proposed new fish plant for Burgeo?

MR. MOORES: With all due respect, Mr. Speaker, the Minister of Industrial Development has met with the Hon. Don Jamieson on this matter several times and I think the thing is proceeding, but with the action of Ottawa, unfortunately, slowly.

MR. NEARY: Mr. Speaker, I wonder if the Minister of Manpower and Industrial Relations could tell us what is happening over at the Health Science Complex? Has the wildcat or illegal strike been straightened out yet? Is it all over?

AN HON. MEMBER: Yes.

MR. NEARY: Good. I am glad to hear it.

CAPT. WINSOR: Mr. Speaker, may I direct a question to the Hon. Minister of Transportation, when he gets back to his seat. I am sorry to have to bring the honourable minister back.

Can the Minister of Transportation and Communications confirm that the subsidy for air travel to Change Island has been discontinued?

MR. HICKEY: Mr. Speaker, I was just about to talk to my deputy minister about the same matter. If the honourable gentleman would delay that question somewhat, I would be able to confirm or deny it.

MR. SPEAKER: Before we continue with the question period, it has just been brought to my attention that we have in the galleries, from the Local Improvement District of Gambo, Dark Cove, Middle Brook, the mayor, Mr. Harold Paul, and two councillors.

I would certainly like to welcome these gentlemen to the galleries today.

MR. THOMS: Mr. Speaker, I would like to direct a question to the Minister of Tourism. I wonder could the minister inform this honourable House if applications for moose and caribou licences are available. If they are not available, when does he expect to have them available?

MR. DOYLE: Mr. Speaker, as I mentioned in the statement I made on April 5, the applications will be available from May 4 to June 14.

MR. THOMS: I take it that they are available now.

MR. DOYLE: No. I just said that they would be available from May 4 to June 14.

MR. MARTIN: Mr. Speaker, I have a question I wish to direct to the Hon.

the Minister of Justice. I wonder if he could tell the House when we might expect to have the report of the Labrador Royal Commission?

HON. T.A. HICKMAN (MINISTER OF JUSTICE): The report, Mr. Speaker, is quite voluminous. It is either five or six volumes.

AN HONOURABLE MEMBER. Is it going to be censured?

MR. HICKMAN: No, it will not be censured. The government felt it would be very appropriate that with the tabling of the report there be attached to it a summary of the six volumes.

I understand that the officials who have been assigned this task are getting close to completion of their summary. The very minute that summary is completed the six volumes in totality will be tabled in this House.

ORDERS OF THE DAY:

MR. NEARY: Mr. Speaker, I meant to ask - I will ask the Premier, he is as good as any, in a good mood today - what about this report now to a special committee on the tanker route to Placentia Bay. When is it going to be released? Is it going to be tabled? Perhaps the Minister of Fisheries would care to answer?

MR. H. COLLINS (MINISTER OF FISHERIES): Yes, Mr. Speaker, we received the report on April 15, which was last Monday. It is now under study by the government. Just as soon as that study is completed it will be tabled; pretty soon.

MR. NEARY: Mr. Speaker, I wonder if the minister could tell us if there are going to be any pages taken out of it.

MR. COLLINS: No.

MR. NEARY: No.

On motion of the hon. the Minister of Justice, a bill, "An Act Respecting A Provincial Court," read a first time, ordered read a second time on tomorrow.

On motion of the hon. the Minister of Mines and Energy, a bill, "An Act Further To Amend The Crown Land (Mines and Quarries) Act," read a first time, ordered read a second time on tomorrow.

On motion of the hon. the Minister of Finance, a bill, "An Act To Amend The Financial Administration Act," read a first time,

ordered read a second time on tomorrow.

On motion of the hon. the Minister of Finance, a bill, "An Act Further To Amend The Newfoundland Municipal Financing Corporation Act," read a first time, ordered read a second time on tomorrow.

HON. W.W. MARSHALL (MINISTER WITHOUT PORTFOLIO): Before calling the remaining orders of business, Mr. Speaker, I think it might be beneficial to inform the house in keeping with the government's continuing policy of co-operation with the opposition and full information to everyone, the opposition, the press and the general public, the general plan in the next few weeks is we will be meeting afternoons and nights on Mondays, Tuesdays and Thursdays and we will be meeting in the mornings on Friday and in the afternoons. In other words, we will have five or six hours, good hours of legislative deliberations. I do not think anyone can object to having to work five or six hours a day.

So, after that, Mr. Speaker, I move that we move the order to Committee of Supply.

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

COMMITTEE OF SUPPLY:

MR. CHAIRMAN: Order! Shall 401-01 carried? .

MR. NEARY: No, Mr. Chairman.

HON. J.C. CROSBIE (MINISTER OF FINANCE): Mr. Chairman, this is a very important item in the estimates. There were several questions asked by honourable gentlemen opposite, Mr. Speaker. In the eleven hours of discussion, of which about nine have been on this item, there have been two or three questions asked by honourable gentlemen opposite. The rest of their comments of course have been comments and an attempt to have some kind of a Budget Speech on the estimates, never before done in this or any other House. As long as they want to do it, of course, I am ready, willing and I hope able to accommodate them.

Now, I have answers to the two or three questions they have asked. One questions asked by the Leader of the Opposition was about the tabling of the published accounts of Crown Agencies. Now,

the Auditor General's report and the public accounts were tabled a number of weeks ago. The published accounts for certain Crown Agencies are still in the hands of the Auditor General. However, I was told Friday that they should be available to us for printing not later than Friday, April 26. There are ten statements in the hands of the Auditor General that he has not finished with, Public Libraries Board, Fisheries Loan Board and the Newfoundland and Labrador Housing Corporation and so on.

So, as soon as they are received the statements will be printed.

Pardon?

MR. ROBERTS: Inaudible.

MR. CROSBIE: Well, I suppose one could get Xerox copies. The printing will not take long once the - presumably the other statements are already printed. We are just waiting for these that have not come in yet. Anyway we will do everything we can to accommodate.

There are four agencies that we have not had their statements audited or there is some problem in connection with them or their outside accountants. Well, we will go ahead with the ones that are ready at the end of the week. The other four will have to follow in due course as they are presented.

It is Newfoundland Fisheries Development Authority, Board of Commissions of Public Utilities, Marystown Shipyard and Newfoundland Steel Company Limited. Now, Newfoundland Steel Company Limited for example is wound up and there is a delay because it will be their final statement. The other three may be either the outside auditors or the summaries. As soon as they come into hand, they will be tabled.

There is another question asked by the Leader of Opposition as to the bond issues that we had last year, what were the discounts paid on the bond issues that we had last year. There were discounts paid on two issues. Series G6, Deutschemark, \$100 million, \$100 million Deutschemark issue. The coupon is six and a half per cent. It was sold at ninety nine and one half. The discount of one half of one per cent amounted to Deutschemark 500,000 or Canadian \$176,597.50.

The second issue that had a discount was series 4m, U.S.; \$40 million. Coupon was eight and a-half per cent. It was sold at ninety-nine and one-half. Discount of one-half of one per cent amounted to U.S., \$200,000 and about the same in Canadian. Total discounts for the last financial year is therefore \$376,597.50.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Oh no, these were sold on the par all right.

There is a question asked by the member for Hermitage on the Northern allowance, the allowance paid in Labrador. That was regularized and improved and expanded upon last year. That allowance is \$1,200 to a person who is married and works with the government or teaches or whatever in Labrador or if the employee is single then the allowance is \$500. If there are two married persons, both of whom work for the government or both of whom are teachers or both, anyway, paid out of government funds, they receive \$600 each. This is not an anomaly. There is nothing anomalous about it. The maximum allowance is \$1,200 for married persons and therefore if they both work with the government they get \$600 each or they both are paid from the public treasury and the total is \$1,200.

MR. NEARY: Mr. Chairman, I have to get my shot away early today because unlike the Minister of Finance, Sir, I have to travel with the peasants. The minister will be travelling to Grand Falls tomorrow morning by government executive aircraft, no doubt, to appear on an open-line programme to defend his tax increases. I have to go out this afternoon, Sir, so I may as well get my shot away early.

AN HONOURABLE MEMBER: He will take the honourable member with him.

MR. NEARY: Now, Sir, on Thursday and Friday in this honourable House, we threw out to the Minister of Finance, Mr. Chairman, with what I consider to be a couple of positive, constructive suggestions. The minister in his reply to the suggestions and the comments that were made from this honourable side of the House, Sir, decided to treat the matter rather lightly, make a joke out of it, rather frivolous about the whole thing. He thought that some of the suggestions that we had made were childish.

Well, Sir, I want to tell the Minister of Finance that the suggestions and the recommendations and the ideas that were put forth from this honourable side of the House were made in good faith, were made in the interest of the welfare of the people of this Province. If the minister, Sir, wants to treat these matters lightly, well then that is his prerogative, Mr. Chairman. We were quite sincere when we recommended to the minister, for instance, that he reverse his decision

to increase the retail sales tax by one per cent and use the extra \$9 million that the minister will get from Ottawa this year in additional equalization grants, I might add was unexpected; the minister did not expect to get that, Sir, when the minister was drawing up his budget, Mr. Chairman, for this year, that \$9 million was not taken into account. The estimates were just about complete when Ottawa dropped a plum right down in the minister's lap of \$9 million, as a result of the tax imposed on western oil.

MR. CROSBIE: On a point of order, Mr. Chairman. Is the rule of relevancy and the rule against needless and unnecessary repetition going to be enforced or not? Because this point and this argument have been advanced now by the member for Bell Island, I would say, on at least three occasions and dealt with by me, each time in committee, on at least three occasions. This is a perversion of the whole process of the estimates. The presentation of the estimates to the House are for questions to be asked, information to be sought about the estimates and the spending programme of the government.

There is a budget speech on which general matters to do with the budget and government policy generally can be spoken to by all members of the House, non-confidence motions moved and replied to by the Minister of Finance. What is going on now is not a mini, it is certainly not mini but a maxi budget speech on the first item, the minister's salary in the Department of Finance.

Now, on the first item in the department, the administration of the department generally can be discussed but this constant review of the position generally on the budget is not a review of the administration of the Department of Finance at all. It is a review of all activities of government in which spending is involved and it is a complete misuse of this Committee of Supply. Therefore, I would like to have a ruling on whether this is going to be permitted to continue and whether repetition after repetition and needless repetition after needless repetition of points and arguments are going to be permitted in the committee. Because, Mr. Chairman, there is a certain time allotted in the rules, of seventy-five hours for estimates, which is plenty of time for every estimate to be covered in detail if the opposition wish to. What we have seen now

is eleven hours so far of an attempt of theirs to ignore the whole proper procedure in the committee and to go with the same arguments, over and over again attempting to debate the whole budget.

MR. NEARY: On that point of order, Mr. Chairman. In my opinion, Sir, and the opinion of members of this side of the House, that was not a valid point of order. Sir, it was not. The minister, obviously, is supersensitive today. We have seventy-five hours in which to debate the estimates, Sir, and we can use, we on this side of the House or on the government benches for that matter, can use that seventy-five hours whatever way we see fit. If we want to spend seventy-five hours debating the minister's salary and we are permitted, Mr. Chairman, according to the tradition of this House to make general comments, to have a wide ranging debate when you get to the minister's salary, Sir, on matters affecting that department. I would submit, Mr. Chairman, that there is no point of order and that the Minister of Finance is just trying to choke off the debate. Obviously, we are getting to him, Sir.

MR. CHAIRMAN (Stagg): Again, this is the same matter which was brought up on Friday, when the Leader of the Opposition was speaking, and the same ruling has to be made at this time, that this particular Chairman does not have the power of recall or the power to remember whether or not honourable members are indeed being that repetitious. So, if that point of order is to be raised and sustained, it would necessitate adjournment practically as often as honourable members wish to bring it up. So, consequently, I consider the point is well taken and I do believe that I have heard the honourable member mention these points before during the debate, but the actual times or the manner in which he approached at that time escapes me for the moment.

Honourable members are asked to be relevant at all times. The particular head we which we are now, the minister's salary, the Minister of Finance, the debate has been wide-ranging on it and indeed today does not seem to be any different from any other.

Honourable members have the seventy-five hour limit. Within the bounds of relevancy and the powers of the Chairman to recall, the debate

will continue. At the present time I think the honourable member is in order.

MR. NEARY: Thank you very much, Mr. Chairman! As a matter of fact, what I was saying, Your Honour, was really new. If the Minister of Finance had been following what I was saying, this was something new Sir. Over the weekend I had an opportunity to think about this, that the minister treats everything rather lightly in this honourable House. What I am suggesting to the Minister of Finance, Sir, is that the recommendations, the suggestions and the ideas that have been put forth in this debate from this side of the House were genuinely brought forward in the interest of the welfare of the people of this Province. If the Minister of Finance, Sir, wish to treat the suggestions lightly that is his prerogative. There is nothing I can do about that, Mr. Chairman.

I think the minister is wrong in treating any matters that are raised in this House in a lighter vein and poking fun at them, saying that they are childish. I think the minister is wrong, Sir, but there is not much I can do about that, Mr. Chairman. That is the minister's prerogative.

I was using an illustration to bear out my point, Sir, that out of the \$28.2 additional million that will come from Ottawa this year, that the Minister of Finance could have taken \$9 million and used it to offset the increase in the retail sales tax. There is no question about that, Mr. Chairman.

The minister has not answered that. The minister has not given this House a valid reason why that could not have been done, because as I started to point out when I was interrupted by the Minister of Finance, Sir,

that \$9 million was totally unexpected by the minister and the government because up to the time the estimates were drawn up for each department, the province did not know if they were going to get one penny from Ottawa. They did not know as a matter of fact until the Minister of Justice went up a couple of weeks ago that the province stood to gain this year an unexpected amount of anywhere from \$9 million to \$12 million. The total additional money coming from Ottawa this year would be \$28.2 million.

The question I am asking, Mr. Chairman, and until I get a satisfactory answer I am going to keep asking it, why did not the Minister of Finance use that \$9 million? He is only going to get \$10 million from the one cent increase in the sales tax, why did he not use that to offset an increase in taxes, to hold the line on taxes or even, Sir, to reduce the tax on gasoline and heating oil in this province as they are doing in all the other provinces of Canada? Or does, Mr. Chairman, does the Minister of Finance, in he budgeting, does he expect to have a surplus again this year as he did last year? We are getting right back now, Mr. Chairman, to where we were in Commission of Government days, when they were thrown out of Newfoundland, after Confederation, they had a surplus of \$40 million. The Minister of Finance here in this province this year, this fiscal year that just ended, 1973-74, had a surplus of \$14 million, and yet he transferred it over to capital accounts, Sir, to put up buildings or to buy an executive jet aircraft for the pleasure of the ministers, for jetting around the province.

AN HON. MEMBER: A jet?

MR. NEARY: I do not know if it is a jet. What is it called? a turbo jet? What is it? What kind of an aircraft? It is a beach craft of some kind. I am sure, Mr. Chairman, it was not the one that the Wright brothers came over in. They have got everything in it, Mr. Chairman, but stewardesses with hot pants, and they will have

that pretty soon, With all the extravagance and the waste that is in this budget, Sir, I would not be a bit surprised before the year is over they will have another aircraft. You talk about streaking, if you want to see the streaking get aboard the government aircraft.

So, Mr. Chairman, there is no reason, I have not heard the minister give a single reason why this could not have been done. It is most unusual, Sir, most unusual for a government to take money out of current account and transfer it over to capital account. It is unheard of. Because, Mr. Chairman, you can borrow money on capital account and you can pay it off over a period of ten, fifteen, twenty years and the only reason the minister gave for transferring that \$14 million over was that it would cut down the province's borrowing by \$14 million. I say to that, Mr. Chairman, so what? Our direct and indirect debt at the present time is about \$1,400,000,000 and the minister is worried about tacking another \$14 million onto it, which is the normal way for doing things in capital account anyway, Sir. He did not do it, typical, typical Toryism, Sir, typical! You use a surplus in your current account; you carry it over to next year to try and offset an increase in taxes or to reduce taxes if possible.

Now, Sir, sometime ago the Minister of Finance in this honourable House told us that the group insurance plan that was implemented recently for the civil service was done by calling public tenders and assured this honourable House that no member on the government benches was an agent for the company that was involved in getting that contract. I do not remember, Sir, whether the Minister of Finance told us if the contract was awarded to the lowest tender or not but I do know, Mr. Chairman, that Mutual Life Assurance Company of Canada was the successful tenderer, I am going to ask the minister to tell us, when he stands in his place to reply to my few remarks as no doubt he will, if Mutual Life were the lowest tenderers.

Before the minister tells us that, Sir -

MR. CROSBIE: Mr. Chairman, before the honourable member carries on with that, if there be any order in this committee at all or if we are to follow parliamentary practice or precedence at all, there is an item in my estimates, in the detailed estimates, for group insurance - 408-04. It is quite clear from Beauchesne, as I quoted from it last week that where there is a specific item in the estimates it is not proper to bring it up on the first vote in the department. Therefore, I would suggest to the honourable gentleman that he wait until the right occasion when he shall be enlightened once more on the group life insurance scheme which this government brought to the civil servants and government employees of the province and which his administration refused to bring forward.

MR. NEARY: On a point of order, Mr. Chairman, the minister obviously did not give me a chance to finish the point I started to make, Sir, I have no intention of dealing with that particular item one way or another right now. I just want to, when the minister rises to speak, I just want a few general remarks from the minister. If he had left me alone he would have seen. he knows what I am driving at, Mr. Chairman, he obviously knows what I am driving at. It is going to be embarrassing and he does not want to answer it. But, Sir, I think I am in order, I am not going to debate the amount of money under this vote, I am not going to ask him how it is spent or anything else, I will deal with that matter when we get to it, but I do have a right, Sir, to make a few general remarks.

MR. CHAIRMAN: Now, the honourable gentleman has been making general remarks for quite some time now and I think he is well into his seventh or eighth hour. I think his general remarks are turning into specific remarks at this time and I must agree with the Minister of Finance that it does appear as if he were dealing with a head of expenditure that could be better dealt with at the time allotted to it, which would be 408-04.

MR. NEARY: Mr. Chairman, in view of the fact that I may have to leave this afternoon, Sir, and the Department of Finance estimates are likely to be finished before I go, I thought I would raise this matter, seeing I have the information in front of me

Sir, I will tell you what, I will not even refer to the group insurance, Sir, I will just merely point out to the honourable committee, for the benefit of members of the committee, that Newfoundland and Labrador life insurance agents licenced as of October 2, 1973, Sir, listed Harold A. Collins, St. John's, Mutual Life agent; Anthony J. Murphy, St. John's, Mutual Life agent.

Now, Sir, I am not saying there was any conflict of interest in this matter but I merely want to point out, Mr. Chairman, you know in my research I come across some very strange things. They start me thinking. The Minister of Finance told us in the honourable House already, Sir, that nobody on the government benches was associated with this company.

MR. CROSBIE: Mr. Chairman, this is so disgusting and insidious, Let us just get this point immediately straight, Mr. Chairman, I was asked a question and I answered that question and said that there is no agent of record for Mutual Life on the group life policy and no one, no agent, making one cent or getting one cent on the group life policy of Mutual Life. Whether Harold Collins or Anthony Murphy or Joe Smith or Billy Neary or anyone in this country is an agent of Mutual Life, it has no connection with this policy whatsoever. There is no agent of record. There is no agent receiving any commission or any money on the policy and this attempt to drag in Mr. Collins and Mr. Murphy, the members for Gander and for St. John's Centre, who happen to represent Mutual Life when they were out in public life is just disgusting.

MR. NEARY: Mr. Chairman, what kind of a point of order is that? Sir, that is just another vicious personal attack on me for raising a matter in this honourable House that I think should be raised, Sir, I think it should and I do not care how tender the Minister of Finance

is, how sensitive he is, these matters have to be brought out into the open and I am merely asking -

MR. CROSBIE: What is that?

MR. NEARY: They are matters of -

MR. CROSBIE: Watch the allegations.

MR. NEARY: There is no allegation. I am just merely pointing out to the committee that two members on the government

side of the House, two ministers are listed under the government's own registry, Sir, listed - this list came from the government office. Two cabinet ministers are registered as agents of Mutual Life. That is the company who got the group insurance covering the civil servants of this province, Sir. There may be nothing at all in the world wrong with it, not a thing. I am not saying there is, Sir -

MR. CROSBIE: Now, Mr. Chairman, I raised a point of order on this group life business. You are allowing it to be discussed, so I intend to reply to this and I intend to reply when the honourable gentleman is finished, because the rule is not being enforced. The ruling was that the group life insurance would be discussed, as it is suppose to be in parliamentary practice, down in the estimates. It is now being discussed and these statements made by the member despite your ruling. They will have therefore to be answered -

MR. NEARY: Mr. Chairman, I have no intention of dealing with that item.

MR. CHAIRMAN: (STAGG): Order, please! The honourable member might resume his place. In order for these matters to be discussed in an orderly fashion, honourable members must attempt to observe the rulings of the Chair or otherwise appeal them in the normal manner. Now the honourable member while apparently being very co-operative and agreeing with everything the Chair says; nevertheless the next time he resumes his place continues to go on as he did before. Now the honourable member, as he has told us on many occasions, is an experienced parliamentarian, and has compounded his abuse of the rules, after it has been brought to his attention. got up and continued to do so.

So the point of the Hon. Minister of Finance is certainly valid. It is probably the fault of the Chair that the honourable member was not cut short. So in the interest of fair play, I suppose, the honourable minister will have to be given permission to reply.

MR. NEARY: Mr. Chairman, as a matter of fact, that was exactly the point that I made. I think these matters should be brought out in the open and there is no better place to do it than in Committee of the Whole when we are discussing the minister's salary. I have no intention, Mr.

Chairman, of going down to that particular item. I merely want to point out that these two honourable gentlemen are listed down in the Department of Provincial Affairs as agents for Mutual Life. If the honourable gentlemen are not agents, Sir, my advice to them, Mr. Chairman, is to have their names stricken from the record. Because, Sir, we must do more in this honourable House than to try and just pass conflict of interest bills, Sir, we must give the appearance that there is no conflict of interest. That is all I am suggesting, Sir.

I am not suggesting that the honourable Member for Gander did anything improper or anything wrong nor the Minister of Social Services.

AN HON. MEMBER: Inaudible.

MR. NEARY: Good! I am glad to hear it. I am glad to hear it, the minister is not on welfare, Sir, but it is an interesting point. It is very interesting to note that point, Mr. Chairman.

AN HON. MEMBER: What is the date

MR. NEARY: January 18, 1974 we received it.

AN HON. MEMBER: When was that dated?

MR. NEARY: What date is on the list?

AN HON. MEMBER: Yes.

MR. NEARY: October 2, 1973.

AN HON. MEMBER: What point is the honourable member trying to make?

MR. NEARY: The point that I am making, Mr. Chairman, is that there are two honourable gentlemen sitting on the government benches, ministers of the Crown, who are listed in the registry office as agents for Mutual Life Assurance Company of Canada. Okay, that is a fact. Now the Minister of Finance cannot deny that, That is a fact.

MR. CROSBIE: So what!

MR. NEARY: That is like the facts we published in the newspaper on the \$407,000 question.

MR. CHAIRMAN:(STAGG): Order, please! Again, the honourable member I understand is going to be with us for a short time this afternoon. In the short time that he has been here, has been interrupted on a couple of points of order which have been sustained. He is now being interrupted

by the Chair, on a point of order. The honourable member is again going on certainly to another matter now which is irrelevant, the matter of - well the last matter to which he referred.

So again I direct him to be relevant. I presume I will have his usual prompt co-operation.

MR. NEARY: There is no Chairman, Sir, in this world that I would sooner co-operate with than Your Honour, Sir. I will just drop that whole matter but I think I have made my point, Mr. Chairman. I have made my point.

You know it would be very unfair, Mr. Chairman, to leave the matter up in the air and leave people suspicious of the fact that the Minister of Fisheries and the Minister of Social Services may have done something improper. I hope that will not happen, Your Honour, because I do not want to be misinterpreted nor misunderstood. I just wanted to point this out to the Minister of Finance.

After all, Sir, we have been told, we have been lectured so often by the Minister of Finance about asking questions. He says, "Ask us questions, we will give you the answers." I am putting a few questions to the minister now about this situation, Sir, because I want to get the answers. If I cannot refer to it, I cannot refer to it, I will just let it go. I will come back to it some other time.

Mr. Chairman, one of the greatest shortcomings of this administration is its policy of implementing programmes that benefit only the few and not the masses of our people, Sir, especially the Minister of Finance's fiscal policies. This administration, Mr. Chairman, have failed to come to grips with the real problems and the real needs of the people of this province, chiefly the spiralling cost of living, the desperate housing shortage and record unemployment.

I sincerely believe, Mr. Chairman, that these are the things that the minister should have dealt with in his budget speech. Every other province of Canada, Sir, as I have said so often in the last few days, every other province of Canada is attempting to deal with the cost of living, the housing shortage and unemployment, except Newfoundland.

Newfoundland stands alone, Mr. Chairman, stands alone as a government

who develops policies, not for the have-nots, Sir, but for the haves. The minister's budget, as I said the other day, protects the rich and takes the money that is needed to carry on the public services out of the hides of the working-class people.

Mr. Chairman, the people of this province have almost given up in despair. They are disillusioned, disenchanted, disgruntled. They have given up and that is why we see so much trouble and strife on the labour front in Newfoundland today.

Why, the firefighters were in to the minister this morning looking to have their contract reopened, Sir. I know, Mr. Chairman, that legally the government could say, "No, we are not going to reopen your contract." But I say, Sir, morally they are bound to consider that request because it is "a very reasonable request in the light of what has happened to the cost of living in this province in the last eighteen months, Sir, the minister could have very easily said to the firefighters, "No, we have an agreement for two years, it does not expire until the end of March 1975. We negotiated and signed an agreement in good faith. Legally we are not bound to reopen the agreement." But in my opinion, Sir, that would have been wrong. I think the government are morally obligated to reopen the agreement; not legally, morally. Mr. Chairman, if they open that agreement the minister knows full well they are going to have to open every agreement. The teachers are asking, the police are negotiating at the present time, the nurses, the wardens at the Penitentiary, the Mental Hospital, non-medical employees in hospitals, civil servants; all hands have the right to ask to have their agreements reopened.

I say that would not be such a bad thing. Now the government could very easily take a stand off attitude. The minister could very easily take the hard line that he has taken over the past couple of years since he has been Minister of Finance. He could dig his heels in and he could say no and several months from now the Hon. Premier will whip the carpet right out from under his feet again, as he did before.

So, my suggestion to the Minister of Finance, Sir, is that he not take the hard line, that for once he show the people of this province that he does have an ounce of humanity in his blood, that he does recognize the fact that the cost of living has gone up well beyond the amount that these people received in their increase last year.

The minister did give them - I must admit this, Sir - the minister did give the fire fighters a couple of hundred dollars extra last year as a bonus that was not included in their negotiations but not enough, Sir, not enough. They need more just to keep pace with the cost of living. Even with the \$200 it fell far short of the increase in the cost of living in this province. I do hope and my advice to the minister is not to dig in his heels, not to bring on a confrontation with these people because, Mr. Chairman, if there be a confrontation, the minister shall have nobody to blame but himself.

If they go out on strike and the police go out on strike and the nurses go on strike and the hospital workers go on strike, it will be the minister's fault for not sitting down in a reasonable manner, in a humanitarian way, around the bargaining table, and trying to resolve this problem because it is the number one problem in Newfoundland today, Sir, people unable to cope with the cost of living.

So, Mr. Chairman, I do not intend to delay the committee. What we have seen over the past couple of years, Sir, is just a pack of schoolboys turned loose to develop a programme of priorities. Not only, Sir, are we falling behind as a result of their inexperience and their inability to cope with the every day needs of the people in this province; the situation seems to be worsening. In my opinion, Sir, we have wasted over two years. The administration is now going into its third year. So, I would say, Mr. Chairman, we are at least two years behind.

It is a sad situation we have before us today. The situation is worsening. We were not at all surprised, Mr. Chairman, when this

particular Minister of Finance came into this honourable House about ten or twelve days ago and announced tax increases. The minister did not give any justification for the tax increases, Sir. When one goes through the budget, Mr. Chairman, and looks at all the extravagance and waste in that budget, in this spending spree that this honourable crowd has going on in this current fiscal year, you see why the minister needs his increases in taxes.

When we make positive, constructive suggestions to the minister, he gets up and makes fun of it, Sir. He gets good reports in the newspapers and on the radio and on television. They pick up the little gems of humor that flows from the minister's hot lips. The minister no doubt when he reads it thinks it is funny. My God, he pats himself on the back and says, "I had a great day in the House today."

Sir, when we make positive, constructive suggestions to the Minister of Finance, we make them in good faith and we make them in the interests of the welfare of the people of this province. I know the Minister of Finance, Sir, is getting better, much better at making speeches in this honourable House. He seems in the last year or so to have more confidence in himself. Well, well he should, Sir. He had the most expensive public-speaking course in the history of Newfoundland. It cost him \$500,000 down at the 1969 leadership convention.

MR. CHAIRMAN (MR. STAGG): Order, please!

I trust the honourable gentleman is not going to expand on this at any length.

MR. NEARY: No I am not, Mr. Speaker. The minister I think will admit himself that he had not only in Newfoundland, Sir, but in the history of the world the most expensive public-speaking course. It cost a half million dollars.

Now, Sir, let me end up, Mr. Speaker.

MR. CHAIRMAN (MR. STAGG): Yes, I will let the honourable member end up but not before saying a few words.

The honourable member was interrupted by the Chair which suggested that he was being irrelevant. In resuming his place he suggested that he understood that he was irrelevant and would mend his ways as it were and then proceeded to continue in exactly the same vein as that for which he had been interrupted.

MR. NEARY: Mr. Chairman, what you can do with words in this honourable House. Sir, in my opinion the worse political mistake, Mr. Chairman, that a political party can make is to build up peoples' hopes and expectations during a political campaign and then not honour their promises once they are comfortably installed in office.

The brave, new world, Mr. Chairman, that they talked about has now been replaced by pessimism and despair. I believe, Mr. Chairman, really, sincerely believe that the people of this province have given up and they are losing faith, Sir, that they held so dear in their traditional institutions such as the House of Assembly. They are losing faith in their leaders. That is rather unfortunate, Sir.

Over the weekend, Mr. Chairman, I tried my hand at a little poetry. I would like to wind up with a verse, with apologies to Oliver Goldsmith. I would like to wind up with a verse that I compiled for the Minister of Finance and his colleagues. I am not very good at reading poetry and as a matter of fact after I read this you will probably see I am not very good at composing poetry, although I had a go at it over the weekend. Here it is, Sir. Here is my composition:

"Ill fares this Newfoundland; to hastening ills a prey,
Where wealth accumulates for the few
And for the masses of men and their families,
Nothing but decay.

"And the ordinary people, once our country's pride,
Are supposed to reap happiness from a George McLean slide."

MR. CROSBIE: Well, Mr. Speaker, the honourable gentleman opposite is not the only one that can write poetry. I must say that that was not much of an effort. I will start out with my own which I just made up

here on the spur of the moment.

"The Liberal Party's quite upset, because Ed is still the leader yet.

The question now is; "Who'll be boss. Will Steve or Bill or maybe Ross?"

Now, we will know the answer to that one, Mr. Chairmar, next fall, whether it will be Bill or Steve or Ross or Joe or Harry or Dick or Rodger or Earl or whoever, I hope the honourable gentleman does not leave. I have to address myself to him for a few moments.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Yes, well keep one ear peeled, please.

Now, Mr. Chairman, the honourable gentleman just said how he surveyed this province and the hope for the brave, new world had been replaced by pessimism and despair. Yes, Mr. Chairman, I dare say that is what the gentleman has found because the people of this province are full of pessimism and despair when they look at the Liberal Party of this province and see that it is the only alternative to this government. That fills them with pessimism and despair.

When they see the kind of tactics honourable gentlemen opposite, exemplified by the member for Bell Island, use, their pessimism and fear and despair know no bounds because they are sick and tired to death of the negative approach, the sly approach, the scandalous approach taken by the honourable gentlemen opposite, exemplified by the member for Bell Island.

People are giving up. Yes, they are giving up on the Liberal Party. People are losing faith. Yes, they are losing faith. They are losing whatever faith they had in the Liberal Party and its leaders. That is where they are losing faith.

Now, Mr. Chairman, the honourable gentleman opposite was not surprised, he said, when I announced tax increases in the budget several weeks ago. He was not surprised. Well, I wonder was he surprised, Mr. Chairman? He has been a member of this House since 1962. He supported the Liberal Administration from 1962 to January 18, 1972 when he was dragged, kicking and screaming from the House, from the cabinet chambers. They were pulled, kicking and screaming. They clung on with their teeth,

their fingernails, their toes, their handnails, their toenails. Practically dynamite had to be used to get them out after they lost the election in that October.

The honourable gentleman was here from 1962 onwards. Was he surprised in 1964 when the government raised the income tax to eighteen points? Was he surprised in 1965 when they raised it to twenty-one points? Was the honourable gentleman surprised in 1966 when it went from twenty-one to twenty-four points? Was he a teeny, weeny bit surprised when they raised the income tax in 1967 to twenty-eight points?

And then again was he surprised, Mr. Chairman, when in 1969 his administration raised the income tax from twenty-eight points to thirty-three points? No, he was not surprised then. Why should he be surprised? Look, one, two, three, four, five years in a row they raised the income tax. No wonder the gentleman was not surprised. No, he was used to it. Year after year his administration raising the income tax on the poor people of this province. No, he was not surprised in 1964 and 1965 and 1966 and 1967 and 1969. He was surprised in 1968 because they skipped 1968 without raising it. Yes, he was surprised in 1968 but not 1964, 1965, 1966, 1967 and 1969. He was not surprised then. He was surprised in 1972 when we introduced the exemption on children's clothing in the sales tax. That was a surprise because his administration had put the tax on the children's clothing and shoes and this administration took it off.

Now let us see, was he surprised in connection with the (I will not file it) with the corporation income tax? He was not surprised about that, he was delighted. That went up in 1967, 1968 and 1969. Was he surprised? No, he was not surprised. He was used to tax increases. He was a member of a tax-increasing team. tax-imposing administration, merciless in their approach to taxes.

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

MR. CROSBIE: What is the point of order?

MR. NEARY: The point of order I want to make, Sir, is the minister knows full well, Mr. Chairman, that I was never a member of an administration that increased taxes, but the minister himself was for the three years he mentioned.

MR. CROSBIE: That is not a -

MR. NEARY: I was never in my life, Sir, a member of an administration that increased taxes and the minister is misleading the House, deliberately misleading the House, Sir, and I ask him to retract his statement.

MR. CROSBIE: Mr. Chairman, I do not want to bother Your Worship, I retract. I retract the statement that he was a member of the

administration -

MR. CHAIRMAN: Order please! The honourable the member for Bell Island used an unparliamentary phrase in referring to the honourable the Minister of Finance alleging that the Minister of Finance is deliberately misleading the House and I suggest that the honourable member either withdraw or rephrase, preferably rephrase that comment.

MR. NEARY: Mr. Chairman, it would appear as if the minister were deliberately misleading the House but since now the minister has admitted that he was and he has withdrawn it, Sir, so we will no more fight about it.

MR. CROSBIE: Mr. Chairman, the honourable gentleman was not a member of the administration. He was not a member of the Cabinet. No, he was a backbencher. He sat in the party caucus. He supported -

MR. NEARY: But he was in the Cabinet.

MR. CROSBIE: That is irrelevant. Just because I have got the honourable gentleman on a sore point, he was a member of the party caucus, he voted for the party in the House of Assembly. He helped to keep it in power. He supported their budget resolutions. He voted for their tax bills. He supported it down the line and never once did he make a public murmur of dissent from their tax policy. In 1969 he was a member of the Cabinet. He crawled in on the broken backs of Wells and Crosbie who had left the Cabinet and were brutally assaulted for doing so. Then the honourable gentleman got into the Cabinet and there he squat safely for three years and so many months, until January 18, 1972 when he had to be pried out with pinchers.

Now was the honourable gentleman surprised in 1963, his first year in this honourable House of Assembly? He was elected in 1962, before that he was a member of the N.D.P. He was a raving, ranting, ferocious, flag-waving socialist. In 1963, was the honourable gentleman surprised when the sales tax went to five per cent? I do not know. Perhaps he was. Then we get to 1967, was

he surprised in 1967 when it went to six per cent? Was he surprised in 1968 when it went to seven per cent? No, Mr. Chairman, he was not surprised in 1967. He had been led to expect tax increases from the people he was supporting and assisting, with every fibre and bone and muscle in his body he was fighting to keep them in power. He was not surprised in 1967.

Was he surprised when they put the tax down then on the children's chockey bars and their soft drinks? Was he surprised then? No, he was not surprised then. That was the fourth increase and the fourth down-grading and getting more revenue from the sales tax that he had experienced since 1962. He was not surprised. He was taking it in his stride.

MR. NEARY: Mr. Chairman, on a point of order, Sir, it took the Minister of Finance now, this is his third day, Mr. Chairman, using these very same weak arguments, Sir, this is repetition of the worst sort and I ask if Your Honour intend to enforce the rule of repetition, new rule that was brought in by the member for St. John's East recently, Sir? The minister is repetitious.

MR. CHAIRMAN: Well coming from the honourable member, I must say that is rather an interesting point of order. Some honourable members attempt to use the rules both as shield and as a sword and in this case I suggest the honourable member direct himself to the wording of this particular rule which involves needless repetition. I suggest that the honourable Minister of Finance is answering arguments as was certainly requested, and it would probably never be resolved whether the repetition of the honourable Minister of Finance is needless or not.

MR. NEARY: Thank you, Mr. Chairman, As long as the same rules apply to both sides of the House, Sir, I do not mind. We enjoy the minister.

MR. CROSBIE: Mr. Chairman, I do not mind the honourable gentleman you know trying to get me shut up. He is trying to have me stopped. He does not want me speaking in this House. Did I not hear that little yatter from over across the House when I rose on a point of

order a half hour ago and now the honourable gentleman wants me stopped. He does not want me speaking in this House. I am not allowed to give an explanation. I am not allowed to answer these charges he has brought against me. Well what a turnabout.

Now was the honourable gentleman for Bell Island surprised in 1969 when the tax was extended to hotel and motel accommodations, to telephone services, to telecommunications, to repairs, to laundry and dry cleaning, even taxing our laundry in 1969? Did the honourable gentleman from Bell Island protest? Did he get on the open-line shows? Did he kick about how his administration were punishing the poor and only helping the rich? Did we hear that from the honourable gentleman in 1969? No, we did not hear that from the honourable gentleman in 1969, not a word did we hear.

Now was he surprised when it came off the children's clothing in 1972? Yes, he was surprised because his administration which he thinks was a friend of the poor and so on put the tax on children's clothing so when the big bad Tories took the tax off the children's clothing he was surprised. He was. I genuinely believe the man was surprised. Was he surprised in January of 1974 when the Tories, the big bad Tories, those big ruthless exploiters of the toiling masses, those helpers of the plutocrats and the rich and the powerful of this world, was he surprised when they took off the sales tax on stove and heating oil and furnace oil, the seven per cent tax that the honourable gentleman had put on them, that he had had a hand in raising from five per cent in 1963 to six per cent to seven per cent? He heaped them on the poor. He heaped them on the toiling masses during the ten years he was in the House before this administration took over. He helped impose those taxes on them, from five to six to seven, the hotels, the motels, the telephones, the laundry, the dry cleaning, everywhere you can think of to tax he taxed. He helped them tax, He kept them in power. They did not help the rich! No, Sir-ee-se! They would not help the rich, not at all, and the list is so long.

You know if you had the names on a plaque it would go from there right up to the ceiling, who they helped and who they did not help, John C. Doyle and the rest of them. Well we will not get into that. Now where is my document? I will see whether there are any other surprises.

Oh yes, there were. There were other surprises. The gasoline tax, I forgot to mention the gasoline tax, Mr. Chairman. I am sure than honourable gentlemen on this side will not mind if I just mention it. Now where is the page on the gasoline tax because that is an interesting one, Mr. Chairman. The honourable gentleman opposite chided us, chided, actually chided, criticized us a few minutes ago for not reducing the gasoline tax which he put on, which his administration put on. Now how did the gasoline tax go? Or how is it now?

Now it is twenty-five cents per gallon. Who imposed it? Why it was imposed by the Liberal Administration. When did they put it up to twenty-five cents a gallon? They put it up to twenty-five cents a gallon in 1969. If I can find the right page here I will give the stages that it went through as it mounted from no cents a gallon because there was no gasoline tax when they started out. When they started out in 1949 there was none; when they started out in 1962 there were. Let us see what happened to it after the honourable gentleman joined the House.

The period of heaviest taxation in Newfoundland is the period from the time the member for Bell Island got elected in 1962 to 1972 when he was finally put out of the government. That is the period of highest taxation in this province and he has the gall and the audacity and he is even tomorrow apparently going to Grand Falls to spread this mendacity or to try to spread it among the public, that he is against taxes when he is the biggest taxer we have ever seen in our history, a tremendous taxer, a

taxer without peer, a vicious tax, Sir. I cannot find the historical sequence here but by golly, I am going to on that gasoline tax.

MR. NEARY: (Inaudible).

MR. CROSBIE: Let me see. Never mind these little mutterings from across the hall. The honourable member who is now speaking never tried to equivocate, never tried to pretend that he did not support whatever had to be done to keep the province going. He is not like the honourable gentleman opposite. I cannot find my exact point here but I will later on in between speeches, find the gasoline tax.

* After 1966, it went up from twenty cents to twenty-one cents a gallon, I forget which year. I think it was -

MR. NEARY: From twenty cents to twenty-five cents.

MR. CROSBIE: Right, to twenty-five cents in 1968 or 1969.

MR. NEARY: No, no, it was 1968.

MR. CROSBIE: It was 1968. It does not matter, I am not trying to say I was not in the government when it was done. I am not moaning and whining around the province. I am prepared to accept responsibility for it. I am not like the Member for Bell Island who is afraid to death to be associated with the thought that he ever had anything to do with taxes when he is the biggest taxer we have ever had in the province.

Mr. Chairman, he is equally responsible as everybody else who was in the cabinet or anybody else who was in the caucus. In 1969 he was in the cabinet. Now that should deal with how surprised that honourable gentlemen is. His surprise, Mr. Chairman, in this budget was that the tax increase was so small, such a small one and the thing is that we have wasted hours in the House discussing this now on the estimates, when we should not be. The honourable gentlemen think they have a point that impresses the people of Newfoundland, who have accepted the tax increase as being necessary and who can see we are

making a determined effort to give them the service and to try to develop our resources and do the other things that this province needs. No one likes a tax increase but people can see that it is necessary.

Now what about the "Hon. Cool-hand Steve," who was up here a few days ago and was discussing economy. He said that we should economize on this and economize on that. He was going to save us millions on his economykick but he did not mention very many things.

MR. NEARY: Eight millions.

MR. CROSBIE: Eight millions, my eye! I was going to say some other part but my eye - eight millions my eye!

Mr. Chairman, we heard the Hon. Member for Bell Island this afternoon but did we hear him discussing this afternoon the firemen? The delegates from the Firemen's Union came to see the Minister of Finance this morning unexpectedly - always open to members of the public, They had access to him and came in and asked could their two year collective agreement be opened up and would the government consider it because of the cost of living and so on. This afternoon they are up here and apparently communicating with the opposition, a most peculiar procedure, but let that pass by.

The Hon. Member for Bell Island stands up this afternoon and he says that every collective agreement entered into should be opened up. They should all get more. That is the only right thing to do. If that tight-fisted old scrouge, the Minister of Finance, does not give them all more, despite the fact that contracts are signed, there is something wrong with the government.

Now, Mr. Chairman, the honourable gentleman says that there is a \$14 million tax increase. If we look at the budget of the year before and this year's budget, we see that salaries and wages have gone up \$49 million. If the Hon. Member for Bell Island really wants to have savings so there is no need to increase taxes why does he not attack salaries and wages? That is not his style.

He does not want to aggravate anybody in the province at all. The only people he wants to aggravate are George McLean and Mr. Nutbeem. He does not want to aggravate the people who we pay salaries and wages to. He does not want to aggravate the pensioners. He does not want to aggravate the fishermen who get more. He does not want to aggravate the loggers who get more. No! He just wants to try to aggravate one or two people and wail against the tax increases. Why did not the Hon. Member for Bell Island say, "Why did you increase (He should be here kicking up a fuss. He is now on the economy kick about taxes) wages and salaries last year so it is costing \$49 million more this year?" That should be his question. That is not his question. He comes in this afternoon and says to open up all the collective agreements and .

give them more. Now if that is not inconsistent. The people of the Province are not, you see there are two schools of thought, Mr. Chairman. One school of thought thinks the voters are ignorant, dumb, stupid, pitiable animals that you fool at every election with promises. That is one school of thought exemplified by the member for Bell Island.

There is another school of thought that thinks the electorate are people like ourselves who can think and reason and understand. There are two schools of thought. I belong to the second school of thought and I believe that people of Newfoundland can think, can understand, can reason and that they know that this budget brought down a few days ago is an honest budget and that there had to be a tax increase even though they do not like it and that if we are to provide services and develop the Province this is what we have to do.

That is what I believe about them and that is what we believe about them on this side.

So the honourable gentleman yells "economy" in one or two areas and then suggests that wages and salaries should go up even higher even though they have increased some \$49 million this year. He talks about a surplus. I answered all of this before, Mr. Chairman but you allowed him to say it all again and as long as they keep saying it I will keep replying to it.

There has not been a surplus in the budget of the Government of Newfoundland since 1949, no surplus last year, \$158 million had to be borrowed, no surplus this year, \$167 million or whatever it is has to be borrowed, no surplus, none. There is no surplus, never a surplus, never a surplus and no surplus now, never has been and never will.

If, Mr. Chairman, we want to go out and borrow an additional \$14 million this year just to avoid a tax increase, in two or three years time we will go out and we will probably be lucky to be able to borrow at all. That is what we have to avoid. That is what we have to avoid!

We are doing it to carry on the services and to develop the resources and so that we will be able to borrow in the future so that if the honourable crowd opposite ever get in they will be able to go out and borrow because we have been responsible. Yes, that is why

we are doing it, all of those reasons.

The honourable gentleman mentioned government aircraft. There is no government jet, Mr. Chairman. There is not a government jet! When the honourable gentleman says government jet he is deliberately making a mis-statement, he is deliberately. The honourable gentleman knows that the beach craft that the government has is a twin engined -

MR. NEARY: Mr. Chairman, is that parliamentary?

MR. CROSBIE: Yes, quite parliamentary, yes.

MR. NEARY: Inaudible.

MR. CROSBIE: Is what?

MR. NEARY: The statement the Minister of Finance just made.

MR. CROSBIE: What statement?

MR. NEARY: That that was a deliberate mis-statement that I made, Sir, deliberate misstatement. Is that in order, Sir?

MR. CHAIRMAN (Stagg): The honourable member's question is hypothetical.

MR. NEARY: I am asking Your Honour to ask the minister to withdraw that unparliamentary statement he just made.

MR. CROSBIE: Mr. Chairman, I will save you the bother of wasting time on this silly little point. I will not say that the gentleman is deliberately misleading the House, no, I will not say that. I refuse to say that. I simply say that the honourable gentleman from Bell Island knows that the Government of Newfoundland does not own or operate a jet aircraft. He knows that. Yet he persists in this House in calling it the government jet. So I will leave the connecting points to all members here as to whether or what he is doing. He knows the government has no jet yet he says "government jet".

The government has a twin engined beach craft, turboprop I think it is, turboprop aircraft that replaced a twin engine Otter aircraft that honourable gentlemen opposite had when they were in power. That is what it is. It is not a jet. There may be a very good case and a very strong case to be made for the government having a jet but the government has not got a jet. It has not had a jet since January 18, 1972. The government has a small, little beach-craft aircraft that will take eight passengers and that will take

stretchers when there is need to.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: So it is not a jet. I believe I have the floor and I would not address myself to this point except honourable gentlemen in discussing my salary feel that this is something, that this is something relevant and therefore must - there is no jet.

The honourable gentleman who is now addressing this honourable House was not going on the government aircraft to Grand Falls tomorrow for an open-line programme. Fine! Fi-Pe-Fi! Never! He is going to Grand Falls, if the weather permit, to address the Grand Falls Chamber of Commerce and the Rotary Club.

MR. NEARY: On the government aircraft.

MR. CROSBIE: Ah! Why not? It is government business -

MR. NEARY: What government?

MR. CROSBIE: And it has to whisk me back so I can be in the House in the afternoon - a perfectly legitimate use of the aircraft, I submit, Mr. Chairman. In any event, it is not a jet and it is not taking me out for an open-line programme. It just so happened that my popularity is such in Central Newfoundland that they wish me to go on an open-line programme also.

When I get on that open-line programme I am going to explain how the member for Bell Island put those taxes up. I am going to go into that in detail on the air in Central Newfoundland. They will know who the taxers of this Province are. They will hear me in Hare Bay. They will hear me in White Bay. They will hear me in Notre Dame Bay. They will hear me in Springdale.

MR. ROBERTS: They will not heed the honourable minister anywhere.

MR. CROSBIE: Ah! Ah! Ah! Ho! Ho! Ho! We will see who they are heeding. We will see.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: I do not care, boy, if I am popular at all.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Oh! I know that the Liberal Ladies out in Grand Falls, they have all been told, "Now, jam up that phone line to CJON or CJCN, phone in." You know, they will have their few little Liberal crackies out there, the few that are left, trying to block the lines up. I will handle them. We are not worried about the little Liberal ladies.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Now, then the honourable gentleman mentioned Mr. Chairman, \$9 million in tax equalization and \$28.2 million. To answer him I took up "me" pad and I thought can I, you know, the Chairman has forgotten that the gentleman made that point before. So I look through my notes. First note, brother Neary, this is on last Friday, psychological effect on workers in the Province; a pertinent note to reply to that. No psychological effect on opposition.

Then I got the figures out to counteract the \$28 million he said we got from the Government of Canada. Now the situation is, I will go into it again, Mr. Chairman, the opposition chooses to use the time of the estimates to debate these general points again and again and again. It is not our choice that we do this. It is not our choice, it is the opposition's. They wish to deal with the estimates this way. Why, Mr. Chairman, do they wish to deal with the estimates this way? Obviously what they are hoping to do is fool around and waste as much time as they can on the estimates for fifty or sixty hours and then they will start to complain and say; "We have not got to this department yet," or "We have not got to that department yet and look what that cruel government has done to free speech in this Province." "We have not been allowed to discuss this, that and the other."

No, because they have spent their time and hour after hour after hour of malarkey on the first vote in the Department of Finance. So we know their theory, we know their strategy. This is the best they can come up with. Well, so be it! When they do that we will answer. When they charge we will rebut, when they parry we will thrust. If this is the way they want it, lay on the duff! Woof! Woof!

Now, he made the point, \$28 million he said the other day. Our

revenue is up \$28 million from the Government of Canada this year, true, true! Our provincial tax revenue is up \$31 million and our revenue from other provincial sources is up \$5 million making a total of \$64 million our revenue is up.

Well, Mr. Speaker, our expenditures are up \$74 million net, our net expenditures up \$74 million. So the increase of our expenditures has outdone the increase in our revenue despite the small tax increase. So where is the surplus that the honourable gentleman talks about? No surplus. We are hoping to have a contribution to make to capital account from current account, from \$7 million and that could be easily wiped out. Who knows what is going to happen with the economy this year? No one knows. So there is no surplus. I pointed that out to him last time. One item alone, interest; The honourable gentleman's lively talk, he says: "Borrow \$14 million more this year."

Well, look, what is ten per cent of \$14 million? Ten per cent of \$14 million, I am not known for mathematical prowess -

AN HONOURABLE MEMBER: One point four.

MR. CROSBIE: What?

AN HONOURABLE MEMBER: One point four.

MR. CROSBIE: One point four what?

AN HONOURABLE MEMBER: Million dollars.

MR. CROSBIE: My God! It is not? One point four million dollars.

AN HONOURABLE MEMBER: One point four million dollars.

MR. CROSBIE: Now, if we went out and took the honourable gentleman's advice this year and borrowed \$14 million more, \$14 million at ten per cent interest and we might very well, Mr. Chairman, have to borrow at ten per cent this year. The bond markets are gone whangy all together. Interest rates have gone up. If we borrow an additional \$14 million this year, next year we will have to have another \$1.4 million at least to pay the interest alone on that \$14 million.

Now is it sensible for us? We are gone now as far as we dare go in borrowing or attempting to arrange to borrow \$167 million. The honourable

gentleman suggests blithely, "Do not increase taxes, just borrow another \$14 million;" forgetting that the interest has to be paid and the principal has to be repaid.

Our interest costs alone this year, Mr. Chairman, are up \$11 million because of the borrowing we did last year. We cannot go on this way forever, that is for sure!

Now did he say anything else? Yes, he said something. There is no point getting outraged about it I suppose. It is despicable. It is the worst kind of McCarthy tactic.

The honourable gentleman says, you know, it is a great revelation, Mr. Chairman, he says to this House because he hopes it will be reported in the press, he reports to the House that Mr. Harold Collins and Mr. Anthony Murphy, the two members of the cabinet, member for St. John's Centre and the member for Gander, are recorded as agents of Mutual Life.

Now there is nothing wrong with them being recorded as Mutual Life agents. They sold insurance.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: No, the honourable gentleman did not. Right! Ha! Ha! How right he is. He did not say a word. He just carefully put the two things together so it looked bad.

Then he said, "These two men, they represent Mutual Life." They are down there as a matter of record. They are agents. Right, everybody knows that. Ank Murphy was a life insurance salesman for years and Harold Collins for a while and they are retaining their status as agents. Why should they not? They are licensed as agents. They want to retain the status. In two years time or in a year or three they may be back in civilian life again.

So he tells the House that. Oh! It is an interesting fact that the honourable gentleman picked up and then he asks about a group life insurance policy that Mutual Life has gotten to cover the civil servants and government employees of the Province for group life and health insurance.

Now he does not say there is any connection. He does not say there is anything wrong. He does not say that the honourable Mr. Murphy or the honourable Mr. Collins did anything wrong. He knows

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Mr. Murphy or the honourable Mr. Collins did nothing wrong. He knows what will jump through the minds of people as they read it outside. He does not need to say anything and that is why the honourable gentleman brings it up.

Now, Mr. Chairman,

That is why the honourable member brings it up.

Now, Mr. Chairman, the group life insurance contract that this government awarded last year to cover employees of the province on that there was never anything done more openly and above board and properly. The Hon. Mr. Murphy and the Hon. Mr. Collins had not anything to do with it. Nothing to do with it. The whole thing was done by civil servants of this government, advised by the chief insurance man from the Government of Canada and advised by Kates, Peat, Marwick and Company. Proposals were called from all insurance companies interested. Eight or ten proposals were made. Mutual Life and two or three others were the lowest. They scrutinized them. They gave the low ones a chance to come in and meet with the committee and point out their good features and their bad features. They gave them all a chance to say they would open an office in Newfoundland to deal with this business. Mutual Life was the only one that agreed to do that of these two or three close bidders.

Mutual Life was then recommended to the government, Mr. Chairman, by this committee of civil servants and interested parties who are to be in the plan themselves, that this should be the company that got it, and it was recommended by Kates, Peat, Marwick and it was recommended by the representative of the Government of Canada who looks after this kind of insurance for the whole Government of Canada. That went to cabinet and cabinet approved it. Nothing to do with Anthony Murphy or Harold Collins or Joe Smith or Bill Dyke, Dick or anyone else. Nothing. Nothing wrong with it, open, above board, no one attempted to use any influence, no one in the cabinet, Persons outside tried to use influence, got nowhere, given a respectable hearing, that was it. It went to the company recommend by the committee set up of Treasury Board and other officials to consider and recommend on the whole thing.

So that Harold Collins and Anthony Murphy had nothing whatsoever to do with it.

But the honourable gentleman opposite is hoping that his bringing this up today will be reported. There are always a few persons out of every ten or out of every one hundred who will say, "Well that sounds suspicious. My God! Ank Murphy and Harold Collins are really looking

after themselves, Ho! Ho! You see how they got Mutual Life and that group life insurance." That is the kind of thing the honourable gentleman is encouraging and he knows very well that he did not have to say anything, just bring it in as he did. There is not a word of truth in it.

This government are paying half, fifty per cent of the cost. It is going to cost us \$1.5 million this year for a plan that helps cover the government employees of this province for health insurance and group life. An excellent plan, everything straight and above board.

Mr. Chairman, a question was asked by the Member for White Bay South, He asked, the gentleman who asked the question, "Is there an agent of record?"

AN HON. MEMBER: Inaudible.

MR. CROSBIE: I know nothing about it. I was asked was there an agent of record for Mutual Life? I came back and gave the answer in this House. There was no agent of record. None! The policy was issued to Mutual Life. I said that there were a number of insurance agents around the province who would have to be asked to assist on claims and about \$1,000 a year will be spent among them for their services when they help to settle claims. That answer was given in this House in reply to the Member for White Bay South.

So there was no need for the Member for Bell Island to get up in the House and point out that Harold Collins and Anthony Murphy are agents of record for Mutual Life. because the answer and the information have already been given. It was only an attempt to make them look bad.

MR. NEARY: No, it was not.

MR. CROSBIE: Well the honourable gentleman had better check with the Member for White Bay South, who asked the question in the first place. So much for the group life!

Now if there be anyone who wants all the records brought up or anything like that, Mr. Chairman, -

AN HON. MEMBER: Bring them up.

MR. CROSBIE: No, not he. When I said anyone, I said anyone, I mean any honourable gentleman who has any serious doubts about this matter and wants it -

MR. NEARY: Well I do.

MR. CROSBIE: He heard what I said. Then I will have them here when we get down to Group Life Insurance or if anyone wants to see them, The Leader of the Opposition wants to see the whole file. The Leader of the Opposition wants to consult with our officials, check it all out. I will make it all available to him, if he should want to do that.

So I think that is all the points the honourable gentleman for Bell Island -

AN HON. MEMBER: The honourable Member for Bell Island might like to get up.

MR. CROSBIE: Yes, the Member for Bell Island might like to get up. I think this would be a normal thing, Mr. Chairman, if the honourable Member for Bell Island should get up and say; "No, I have heard this explanation from the Minister of Finance. I would certainly like to confirm, Mr. Chairman, that I have no doubt whatsoever that Harold Collins and Anthony Murphy had nothing to do with that group life policy. I want to make that clear." That would be the right thing for the honourable gentleman for Bell Island to do. So that will put everybody's mind to rest. I think that would be very nice. Very admirable.

So that is all I have to say at the moment, Mr. Chairman.

MR. NEARY: Mr. Chairman, I think I have already indicated to the committee, Sir, that I felt and that I hoped that the two honourable gentlemen who are listed as agents for Mutual Life had nothing at all to do with this group insurance plan.

But I did want to set the record straight - I am told, Mr. Chairman, I just want to get this straight too, the Minister of Finance perhaps can enlighten me a little later on in the debate, that the civil servants had no choice but to accept that particular plan. No choice! It was shoved down their throats, so I am told, by the government. All the plans and proposals that were put before this committee of cabinet or treasury

board or whatever it was, were not laid out in front of the civil servants. They did not get an opportunity to pick and choose. It was shoved down their throats. They had no choice.

The Minister of Finance knows full well, Sir, that before a proposal of this magnitude is approved, it has to go before the cabinet. It has to! It was approved by the cabinet. If it were not approved by the cabinet, it was illegal. It should not have been implemented. It was brought before the cabinet, Sir.

The point that I am making, Mr. Chairman, is that two honourable gentlemen, ministers, are listed as agents of that same company. I do not know whether they abstained from voting, asked to be excused from the cabinet meeting. If they did not, they should have. In my opinion, they should have, Sir. Do not try and gloss it over.

AN HON. MEMBER: Gloss what over?

MR. NEARY: The Minister of Finance brushes it off as if it were something improper that came from this honourable side of the House. We are here to look for information. Sir, not only should there be no conflict of interest, there should be the appearance of no conflict of interest. That is fair enough, Sir. Is there anything wrong with that, Mr. Chairman? We should give the appearance to this province, a half million people in this province, that there is no appearance of conflict of interest on anybody's part in this honourable House.

AN HON. MEMBER: Inaudible.

MR. NEARY: Well if the two ministers whose names are on this document, if they are not active agents, why do they not have their names stricken from the record?

MR. NEARY: Mr. Chairman, what does one have to do? One is beating his head on a stone wall all the time, Sir.

AN HON. MEMBER: (Inaudible).

MR. NEARY: I will go on for three days and three months if I should want to. We were sent to this honourable House to do a job, to bring out information and I intend to do it if nobody else does.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Mr. Chairman, will the honourable minister tell me if cabinet approved this group insurance plan? Mr. Chairman, I am asking the minister to tell me because it would be most irregular and most improper, Sir, if it did not go before cabinet. Were these proposals submitted to cabinet? If so, did the two honourable gentlemen refrain from voting or withdraw because of apparent conflict of interest or the possibility of a conflict of interest? Did they?

MR. BARRY: There was no conflict of interest exercised.

MR. NEARY: How does the honourable gentleman know? Look, he would not know conflict of interest if it came up and kicked him right between the eyes.

MR. BARRY: Explain it all to me.

MR. NEARY: We have gone through the situation.

MR. BARRY: The honourable gentleman is an expert on conflict of interest.

MR. CHARIMAN (Mr. Stagg): Order please!

This has gone far enough. While there is a certain amount of banter, talking across the floor, this cannot be tolerated indefinitely. I am sure the Minister of Mines and Energy is fully aware of this and I am sure that the Member for Bell Island is aware of it as well to encourage it as he sometimes does. I suggest to the honourable members that the person who is speaking is to be heard in silence.

MR. NEARY: Now, Mr. Chairman, the Minister of Finance, when he rose in rebuttal to a few remarks that I had made earlier this afternoon, Sir, picked up that little book (I do not know what it is he keeps quoting from over there. I wish he would send me over a copy of it) and says, there is the gentleman over there who imposed all these taxes. Well, Sir, I can say for the benefit of the Hon. Minister of Finance that I was not the member of any administration in this province that increased taxes, not one tax, not a single cent.

MR. ROBERTS: (Inaudible).

MR. NEARY: That is right. It was all done, Mr. Chairman, as my colleague pointed out to me, by the present Minister of Finance when he was a member for the former administration, all except the hotel and laundry tax that he referred to.

Mr. Chairman, some of the taxes that the Minister of Finance spoke about and tried to leave the impression that I was responsible for - I was over underground on Bell Island, when these taxes were implemented. I was down in the mine trying to earn a living for myself. I was down then, Sir, down with my fellow Bell Islanders two and one-half miles out under the ocean and taxes, except what I was getting deducted off my pay cheque, never entered my mind. Yet the minister, again trying to treat the whole matter lightly, says that the Member for Bell Island is responsible for all. "He is the original taxer," he said. I was over on Bell Island, Sir, two and one-half miles out under the bay, cooking up a few caplin once in a while for dinner -

MR. YOUNG: Never in a mine in his life.

MR. NEARY: Never in a mine in my life?

The Member for Harbour Grace knows all about being underground.

MR. YOUNG: (Inaudible).

MR. NEARY: Sir, I was over there trying to earn a living, when all these taxes were put on. Then, Mr. Chairman, when I did finally

get into the House, just managed to get inside the rail there, as I indicated to the House the other day, the experts took over, the Harvard boys took over and I was only just like dirt under their feet. They would not even speak to you. They would grunt at one once in a while, like a pig. They would hardly do that. If one passed them out in the elevator, with their nose up in the air, Sir, strutting off with a bundle of papers under their arms, they would almost knock one down getting into the elevator. These were the experts, the geniuses. We had no say, except to be just a rubber stamp.

This minister we are looking at now, Sir, the Minister of Finance, who brought this budget in, he is responsible for increasing all these taxes in 1967, 1968 and 1969, when I was a backbencher, sitting over there. I had as much influence and as much powers of persuasion as the man in the moon. These were the big shots, Sir. The big shots ran the show, Sir. I used to grind my teeth over there and say, "My God, I am telling you, our leader must have lost his mind. He must have blown his lid, flipped his lid, to bring in that crowd of millionaires, whacking on the chocolate bar tax and the soft drink tax." There is the author of it right there, Mr. Chairman. There is the honourable gentleman who put up that suggestion to the former Premier of this province, the tax genius who specialized in it in law school. Mr. Chairman, there was not a thing I could do about it. Mr. Wells and Mr. Crosbie were the big shots. They were going to be the future Premiers of Newfoundland before they bailed out and went back across the floor, Sir, back and forth across the floor of this House three and four times. It used to turn my stomach every time I would go to a public meeting.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Yes, but he was not in the top five. I never recalled him making the top five, the Premier's hit parade of the day. The Hon. Minister of Finance was always number one or number two on the hit parade.

Sir, I never made the top five, thank God! I might have had a heart as big as the Southside Hill but no brains, I was told. Well thank God, Sir! I would rather have common sense than a legalistic mind that could not care less about working-class people, soak it on to them!

Sir, as far as these honourable gentlemen over here are concerned, there were only three of us in the former Liberal Cabinet. There are three sitting on that side of the House who were members of the former Smallwood Administration, who whacked it to her when they had the chance, soaked it to her, not a thing I could do about it, except go in the common room there and tell them what a bunch of fools they were. I said, "Sock the taxes to the mining companies and the paper companies and the millionaires and the well-to-do people." How could you persuade them to do that, Mr. Chairman, when that was who you were talking to? Mr. Chairman, you were talking to the rich people and the well-to-do lawyers. How could I persuade them, as a little old miner from Bell Island? They still run this province, Sir. That is why we cannot get decisions taken in this House in the best interests of the welfare of the people of this province. That is why we had the kind of fiscal policies that were brought in by the Minister of Finance twelve or fourteen days ago.

Mr. Chairman, all they can think about, all this government can do and have done over the past couple of years is to go out and try to take over industries that were started by the former administration. They are getting carried away, Mr. Chairman, with illusions of grandeur. They are becoming obsessed. The Minister of Finance has shown this time and time again in this honourable House. They are becoming obsessed, Sir, with grabbing control of private industries for no apparent reason, Mr. Chairman, other than to place these enterprises into the hands of the family compact in this province. I am not talking about the Crosbie Family Compact, Sir. I am talking about the family compact on a much broader scale than that.

Sir, there are going to be four or five big people who in this province will have an economic stranglehold on this province in the next few years. Sir, there is one honourable gentleman outside this House at the moment who is grabbing control of everything he can lay his hands on, taverns, newspapers, taxis, airplanes, shipping companies, construction companies, building materials, (Did I say newspapers?) barber shops, etc. K. C. Irving over in New Brunswick was only a baby. Speculating on land - go down into Torbay Road, go down and try to buy a piece of land down there.

"Oh no, Mr. So-and-So has an option on this." They are spreading out there like an octopus. They are getting control of this province so that you can hardly put your foot down. You can hardly put your foot down in this province, Sir, but you are walking on something belonging to them. They own hotels, motels -

MR. CHAIRMAN (MR. STAGG): Order, please!

I probably should have interrupted the honourable member some time ago. I think that he is being irrelevant and possibly needlessly repetitious.

MR. NEARY: Yes, Sir. That is the first time that I have repeated that mouthful. Well, I will have more to say about that in the years to come, Sir, in the months and years ahead. They are not fooling anybody.

Mr. Chairman, what they should do, what the Minister of Finance and the government should do is consider the repercussions on our credit and the implications of some of the things that they have done, Sir, liking taking over the Churchill Falls Corporation and then having the government of this province take all the risks while somebody else takes the cream.

Mr. Chairman, it makes no sense at all for the government to spend all its time creating more problems, Sir, than they can solve, and allowing the feelings of our people to sink even further into pessimism and despair. Because, Mr. Chairman, there is nobody on that side of the House who can convince me that the Lower Churchill will start up this year as we are told in the Minister of Finance's Budget Speech. \$14 million we are told is going to be spent on the Lower Churchill.

What for, Sir? What will it be spent for? We have not been told. I can only visualize in my mind that it will be spent on surveys, survey teams. Nine chances out of ten the expertise is not in this province. It will have to be brought in. There will be no employment created on the Lower Churchill this year.

The whole thing could have started this year but it is all gone, Sir, out of political revenge pursued by this Minister of Finance

and his colleagues at any cost to the tax payers of this province. It is about time, Sir. They have been at this now going on three years. It is about time that the Minister of Finance and his government outgrew the complex towards the previous Smallwood Administration and developed a sense of purpose and a sense of direction of its own, Sir. The worse mistake that this government could make, Sir, to conclude that the ends automatically justify the means.

Mr. Chairman, whatever we set out to conquer in this province, we should always keep in mind, Sir, that the people of this province have placed a sacred trust in all of us who are elected to this House of Assembly. We may on occasion disagree in this honourable House over the ultimate goals. We may disagree on policy but, Mr. Chairman, we should always keep uppermost in our minds that it is the people of this province that come before anything else and that we should go about our business every day, Sir, not that the means justifies the end but on taking decisions in this honourable House that are in the best interests of the welfare of the people of this province.

I would suggest, Mr. Chairman, I make a suggestion and I do this in all sincerity, Sir, that it is time for this government to adopt simple and realistic goals, not to be going out and tackling the world, trying to take on the big industrialists and the big financiers of the world. This honourable little crowd and as big as the Minister of Finance may think he is and as much brains as he thinks he has got, Sir, outside of Newfoundland they are nothing. They may be big shots in Newfoundland but in the international, industrial world, Sir, they are peanuts.

I am afraid that they have done an awful lot of damage to Newfoundland's credit. We saw that in a recent article in the "Financial Post".

So, I would suggest that the government set its priorities that are all screwed up at the moment and try to get them straightened

out and set goals and objectives that they think they can reach and not go off the deep end and out of revenge try to force out of business anything that the Liberal Administration had anything to do with. If we are going to restore confidence, Sir, in our provincial institutions and in our politicians in this province, we must at least show the people of this province that we are sincere in trying to develop programmes and policies that are in their best interest and that will best serve the needs of the ordinary working class people of this province.

I know, Sir, my few words are going to fall on deaf ears and the Minister of Finance will get up again, maybe, I do not know. Maybe he will just let the estimates go through or he will get up again and put on another star performance for us and ask me where I got my hair cut. I certainly did not get it cut out of a barber shop started by a Rural Development grant, I can tell Your Honour that.

Sir, the minister does not answer the questions. He does not answer the questions, Sir. All we hear is criticism of, why did you allow the member for Bell Island to ask this question again? Why Sir? Because we did not get any answers to them the first time and the second time and the third time. I will keep putting the questions to the Minister of Finance until I get the answers. I do not want political answers nor bluff. I want the minister to lay it on the line, not trying to create the impression that the people of Newfoundland accepted his increase in taxes with open arms, they are going to take the minister to their bosom.

Mr. Chairman, I might say that my plane is delayed indefinitely. I may not get to Grand Falls. If I do, Sir, can you see the people out there going from one station to the other. They would spend all their time tomorrow switching from one station over to the other. First they would hear what the Minister of Finance had to say. Then they would hear what I had to say and then they would go back to the Minister of Finance and we would sally back and forth.

That is why I suggested to the minister, I think it was on

Friday, I am prepared any time he wants to sit in front of the television cameras of this province. He can bring any of his officials or any of his colleagues that he wants and let us debate about the budget in public. The minister says the people are more informed than we think they are. Well, Sir, I say 'Here! Hear!' to that. The minister will find out much to his sorrow and grief.

People understand, Mr. Chairman, that taxes have to be increased. People understand that the cost of operating government has gone up. What they do not understand, Mr. Chairman, is the extravagance and the waste of this honourable crowd. If they were making a genuine and sincere effort, Sir, to spend the taxpayers' money wisely, there would be no argument not even from me.

When you see, Mr. Chairman, \$3.7 million going down the toilets and the privies of this province at Silver Anniversary Banquets and we with such a desperate housing shortage in this province, it would make you stop and wonder. No wonder the people ask questions. If they made a genuine effort, Sir, to use that money, that unexpected windfall from Ottawa, to implement economy measures, to use the surplus last year to offset an increase in taxes, if they genuinely showed, Mr. Chairman, that they were trying to do things to reduce the cost of living in this province instead of dealing with the foolish bills that we have got on the Order Paper - My God, it would make you ashamed of your life when you pick them up! "An Act To Amend The Communicable Diseases Act," - what else have we got here?

"An Act To Amend The District Courts Act." Then we heard today the Minister Without Portfolio taken to the airwaves saying, "One of the pieces of legislation will be the appeals court." Who gives a darn in this province about an appeals court? Only the lawyers who are jumping to try and get a position down there. Who cares? Will it do anything for the ordinary common person in this province?

AN HON. MEMBER: Inaudible.

MR. NEARY: That is right, I have. The administration have gotten great mileage out of the courts since they took office. They have had a record of success in the courts but their record might run out. I am not afraid of the courts. I am not afraid of any honourable member sitting on that side of the House. I intend to speak the truth. I do not care whose toes I walk on.

MR. MARSHALL: On a point of order, Mr. Chairman. I do not know what relevancy all this has to the thing. I mean I am interested in the debate. We have seventy-five hours. We have finished some thirteen hours now. It is not for the government to tell the opposition to be relevant, to be more direct and to plan their time a little bit better than they did in government, but the point of the matter is we should not really have to sit down and listen to this irrelevancy minute after minute, hour after hour.

The honourable member is irrelevant himself. He is being irrelevant as well.

MR. NEARY: Mr. Chairman, if I have to change the subject I will, Sir, but I did not bring it up. The Minister without Portfolio got his little dart in, his little bit of dirt across the House. You are innocent in this House until you are proven guilty - innocent Or are you? Not in this House you are not. Dirt! About the dirtiest, filthiest, rottenest!

AN HON. MEMBER: Inaudible.

MR. NEARY: Ah! I will not have any nervous breakdown but the minister may. Everytime that particular gentleman goes on television, 10,000 votes he loses for the Tory Party in this province. So, Mr. Chairman, after two years of confusion, frustration and growing cynicism, the

brave new world that we have heard so much about during two provincial general elections, Sir, is just merely a thing of the past and not the future. No sooner had this administration taken office, Sir, than the mothers got the axe. Mothers' allowance wiped out. The next to get the knife were the students over at the University. Then the minister partly restores the allowances this year, only partly. Did not even bring it up to what it was before we got kicked out.

I would not mind it so badly, Sir, but the people of this province know because we do have good communications in Newfoundland today and people are better informed than they were five or ten years ago. They know full well, Sir, that the savings from these programmes were redirected towards expanding the bureaucracy that I talked about the other day.

What about restructuring? Remember all the hullabaloo, Mr. Chairman, about restructuring that we heard so much about? "That it cost the taxpayers of the province so much."

MR. CHAIRMAN: Order, please! Head 401-01 - The Minister's Office, Department of Finance. The honourable member, for the seventh time, approximately, this afternoon is directed to the rule of relevancy. He cannot discuss anything that pops into his minds. He must be relevant.

MR. NEARY: Mr. Chairman, my understanding is that anything that costs money is expenditure whether it is under the heading of waste and extravagance. The minister asked me, Sir, a few moments ago, why I had not listed all of the things here where I thought there could be a saving. Well, Your Honour will not let me list them - because every time I mention them, I am out of order. I am going to mention them before this committee ends, I can tell Your Honour that.

AN HON. MEMBER: Inaudible.

MR. NEARY: Well, Mr. Chairman, you take Executive Assistants alone, in all departments - there are fifteen. Would you believe, Mr. Chairman, that at the moment there are fifteen executive assistants. There were four point five when we got thrown out. Do you know what they are getting? \$195,00 a year, and everyone of them could be wiped out, dispensed with. They would not be missed. They are a burden to the taxpayers. Then we have a Chief Electoral Office down there - How much? \$18,000. For What? There is no election on.

The man must be bored stiff down there. The Minister of Mines and Energy got his own legal counsel down there, Sir.

MR. CHAIRMAN: Order, please! Again the honourable member knows that the time for discussing these specific items is when we come to them in the estimates. If the honourable member has nothing else to say pertinent to Head 401-01, then I suggest we might pass the head or he could relinquish the floor to someone who is relevant.

MR. NEARY: I do not mean to be sarcastic, Sir, but I would not expect it from the Chair. I have quite a bit to say. But, Sir, the minister asked me to give him examples. Look, I have reams of them here. The minister will get them. I just finished telling the minister that Your Honour would not allow me to read off the list, but I have got it, totalling \$8 million. The minister only needs \$10 million to offset that and incidentally, Mr. Chairman, that is an eleven per cent increase in the sales tax. The minister tries to brush it off by saying, "Oh, one cent, people do not object to that. It is an eleven per cent increase.

MR. CROSBIE: Why did he not think about that in 1967 and 1968?

MR. NEARY: I was not in the cabinet in 1967 and 1968 -

MR. CROSBIE: He was right there picking.

MR. NEARY: I was sitting down there inside of the rail. The minister was in the cabinet. Brought in over my head, much to my sorrow.

MR. CROSBIE: Inaudible.

MR. NEARY: The geniuses were brought in, the heavy artillery, the big guns.

MR. CROSBIE: Inaudible.

MR. NEARY: Yes, it took five of us, Mr. Chairman. The former administration never started to move forward, Sir, until we got into cabinet and tried to straighten her out. We had to go in and try, Mr. Chairman, we had to go in and try to straighten out some of the mess that that minister had left behind. His negotiations with the Linerboard Mill and the Come By Chance Oil Refinery - who had to straighten it all out and the Upper Churchill? We did! We had to bear the brunt of it.

AN HON. MEMBER: Well done!

MR. NEARY: Well done! Well we did it. We will do it again. Because the administration that started the Upper Churchill will start the Lower Churchill. The administration that started the first oil refinery at Come By Chance will start the second one. We will use our deep water ports in this province but it will not be that administration who will do it. They have not come up with one original idea since they got in office, not one.

So the point that I was making earlier, Sir, that if the taxpayers of this province were satisfied that they were getting good value for their tax dollar, that the government were spending their money wisely, I would be inclined to agree with the minister; there would be no objection to an increase in taxes, because most people are reasonable enough to know that the cost of operating government has gone up. But, Sir, that is not the case. The cost of operating government has gone up all right because of extravagance and waste. Mr. Chairman, the revenue has gone up because the tax dollars that are being collected today are being collected on inflated dollars.

Sir, I would say that the restructuring has cost the taxpayers of this province, I was going to say \$5 million. You would be surprised, Mr. Chairman, the increase in the civil service since that honourable crowd took over, with offices scattered all over St. John's. The Hon. Premier is leaving again; he cannot stand it. He cannot take it. Sir, if they were spending their money wisely, people would understand it. They would say, "Okay. That is good! We have to have the increase in taxes."

But they are not spending their money wisely, Sir. There is too much extravagance and waste. There is too much foolishness going on. There is too much money wasted on things that are unnecessary and not in the best interest of the welfare of the people of this province.

MR. EVANS: Including increase in salaries?

MR. NEARY: I dare say now the Member for Burgeo earns his keep, Sir,

MR. EVANS: He certainly does.

MR. NEARY: Earns his keep, \$16,000 and \$17,000 a year. According

to that I would say that judging by his income, Sir, I would say that there should be a fair number of people in Newfoundland in the \$100,000 a year bracket.

AN HON. MEMBER: Inaudible.

MR. NEARY: Because Rossie was a Rhodes scholar, a genius compared to that honourable gentleman. Rossie should have got ten times more.

But, Mr. Chairman, to get back to the point.

MR. CHAIRMAN: Order please! Maybe both honourable gentlemen have had their say now and are ready to move on to things that are more relevant and temperate.

MR. NEARY: So, Mr. Chairman, I end up by repeating again that the government had four options open to them. They had four options, Sir. Number one, they could have used the money from Ottawa to offset increase in taxes or reduce taxes, especially on gasoline and furnace oil. They could have used the surplus they had last year. They could have implemented some common sense economies or they could have increased taxes and they took the line of least resistance, Sir, and they increased the taxes. They decided to get the money that they needed for their buddies and for the extravagance and waste, to get it out of the hides and the backs of the working class people of this province. That is why, Sir, we are objecting to this increase in taxes and if the honourable the Premier had any sense at all he would reverse the decision taken by the Minister of Finance. If he wish to get back any of his public image at all, Sir, I know it is fairly tainted at the present time, but if he should want to get any of his image back at all, Sir, I think what he should do is show the people of this province who is the real boss. Who is the real boss of this honourable House? Is it the Minister of Finance or is it the honourable the Premier? Mr. Chairman, is the Premier sitting back and playing it cute and saying, "I am not going to get involved in controversy, let the Minister of Finance? Put him up

front. Make him the fall guy. Set him up." Maybe this is the way the honourable Premier intends to pick them off ; let him take the flack for the increases in taxes.

You notice, Mr. Chairman, the honourable the Premier never gets involved with any controversy. He always leaves it to his colleague, the Minister of Finance, who is rapidly destroying himself. No greater love had a man than to lay down his life for his friend, in this case to lay down his life for the Premier. The man is obviously prepared to be the fall guy, to be set up by the honourable the Premier. I must say, Mr. Chairman, that the flack is really coming in the direction of the Minister of Finance these days. It is really coming fast and furious. It is coming heavy and the Premier escapes, gets away scot free. But, Sir, I think the honourable the Premier should participate in this debate. Why not?

We have levelled in the last three days a number of broad sides at his administration, and who has to get up and defend the government and the administration? Old scrouge himself has to get up and do it. Where is the leader? Are they leaderless over there or is that the real Premier of this province? If that be the real Premier, I would say God help the people of this province! I was hoping, Sir, that the honourable the Premier would reverse the decision of the Minister of Finance and not go ahead with, as my colleague the Leader of the Opposition has said so often, not to go ahead with that bill, that amendment to the Retail Tax Bill. I hope, Sir, that will never see the light of day, although the Leader of the Opposition says it should be brought into the House quickly because the government is collecting the money unlawfully.

I hope that amendment will never see the light of day again, never be introduced into this House, because the moment it is introduced, Mr. Chairman, the government will use its large majority to ram it through the House and then it will be legal; then we have the one cent or the eleven per cent increase in the sales tax. I hope that it will not be brought in. I will vote against it, I guarantee

you that. But I hope before it is brought into the House that the Premier will reconsider and not go ahead with these tax increases, Sir, they are unnecessary in my opinion.

MR. CROSBIE: Mr. Chairman, I do not want to speak at any length but there are just a couple of points I would like to respond to the honourable gentleman about. The honourable gentleman has announced with bravery, and we must admire his bravery in this matter and his courage, he has announced that he will vote against this increase in the S.S.A. tax. Well it should be noted that it will be the first time he has voted against a tax increase in this House since 1962. After a career of voting for tax increases, from 1962 right straight on through to 1972, we have now heard this courageous announcement by the member for Bell Island that he will vote against this tax increase.

Well, wonders never cease! After voting for approximately twenty tax increases from 1962 to 1972, they were all right when the Liberal Administration was in, after doing that, Mr. Chairman, he is now for the first time since he was elected to the House in 1962 going to vote against a tax increase. Congratulations! Congratulations are due to the member for Bell Island who before this could have truly been called - I remember, Mr. Chairman, there used to be that programme "Superman", They would say, "It's a bird, it's a plane; no, it's Superman!" Well, I am going to suggest that now the wording will be changed, "Is it a bird? Is it a plane? No, it is Super-Tax Steve." Old Super-Tax! He has voted for more taxes in this House than any other single member, with the possible exception of the member for Fogo. "Super-Tax Steve," not "Cool-Hand Steve," we will forget that, "Super-Tax Steve" is now for the first time in his political history, the first time going to vote against tax increase. Congratulations Super-Tax. Congratulations, Sir.

Now, I have another proposition to make the member for Bell Island, The proposition is this, Mr. Chairman: If the honourable

member for Bell Island will stop telling lies about us we will stop telling the truth about him. That is our bargain. If the honourable gentleman from Bell Island will agree that he will tell no more falsehood about us then we will agree not to tell the public the truth about him. I offer that as a peace offering hoping that it will calm him down and he will let these estimates be treated properly and with dignity and with discretion and ask for information. That is the bargain we are prepared to make and if he be prepared to accept it. Now did he have anything else to say?

The honourable gentleman wants to debate the budget on television with me. Who does the honourable gentleman think he is, Mr. Chairman? Now if the honourable gentleman is Leader of the Opposition one might have to consider that proposition. But surely the Minister of Finance cannot be expected to debate on television the budget with the member for Bell Island who is only the whip.

MR. NEARY: You are not the -

MR. CROSBIE: Well you invited me. The Premier might want, I do not think the Premier would want to appear on television with the honourable gentleman. He does not want to spoil his image. But imagine the audacity, Mr. Chairman, the Whip of the Opposition wants to debate the budget on television with the Minister of Finance representing government. Has he got the permission of the Leader of the Opposition? Is he secretly the Leader of the Opposition? Has he already got the delegates lined up for next fall? Is he that sure of himself? Is he that sure? Well, I will make this promise, Mr. Chairman, if he become Leader of the Opposition, fairly and squarely, faces right up to it, none of this behind the scene stuff, comes out openly, says, "I am going to try for the Leadership. I deserve it. I have been in the House since 1962 taxing the people of Newfoundland and I deserve the leadership of the party" after doing that, if he become Leader of the Opposition and the Premier should agree

and give me his consent, I shall appear on television with him next fall and debate the budget. I shall debate his tax increase over the last ten years. I shall debate anything that the gentleman likes but only if he should become Leader of the Opposition, not in his present state. He is only Party Whip. We have no intentions of debating the budget on television with the Party Whip. He is not even their finance critic. The Finance critic is the Leader of the Opposition. So I refuse the invitation; I am not going to do it.

AN HON. MEMBER: Roger! Roger!

MR. CROSBIE: There is one claim, Mr. Chairman, that I never heard the honourable gentleman make. He said that he used to go in the common room and he would mutter about the tax increases. Well, it must have been a very low mutter because the mutter of them all, you know he did not want to mutter in the presence of the mutter or the father of them all. Nobody in the Cabinet ever heard a squeak from the honourable gentleman and the caucus never heard from him. Never once in my experience and I was in the Liberal Caucus for two years, did the honourable gentleman opposite get up and fight against the tax increases. In fact he never got up at all. In fact there were only two caucuses. In fact at those two caucuses there was only one speaker and that speaker was the honourable J. R. himself. That is the kind of caucuses we had in those days.

I do not know what the Liberal Caucuses are like today. There may be a lot of free-wheeling debate. I do not doubt that today the "Hon. Leather Lungs," who was liberated by us on January, 1972, that today in caucus he may speak up, but he did not speak up in 1966, he did not speak up in 1967 and he did not speak up in 1968. I do not think he spoke up in 1969 and after that he was in the cabinet. He got in there on our backs. We had the boot marks on our backs. Poor Wells and I were slung out. The Hon. Member for Bell Island and the other four were crawling in. They jumped in over us, five of them to replace two. Now that will show you, Mr. Chairman. Now that is only a little bit of history and I do not want to take a lot of time on this. I never heard him in caucus. "Supertax" is going to change his spots. They say that a leopard cannot change his spots but if the honourable member for Bell Island really should vote against this sales tax increase, it will be the leopard changing his spots because he is the biggest taxpayer.

Mr. Chairman, I have now found the gasoline tax. Remember I promised, Mr. Chairman, that I would look up the records. Now the Hon. Member for Bell Island was elected in 1962. He is a veteran of this House, a veritable veteran, twelve years. We are proud of that record. It is going to terminate within the next two to three but still it is a good record.

Mr. Chairman, in 1963, just after he got in the House, a year after, he whumped the gasoline tax to nineteen cents. Who did? The Member for Bell Island did. It went up to nineteen cents. I do not know what it was before but it was nineteen cents in 1963. Not satisfied with that, he stayed quiet. His pressure for an upward bump in taxes was repressed by Mr. Smallwood during 1964 and squashed in 1965 and kept down in 1966, but in 1967 the irrepressible pressure from the Member for Bell Island for an upward whomp in taxes knocked the gasoline tax to twenty cents a gallon. He was not satisfied

with twenty cents. He muttered in his beard when that budget came down. What, twenty cents? No, Sir, he was not satisfied with twenty cents. He kicked up in the caucæ. They must have had a caucæ in 1968. Sure! Lo and behold! a five cent increase in the gasoline tax in 1968, supported by the Member for Bell Island. But did he get up in the House in 1968 and proudly state, "Mr. Chairman, "I am going to vote against this increase in the gasoline tax, I, 'Steve,'" courageous, bold, determined, not afraid of any man in this House, "will vote against that gasoline tax increase?" No, he did not say that in 1968. There must have been someone in the House that he was afraid of in 1968. There must have been someone he was afraid of in 1969. Whoever it was he was afraid of has gone. He may be back, but he has gone.

Mr. Chairman, there were three gas tax increases. I am going to count them all up, Mr. Chairman. I do not want to take any time on this.

MR. CHAIRMAN: Order please!

It now being 6:00 P.M., I do leave the Chair until 8:00 P.M.



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VERBATIM REPORT

TUESDAY, APRIL 23, 1974

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The Committee resumed at 8:00 P.M.

Mr. Chairman in the Chair.

MR. CHAIRMAN: Shall 40J-01 carry?

MR. ROBERTS: Mr. Chairman, perhaps I could be permitted a few words on the subject of whether or not we should vote the minister his salary which after all is the subject before the committee at this stage. I am sorry, did the minister say something?

MR. CROSBIE: Inaudible.

MR. ROBERTS: Well, after the dud we heard from the other side from the minister this afternoon, Sir, it may be time. I do not propose, Mr. Chairman, to get into a slanging match with the minister. I am perhaps ill-equipped for that, unlike him.

What struck me - and I heard most of his remarks this afternoon - what struck me about them was the attempt at jocularity, the lack of sincerity and the quite appalling ignorance, I am sorry, arrogance - I could say ignorance as well - the quite appalling arrogance which the minister showed. My chief complaint with the way in which the minister is handling his policy in this department is just that; that the minister and his colleagues do not care, that they really do not care at all and that there is nothing in this budget, nothing in the minister's policy which shows any awareness of the - if the gentleman from Harbour Grace could keep his interjections to a lower level of decibels.

MR. EVANS: Inaudible.

MR. ROBERTS: The gentleman from Burgeo could keep his interjections to himself.

Now, Mr. Chairman, we can -

MR. CHAIRMAN (MR. STAGG): Order, please!

All honourable gentlemen know that the speaker has the right to be heard in silence. It is needless repetition on the part of the Chairman to have to bring that to member's attention.

MR. ROBERTS: Thank you, Your Honour.

For once I think I can say that I was not even being mildly

provocative. If the gentleman from Burgeo and the gentleman from Harbour Grace would care to hear me out in silence, perhaps they could enlighten the committee and the people of Newfoundland with their views on these matters.

Now, Sir, my concern with the minister - he had a fine time for himself this afternoon. He certainly got at least as good as he gave. My colleague from Bell Island was in equally fine form. I do not propose to play that sort of game. The minister seems to feel that this is the way that the consideration of the important matters under his administration should proceed. Well, I do not agree. I do not agree at all, Sir.

I think that the minister in his position as a leading minister of the ministry, a leading member of the administration and one who at least in the public eye is regarded as being one of the leaders of the government of this province, that he should show some concern. It is all very well for him to be sarcastic and all these things. If that make his heart and spirit soar, then I suppose he should do it.

My concern is not that. My concern is that the minister has not shown any awareness of the problems facing the great number of the people of this province. This is not the Budget Debate. The government have not got the courage to call the Budget Debate. Because it is the salary of the Minister of Finance, it has been a very wide-ranging debate and I think a very valuable one.

There are however still one or two points which I would like to make and which I would ask the minister to comment upon. The first of them has to do with this question of reopening salary contracts. Now, I am not sure that the minister has ever answered that question. I am not sure whether he has given us the position of the government with respect to that question. I would ask him to give us a clear-cut answer, whether the administration are willing to open contracts or not.

Let us be quite clear, Mr. Chairman: The contracts of which

I speak of contracts which have been signed and sealed and executed and are binding and in effect. They are wage and working agreements between the government on one hand as represented by the treasury board and the appropriate ministers and on the other hand employees paid directly or indirectly by the government but paid out of public funds, paid out of funds for which the Minister of Finance has the duty to control and the actual control. These contracts are binding and in effect.

I speak not of the constabulary because they are in the process of negotiating a new contract. I know only that they are in negotiations because I understand that both parties, the government on one hand and the constabulary on the other, have agreed to a black-out. That makes very good sense. You cannot negotiate in public.

I refer to the teachers who have already passed a resolution at their meeting in Gander that they wish to have their contract reopened. I do not know if they have approached the government or not as yet. If they have not to this date, they will shortly because their executive were mandated by the officers to do so.

I speak of the firemen who today approached the Minister of Finance and submitted to him a letter in which they asked that the government give utmost consideration to the question of reopening the collective agreement presently in force.

I speak of the other groups that while they have not yet to my knowledge decided to approach the government in all likelihood shall. Certainly if the government reopened any one contract, they will have to, I am quite sure, reopen all of the others or at least apply similar principles to all of them.

Now, Sir, let us just look at this reopening question for a moment or two. As the Minister of Manpower could tell us, it is not anything unusual in the collective bargaining world to reopen a contract. I speak only of wages. I thank the minister. Let me be quite clear.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: I speak of collective agreement, only those clauses relating to wages and possibly fringe benefits in as much as they are monetary. I speak only of the monetary items. It is not unheard of to open contracts to deal with such things as technological change. That is not my concern at this point. I do not think that in the public service generally we have technological change nor do we get the sort of issue which bedeviled labour relations and still bedevils them as far as I know in Labrador West, not an issue of money primarily, not an issue of technology as such but rather an issue of management practices or management rights depending, I suppose, on which side is putting the question.

I speak of money. I speak of the hourly rate of the wage scales of the financial compensation set forth in the agreement. Now, Sir, you could make a perfectly strong case unassailable in law and sustainable, if not more sustainable in policy for saying that these people, these unions signed a contract and they must live by it.

The teachers certainly, the N.T.A., at their convention in Gander a week or ten days ago took a very responsible attitude.

As they were reported in the press and I have no reason to think they were not reported accurately and not reported fully, they said, "Let us approach the government and ask the government if they will reopen the contract which we have. If they will, well and good. If they will not, we must live with it." I think I am quoting Mr. Williams, the president of the N.T.A. almost word for word on the point.

I have no reason to think that the fire fighters who made public their desire to reopen their contract, that they will approach the matter in any other way.

The warders at the penitentiary have a one-year agreement which expired I believe on March 31. So, they are now in the midst of negotiations. The constabulary people, the constabulary members of the police force in St. John's are in the same position. Their agreement,

I believe, expired on March 31 and they are now in the midst of negotiations.

The hospital workers have a contract reached after some turmoil last summer which still has eleven months to run. The general public service have a contract reached after less turmoil than the hospital workers but after some difficulty at the bargaining table which I believe extends until the end of the current fiscal year, March 31, 1975.

Have I left out any groups? Those are the major groups, are they? Teachers, hospital workers, civil service, the warders, the police and the fire. I think there are only six groups. The nurses - I am sorry - the ARNN represent their members, the nurses of Newfoundland. I believe their current agreement expires on March 31 coming.

Now, Sir, all of these groups are under binding contracts. They are perfectly valid and perfectly good contracts. It is fair to say, I think, that they were entered into in good faith and entered into openly. The minister and the government would be within their legal rights, certainly well within their legal rights to say to these groups, "No, we do not propose to reopen these contracts. You signed them. You must live by them." If the ministry said that to these groups, these groups, in our view, Mr. Chairman, would have no recourse except to accept that. They would have to say, "Very well, we signed the contract. We will be men about it and women about it. We will live up to it. We do not particularly like it. We think we are being treated unfairly but we shall observe that which we agreed to observe."

I think that must be stated. I think it is common ground and I think it is very clear ground. Sir, I say to the minister, that he would be making a very grievous and a very grave mistake in public policy in this province if he and his colleagues were to adopt that attitude. I say, Mr. Chairman, in the full knowledge that every group in Newfoundland, if it has not already made an approach - of the seven groups that I have named four are either in negotiations or have indicated they wish to reopen

the salary part of their package. I say that in full knowledge that every group if it has not already made an approach for more money will do so, and that will cost a lot of money. I have no idea what it will cost, the salary bill for the people paid out of the public purses. What? About a quarter of a billion dollars. It is in the budget speech somewhere. Let us say it is \$250 millions. It could cost a lot of money to give those people a raise. A five per cent raise would cost \$12.5 million. It is a lot of money.

The minister can stand and he can declaim at some length and he can speak and he can say how \$12.5 millions is not to be had and he can go on ringing the bells on that particular theme for some time and having said that he can say nothing more. I suggest to him, Sir, that that is not the way this issue should be approached. These people signed the agreements. They negotiated at arms length. They presumably came to the bargaining table well armed with research and with determination to get what they thought was a fair deal and when they signed the agreements they presumably felt they had a square deal.

Sir, in the upshot it has not worked out that way at all. In the upshot, Mr. Chairman, these people feel that they are being treated unfairly. At present in my view they do not blame the government but if the government do not come to grips with this problem then these groups will turn on the government as their employers and I think we will have a very unhappy and possibly an unhealthy situation.

It probably will not come out this year, Sir. When it will come out and with vengeance, is eight or nine or ten months from now with all of these groups sitting down with the minister or with his officials to bargain and I think the Minister of Manpower, who is showing himself to be a pretty good hand at negotiation and conciliation and getting people back together and getting them talking, I think he would be the first to endorse what I am saying when I say that negotiations which begin against this background

eight or nine months from now, in this current fiscal year, will be very difficult, very arduous and with every possibility of strike action or of all the unpleasant consequences which can follow from a very unhappy settlement.

Now, Sir, before I go into that, why do these people feel they are being treated badly? Well, some information which came out, this happens to be the most recent one from the Planning and Priorities Secretariat, a group set up by the minister and certainly coddled and cozened by him, I think that this information gives the figures.

I do not need to go through the unemployment figures although it is significant to note that in Newfoundland in March, the most recent month, in Newfoundland last month our total work force dropped by 4,000 people, a 2.3 per cent drop, a significant indicator of Tory progress. Our number employed dropped, not by 2.3 per cent, Mr. Chairman but by 6.1 per cent, by 9,000 people, 9,000 jobs evaporated between February and March. This is the happy Province that the Premier tells us will have to import labour. We had 9,000 fewer employed.

The unemployment force, the people unemployed, increased by seventeen per cent, from 29,000 to 34,000. The difference of course between, as Your Honour will be quick to grasp, the 9,000 less employed and 5,000 more unemployed, the difference of course is accounted by the 4,000 who gave up, who count themselves out of the labour force. The unemployment rate, unadjusted, an arithmetical calculation, is 19.5 per cent. One out of five of every Newfoundlander is out of work in the year of Tory greats, this year of Tory bliss, this year of Tory planning, 19.5 per cent.

If Your Honour cares to go back through history Your Honour will find that is the highest rate we have had in March in eight or ten or twelve years. Great! For this we have a Planning and Priorities Secretariat!

The adjusted rate and I must say I am with Bob Stanfield on this one, Mr. Chairman, I do not understand how, I think I can understand

the theoretical, the statistical calculations that make unadjusted into adjusted. There are seasonal variances in the labour force and it is quite proper to take them into account but I submit that to a man or a woman who is unemployed it matters little whether he is adjusted or unadjusted. He is out of a job and the only adjustment he wants, Sir, is not putting in seasonal factors or that sort of variation. What he wants is to be adjusted right into a job.

As a matter of interest, our seasonal work for a seasonal unemployment rate, the adjusted unemployment rate only increased by 2.6 per cent from March 1973 to March 1974. Terrific, an absolutely terrific performance. We only have 14.6 per cent unemployed and this from the government that talked so glibly of what they were going to do for the people of this Province.

I will tell you what they have done for the people of this Province, Mr. Chairman. They are putting them out of work. That is just the unemployment. That in itself is not the reason why in my view these people should have their contracts reopened and I do not say how much if any raise should be given. What I do say is that the government should sit down with them at the bargaining table, prepared to bargain on this wage question openly and fairly and in a collective manner.

Sir, as I understand it, the Iron Ore Company in Labrador West have undertaken it to do -- as Dosco have done in Hamilton, Ontario. Dosco reopened their contracts a week or two or three past and I believe it is eight per cent they have agreed to give their workers over and above any increases which may have been in the contract formerly. Dofasco, another great steel company, have done it. I believe Algoma Steel have. The Minister of Manpower is nodding agreement.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: I am sorry?

AN HONOURABLE MEMBER: INCO and Noranda.

MR. ROBERTS: Inco and Noranda as well. I was not aware of these and I thank the minister. Companies with very large work forces --

the Inco work force concentrated heavily at Sudbury and at Thompson, Manitoba, Noranda with employees at many operations, particularly mining throughout the country.

That, Mr. Chairman, is but the first wave of them. I venture to predict that we will see contracts reopened all across Canada, that we will see governments and private enterprises alike reopening the wage clauses in contracts and that we will see money being given because to reopen the contract means more money. I am not going to dodge and skip about and say that it does not mean more money. I do not say how much the government should give. That is a matter for bargaining but I think they should reopen them and I think that means they must be prepared to give more money.

The point for these people, Mr. Chairman, the people employed by the government, is not unemployment because they are not affected by the unemployment rate. Very few of them are unemployed. In the nature of the beast, teachers are not unemployed and people working in the hospitals are not unemployed and the civil service and the police are not unemployed. One of the problems they face is not job security. They may have many other problems in life but they do not have that problem.

Sir, the problem they do face is the cost of living. Let me just read to the House the most recent figures, again released by the government. The same ones are readily obtainable from Statistics Canada. The Consumer Price Index in St. John's, which I submit, if anything, is the minimum index across Newfoundland: The price of housing, Your Honour, and these are twelve month figures, these are March 1974 compared to March 1973 - the price of housing in St. John's has gone up 9.2 per cent, ten per cent. It costs ten per cent more to obtain equivalent housing in St. John's in March past, three weeks ago, than it did one year past.

The cost of clothing has gone up 8.1 per cent. That was even before the rumor, the sales tax increase was announced, because of course that came in April. It went up from 138.2 to 149.4, an increase

of 8.1 per cent.

The cost of food, Sir, and here is the shocker, 23.1 per cent, nearly one-fourth. On an index taken in 1961 as 100, Sir, it went from 140.1 to 172.4. Now, Your Honour, statistics can be dry and statistics can be dull and statistics can also be misleading but I venture to point out to Your Honour that these are not. What these figures mean, Sir, is that an amount of food which could be bought for \$100.00 in 1961, in 1973 would cost \$140.00. In other words, Mr. Chairman, in twelve years that index rose forty per cent, 3.5 per cent a year on an arithemtical average, maybe a little less than that compounded. but three, 3.5 per cent a year over a twelve year period.

In the past twelve months that same cost of food, those same items have

gone up from \$140.1 to \$172.4, that is an increase of twenty-three per cent.

Now, Mr. Chairman, I think that is reason enough for the government to sit down and to renegotiate contracts. The whole cost of living, if you put all of it together on the index worked out by the Statistic Canada people, it has gone up twelve point five per cent in the past twelve months. It has gone from \$135.7 to \$152.6: It took twelve years, Mr. Chairman, for the index to increase thirty-five points, it took twelve months for it to increase by another twelve points; four times as fast, Mr. Chairman.

The minister can say in reply and I will not quarrel with him on this, I have said so before in the House and I shall say so again, he can say that the Government of Canada have a great deal to do with controlling inflation and so forth. I am not so sure, to go further, that even the Government of Canada can control it. The minister's party at Ottawa, headed by Mr. Stanfield, talks of wage and price controls quite glibly, I am sorry, they talk of price controls, they do not talk of wage controls but the two are generally bracketed together. They do not point out that in every country in which this has been tried, the United States, the United Kingdom, it has been a disastrous result. The inevitable result of application of wage and price controls has been inflation at a higher rate even than Canada. But that is a matter for the Ottawa House to debate and the Ottawa politicians to discuss.

My concern is with the Newfoundland Government, the Newfoundland House, with the Newfoundland Finance Minister. I do not say that the Minister of Finance can solve this problem. His financial resources are limited. He has no control over monetary policy. His control over fiscal policy is limited to that aspect of the fiscal policy which is provincial. That is important. It is very important but it certainly is not the full field, it is not the totality of fiscal policy. I am not going to pretend he can do miracles. He only has a given amount of money to work with.

But I think, Sir, he should be prepared to do something for the

people who are being caught so cruelly by this rising cost of living. The government of this province have 25,000 people or 30,000 people who are making a living, who earn their wages working for the government. Our work force in Newfoundland now is 175,000 people, in round figures. One out of six, one out of five, some where of that order of our work force works for the government, directly or indirectly. The hospital workers, the teachers, these are just as much paid out of the public purse as are the members of the House of Assembly or the people who work directly in the civil service.

Sir, they are in a very unfortunate position because they are being caught by this rising cost of living. As I have said before in the House, Mr. Chairman, these people do not have the leeway in their own home finances, in their own day-to-day budgets to give and take. The gentleman for Placentia East practices at the Bar downtown and I have no doubt does well at it. He has a little leeway in his income. He has a little room, a little flexibility within his own family budget but, Sir, his constituents do not, in the majority. My constituents - the honourable member agrees with me - most of them are living from payday to payday, if payday is a week late or if anything happens that they do not get that pay, it is a pretty grim situation.

I used to say when I was Welfare Minister long ago that all of us are only about three months away from the welfare officer. There are very few of us in this House, Mr. Chairman - Oh, we are all doing well now but very few of us if we lost our earning ability and lost our ability to receive pay, whether it be through ill health or what have you, would not be three months away from going to see the welfare officer to ask for assistance. Very few of us have private means or have insurance policies or what have you that would cushion us against a lost of earning power - very few. I would say across Newfoundland, Sir, there are not one-thousandth of one per cent of the people who can last without a regular pay cheque coming in, last without that and not have to go and see a welfare officer or to seek assistance from the public. Of course that is why we have these plans.

But, Sir, these people are being cruelly hit. The firemen here in St. John's, employed by the Minister of Justice, signed an agreement. They signed an agreement on April 1, 1973, running until March 31, 1975. Their raises obviously they thought they were good at the time or they would not have signed the agreement, but they did not anticipate this rise in the cost of living. Who could, Sir? It has been going at a rate four times as fast in this last year than in the twelve years before it. Who can anticipate that?

What are they going to get this year? Well their figures, Sir, these are worth the committee's attention I think. Under the firefighter, first class, (I assume that is the starting point on the scale - the Minister of Justice nods - I mean that is where they start.) in 1973 received a total remuneration including the fringe benefits as calculated at from \$8,403.44. The contract now in effect will give him during 1974 the comparable figure of \$8,541.20. That is an increase of \$137.76, a one point six per cent increase. One point six per cent, Sir, set against a rise in the cost of living, predicted by the minister in his budget, in the order of eight or nine per cent but I venture to suggest in reality it will be closer to twelve or thirteen per cent. They have a one point six per cent increase!

A fire inspector, Step No. (4), will get \$104. raise and on his salary that works out to 1.29 per cent increase, 1.3 per cent. A fire lieutenant, Step No. (4) on that scale, will get \$220, in round numbers, more this year; that is a 2.3 per cent increase. That is the top increase of all the 204 men in the fire department, in the union unit over there, I suppose that excludes the Chief and the Assistant Chiefs and possibly one or two other management people. The fire lieutenant will get the biggest percentage increase, He will get 2.3 per cent. The fire alarm technician will get a magnificent increase of \$39 a year, which works out to seventy-five cents a week, which works out to .47 per cent of his salary of \$8,796. during this year.

Now, Mr. Chairman, I point out that these figures include the \$200. bonus which the government gave these people in December past. That is

included in their 1973 income figures. Their 1974 figures obviously reflect that - I am sorry the increase reflects that because the amount added on to the 1973 figures raised the 1973 figures and thus narrowed the gap between 1973 and 1974. The fact that that bonus was not in the contract, the minister or the Minister of Justice could say, the increases are not as I have read them out here.

I do not claim to be a mathematician. These figures are the figures which the firemen themselves worked out, but I have no reason to doubt them. I would point out although the \$200 might not have been in the contract per se, the \$200 was in their pay cheques, they got the money and obviously what is eaten bread is soon forgotten. Obviously when they come to measure their 1974 contracts, they take that into account.

So we are faced with a situation where these employees of the government, under their agreement, openly entered into and as far as I know being observed in good faith on both sides, get increases ranging from a low of 0.47 per cent, less than half of one per cent, all the way up to 2.3 per cent. Increases ranging in dollar terms from \$39 a year to \$220 a year.

Now, Mr. Chairman, that is set against the cost of living which will be a minimum of ten per cent. I would suggest it will probably come to higher than that, twelve or thirteen per cent. Furthermore, a food increase, the cost of food has gone up twenty-three per cent in one year. Sir, those are facts that the government cannot deny. I am not saying the government are responsible. I think they are responsible for a lot of the mess this country is in but I do not think they are responsible for that.

But these are facts which the government cannot get away from. They are there. They affect their employees. So I say now to the Minister of Finance that we believe he should sit down at the table with these people and with the teachers and thus with the other groups because they will be in, the hospital workers will be in, the nurses will be in and any other group whose contracts are not opened for renegotiation, they will all

be in.

AN HON. MEMBER: The lab technicians.

MR. ROBERTS: The laboratory technicians. They will all be in. They will expected comparable treatment and they should get it.

Now if the minister should not do that - he can stand in the committee as he did this afternoon and pour scorn. He poured scorn on the firefighters this afternoon, when he spoke in the committee this afternoon. We all heard him. I do not mind saying that -

AN HON. MEMBER: Inaudible.

MR. ROBERTS: I am speaking the truth.

The Minister of Finance poured scorn on the fire fighters. He mocked them. The words of Hansard -

MR. CROSBIE: (Inaudible).

MR. ROBERTS: Mr. Chairman, I have the floor.

MR. CROSBIE: On a point of order: That is a false statement.

There was no scorn poured on the firemen this afternoon. If the honourable gentleman allege there was, let him get the Hansard out and let us see it. That is a misstatement, a distortion, a deliberate one.

MR. ROBERTS: Mr. Chairman, to that point of order.

AN HON. MEMBER: Point of honour is more like it.

MR. ROBERTS: Yes, it is a point of honour but the gentleman from St. John's North would know little about honour.

Mr. Chairman, the point is that the minister did pour scorn. I have no intention of withdrawing what I said but I would ask that Your Honour instruct him to withdraw what he said about my making a deliberate misstatement of the fact. The Minister of Finance, Sir, although he may not like it, is subject to the same rules as is any other member of this committee. I say that he poured scorn on the fire fighters this afternoon.

MR. CROSBIE: I say that the honourable gentleman is lying.

MR. ROBERTS: I say that he mocked them.

MR. CROSBIE: I say that the honourable gentleman is lying.

MR. ROBERTS: Mr. Chairman, I invite Your Honour to enforce the rules of the committee and ask the gentleman to withdraw that statement, please.

MR. ROUSSEAU: Not too often I rise to speak on a point of order but I distinctly recall what the minister said today, because I was very interested in his comments. What the Minister of Finance did say today is that he did have a request of the firemen and that it would be two or three weeks or a certain period of time before government would make a decision. In my opinion he did not heap scorn on the fire fighters and I think it is misleading that anybody should suggest that he did.

MR. CHAIRMAN (Mr. Stagg): The Hon. Leader of the Opposition made certain allegations of facts as to whether or not the Minister of Finance did or did not do certain things this afternoon. The minister has risen on the point of order and certainly has given his version of the facts.

Now to deal with the other statement made by the Hon. Minister of Finance, as to whether the Hon. Leader of the Opposition lied may or may not be true. However, it falls within those unparliamentary remarks which are prohibited. I ask the honourable minister if he might rephrase it, retract it or in some way modify it and make it acceptable to the committee.

MR. CROSBIE: Mr. Chairman, I, of course, am always subject to your direction. In this matter, I will certainly observe in a most humble way your direction. I will take back the words that the honourable gentleman lied. The honourable gentleman was simply mistaken, he was simply negligent in what he said or he did not hear what was said this afternoon or he did not realize what was said this afternoon or perhaps it is his truculent nature that drove him to make the statement he made but obviously, of course, he would not lie. Therefore, I withdraw any suggestion that he did lie. He was just mistaken.

MR. ROBERTS: I thank the honourable gentleman for his gracious and condescending withdrawal. I stand by my statement that the honourable gentleman poured scorn on the fire fighters this afternoon. The gentleman from Labrador West, I appreciate his intervention but I think he really said all that need be said when he said, "in my opinion."

Well, I respect his opinion, I respect the opinion of any member of this House, Your Honour, and they equally should respect mine. I say that the minister poured scorn on the fire fighters.

MR. BARRY: (Inaudible).

MR. ROBERTS: Mr. Chairman, I have no intention of being distracted by the schoolboy debater. If he should wish to make a speech, he is at liberty to do so.

MR. BARRY: (Inaudible).

MR. ROBERTS: He is a member of this House and even though he acts like a schoolboy, he is at liberty to act like a schoolboy as long as he is within the rules of the House. I invite him, Sir, to speak to the committee, enlighten the committee and to enlighten any audience he can get to listen to him. I also invite him to observe the rules of the House. It may be, Sir, in the schoolboy leagues, to which the honourable gentleman is more accustomed, that they do not follow the rules which we do follow in this House; Sir. I would suggest to him and commend to him the rules.

Now as I was saying, Sir, I suggest again that the government reopen these contract negotiations. The fire fighters I think have presented a reasonable case for consideration. I think the teachers presented a reasonable case for consideration. They are getting a raise of about six per cent this year. They negotiated it, they settled with it and that is what the agreement says. They have come out quite straightforwardly and said that if the government will not agree to reopen the contract, they will live with it. It is a pretty responsible attitude. What I am saying is that I do not think the government should hold them to that. I think the government should recognize what has happened with the cost of living and the government should be willing to deal with it. I do not know how much that should be but it obviously will be something. What happens if the government say no? What happens if the Minister of Finance's arrogance, if he should scorn them and says, "Be gone ye peasants, be gone!" as he can, as he has been known to, as he has time and time again been known to? What will happen, Mr. Chairman? I hope that these people will observe their contracts and I expect they will.

Mr. Chairman, when the contracts expire eleven months from now, when negotiations open nine and ten months from now, the Minister of Finance is in for one of the roughest rides of his somewhat turbulent political career. These unions, Mr. Chairman, are fully aware of the Minister of Finance's role. They are fully aware that last summer, during salary negotiations, the Minister of Finance, the

same gentleman whose salary is currently before the committee and will hopefully be voted before too much longer, said, "No! No! A thousand times no!" To hospital workers. He said, "Go out on strike, if you want. Go! Go a thousand times. Begone! But not another nickel!"

Mr. Chairman, we had the situation where the Board of Western Memorial threatened to close the hospital down. That is what brought him to his senses finally, when the board got on to the Premier and said they they were going to close it down, they could not carry on. It has been more than three weeks now with supervisory staff and a few doctors and a few head nurses and what have you. We had the St. Clare's Hospital closed. We had the Grand Falls Hospital closed. The minister kept saying, "No, here we stand!" Then these groups got to the Premier who did the only thing he could do in the circumstances, I suggest, he pulled the ground out from under the Minister of Finance. He was not even graceful about it. He did not even say to the minister, "John boy, you better get back out there and sit down and talk to them or ask the collective bargaining people .." There was none of that.

Mr. Chairman, there was a great meeting here on a Sunday morning at Confederation Building. The Minister of Manpower was in attendance at it; the President of the Council was in attendance; I believe the Minister of Health was; the Minister of Finance was and possibly one or two other honourable gentleman, Sir. They came out of the meeting. It was so sudden that the hospital boards in Grand Falls and Corner Brook, the people who employed the striking workers, the people who refused, because of the government, to give them any more money and thus saw them go out on strike; their own employers, did not know about it until the next morning, when helicopters were dispatched to Grand Falls and to Corner Brook to whisk the boards in here or members of the boards, the chairman and representatives, into St. John's to tell them what the Premier and the ministers had done. Fair enough! That is what we saw last year.

Every union man in the province knows that the Minister of Finance is a "paper tiger," and that he had his teeth pulled by the Premier on those things. As a result, Sir, fortunately or unfortunately,

the Minister of Finance has lost his credibility, his standing with those union groups. He has. They just will not accept his word as being the final position of the government. Whether or not he is despised is another story. He has no standing with these union people. The Minister of Manpower, if he were to tell us what he has told them, I am sure would say the same thing, that the union groups across this province with whom the government deal, representing the government's employees, have no faith in the Minister of Finance to state the government's position. They will not accept it from him, Sir. They will accept it from the Premier. They realize that the Premier is calling the shots and that the Premier will have the final thing. He has pulled the rug out from the minister on a number of occasions. Last summer was the final straw.

Mr. Chairman, I do not say that very happily. I do not particularly like the minister's political position. He does not particularly like mine. I have no doubt that the minister in making the statements he made last summer (He made them time and time again. It was not an off-the-cuff thing. It was a considered position) was reflecting the view of the cabinet and I have no doubt that he was reflecting the consensus of all his colleagues and he was humiliated in my view quite unnecessarily and quite openly. It is not the minister, he can look out for himself, it is not his humiliation that concerns me. What concerns me is the fact that these employee groups are in a state of mind. They are being driven by the rising cost of living; they are being exposed to the same labour climate we are seeing all across Canada where the distinction between lawful and unlawful strikes seems to have disappeared.

Mr. Chairman, how many unlawful strikes have we had in Newfoundland this year, this calendar year? Four? Five? Six? If the Minister of Labour should have the figures .

AN HON. MEMBER: (Inaudible).

Twenty-four or twenty-five? How many lawful ones did we have?

One, two, three, eight to one. I do not know what the answer is?

The commission set up with Mr. Edward Neary as commissioner was a disastrous failure. It did not produce any answers. We do not even hear about that conference they talked about, of world leaders who were going to come to talk about illegal work stoppages. That apparently has either died in Limbo or has been postponed into the Never, Never Land. We certainly have not heard about it in weeks and weeks and weeks and months and months. Maybe it will happen tomorrow but it certainly has not been talked about.

In case after case we see unlawful strikes. We have no post services in Canada today because of what I am told is an unlawful strike. I understand the dispute in Montreal and all that has grown out of it is unlawful, illegal. It is against their collective agreement.

The one in Labrador City, nobody made any pretence that it was anything but an illegal workout. The union made no apologies. The union said; "We will do what we must do."

The one in Bay Verte last week, the one at Come-by-Chance, the Guildfords one - what other ones have we had recently in Newfoundland? We have eight unlawful strikes for every lawful strike. I am not calling for those but I will say that the people in the labour movement obviously know what is happening elsewhere. They listen to the same radio and television services. They read the same newspapers as we all do. I would not want to say what will happen next year when it comes to dealing with the government on one hand and the employees on the other.

If we go into those negotiations with people feeling they have been treated unjustly, if the government will not recognize what is in my view a very good case, a good case for more wages for the people paid out of the treasury of this province, then I think that we are heading for real trouble. We are heading for very real trouble. I have not sought out any of these groups, Mr. Chairman, not one of them. Almost all of them have come to me within the past month or so

and this talk of reopening contacts began on the Mainland somewhere. I am not sure where the idea first came up but it is spreading now. It is becoming an accepted thing. It is becoming an understood thing. It is not considered unusual or unique or remarkable. It is becoming quite the agreed thing now.

They have come and they have sort of said - I suppose they are lobbying for what support they feel we can give them but they are saying that they feel that they are not being treated properly, that the cost of living is rising so rapidly that their pay checks are actually shrinking, and they hope the government will listen to them and will heed them.

Well, I hope so too, Sir. I do not pretend to know where the minister will get the money. I have noticed one thing, Mr. Chairman, in the ten years that I have been in one way or another involved in public life. I have noticed that governments, Mr. Chairman, can always find money for what they want to do. That has got nothing to do with what political party form the government. It can be the New Democratic Party or it can be the Progressive Conservative Party or it can be the Liberal Party or I suppose it could be Social Credit. We do not have any of them left in Canada now. The government can always find money for what they want to do. If they do not want to do something, the first line of defense that any government put up is, we cannot afford it. We are up against it. If they want to do something, Mr. Chairman, they can always find the money.

If the government want to treat their employees justly and fairly, they will find the money here. The Minister of Finance is budgeting on current account for a surplus of a number of millions. Last year, Sir, his estimates of revenue on current accounts were about \$20 million short on provincial sources. They were a couple of million short on federal sources. Obviously the Ottawa officials are better at estimating these things than are the minister's officials.

The revenues of the province are buoyantly affected, favourably affected by this inflationary spiral. The cost of clothing has gone up

eight per cent, Sir. That means our revenues have gone up more than eight per cent because our revenue, the big source of our revenue is the sales tax. That is directly related to the cost of retail sales. Indeed, Sir, retail sales throughout the province unadjusted for seasonal variations are up at 12.6 per cent in Newfoundland in February, 1974, over February, 1973. They are up substantially.

We are not doing as well as across Canada but again that is the standard thing. Our cost of living has gone up faster here than across Canada. The cost of food has gone up faster. The cost of clothing has not. The cost of housing has. The unemployment rate across Canada dropped. In Newfoundland it increased. The size of the work force in Newfoundland dropped. Across Canada it increased. The number of those employed in Newfoundland dropped. Across Canada it increased. We are falling further and further behind.

The government can find the money if they want to, Sir. So, I suggest to the minister quite seriously, quite openly - he can stand up and he can give us one of his virtuoso performances or he can pour scorn and do anything he wants, I mean, if that should make him feel happy, fine! I believe these are serious matters and should be treated seriously. The minister this afternoon was almost eloquent when he spoke of the people of Newfoundland being intelligent and knowing what is happening and words to that effect. I quite agreed with him.

I tell him now that the people of Newfoundland know what passes in this House, know what goes on day by day in this committee, Mr. Chairman. They know the minister's attitude. I have heard, just knocking about the past four or five days, some of it from Liberals but much of it from people who did not previously vote Liberal - whatever they may do in the next election, I do not know. Mr. Danny Hiscock is an example. He has publicly left the Tory Party because it left the people of Newfoundland. There are many others. Mr. Chairman -

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: No, he is the only one who made a public statement so the

only one whose name I feel free to use. He was very active in the Tory - the gentleman from Grand Falls is not here - he was very active in the Tory Party in Grand Falls district. He felt impelled to make a public statement and did. That is why I mentioned his name. I could name for the minister privately hundreds in his own constituency and thousands more throughout the province.

Mr. Chairman, that is not the point. The point is quite simply the people of Newfoundland rather resent the minister's attitude to this Budget Debate and it is a Budget Debate on his salary. The government will not call the Budget Debate as such. Because we are voting the minister's salary, the House, the committee is on a sort of mini-budget debate. The minister cannot defend his budget on the facts, so he has to be scornful and arrogant and contemptuous and mocking and rude and all the things which the minister can do so very well. I would not attempt to equal him, Mr. Chairman and I do not attempt to equal him and I shall not attempt to equal him. His virtuoso performances speak for themselves.

I tell him now, Sir, that the people of Newfoundland know. The people of Newfoundland whatever their political affiliations are not impressed by a Minister of Finance who has to take this attitude to what are serious matters. Obviously, if he be attacked, then he has to reply in kind. I do not begrudge him that for a second. What I have said this evening, I have said perfectly seriously and I have said it perfectly straightforwardly and I mean it.

I believe that the government should reopen these salary contracts. They should sit down with the fire fighters and the teachers and that means the other groups because they will come along. They should be prepared to put into their agreement, into the salary clause of their agreements some extra money to compensate these people for the rising cost of living. I think that is fair. The government might be prepared to do it for others. That is fine, but the government can do it for those whom it directly employs.

Let me just say one other word on another topic, Mr. Chairman. Then perhaps the minister could say a few words and I could get a cup

of tea. Fortunately we have P.A. systems in the galleries and the lobbies off each side, so we can hear. What I have to say is about this business of tax increases.

The minister is very sensitive on tax increases. I suppose he has been getting a hammering from his caucus and from the people of Newfoundland at large. He makes great sport about the fact that of the taxes in Newfoundland today - what is it seven-eighths of the sales tax? The sales tax is only seven per cent but seven-eighths of the projected sales tax is Liberal, and that is quite correct.

I could say three things about that, Sir. First of all, the Liberal Government did not increase taxes in any way from 1969 on. The Tory Government increased taxes in 1972 and again in 1974. I venture to predict that under the minister's beneficent administration taxes will be increased next year. They would have been increased last year if it had not been for the munificence of the government of Canada, the Liberal Government at Ottawa who came through with an extra \$24 million on current account for the minister. This year they have provided him with a bonus of \$9 million. So, we only have a \$14 million tax increase. Thanks be we at least had the \$9 million from Ottawa!

Let me also point out, Sir, that the taxes the Liberal Government put on - I will any time Your Honour wants compare the taxes the Liberals levied with the benefits they levied on one hand against the taxes the Tories levied and the benefits they have provided on the other hand.

The Liberals built the Trans Canada Highway. The Liberals provided hospitals in many parts of this province. Indeed, Sir, the current programme was begun by a Liberal Administration. There has not been one brick laid on any hospital project in this province that was not committed and started

before the present administration took office and that is more than two years past. That is perfectly true, Sir. That is perfectly true. The Twillingate Hospital, the Carbonear Hospital, the Western Memorial Hospital and the Health Sciences Complex, all four, as far as I know they are the only hospitals now under construction. There is talk of a hospital in Clarenville. Hopefully it will come to fruition this year.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: I am sorry?

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Well, that could be. The Minister of Finance was Health Minister before I was. The member for Trinity North would have to speak with him about it. I became Health Minister in 1969, Sir, and I can speak for what happened from the third of June or whatever date it was, 1969 till I ceased to be Minister of Health in January of 1972. I can speak with some knowledge of that. Before that, Sir, the Minister of Health was the present member for Burin and before him, from September, 1967 until May of 1968, it was the present Minister of Finance. So, I would suggest the gentleman from Trinity North need look no further than immediately in front of him to ask what happened to that particular project.

All I can say was during my time in the cabinet it never came before the cabinet. I never heard it suggested but I say that every hospital project now under construction, every brick that is laid was laid by a Liberal administration. That is all.

The same is true of the vocational schools, eighteen now in Newfoundland, every one of them. So, the Liberals taxed. Of course we did, but the Liberals provided benefits. The Tories have taxed. They have learned that much but they have not provided a benefit yet. Name me one. Increased social assistance, sure they took it away. The Liberals in Ottawa increased it to twenty dollars per child. The Tories used it as an excuse here to lower their contributions and in most cases they are giving less than they gave

before despite the rise in the cost of living.

Mr. Chairman, name me one thing under the minister's administration that has been done for the people of Newfoundland? The fuel tax, off fuel, the seven per cent off fuel, granted, but that helps the wealthy far more than it helps the poor. It helps the man burning one hundred gallons of oil a week far more than it helps somebody who has a space heater in the front room of his house and burns twenty gallons of oil a month.

What else have they done? They took the sales tax off children's clothing, did they not? \$1.5 million they put in the peoples' pockets, \$1.5 million. They promptly whipped \$3 millions out and not only that, Sir, they did not even take it from the same pockets because the person who goes down to the store and buys \$500.00 or \$600.00 worth of clothing for a child in a year is considerably in pocket out of a seven per cent tax rate.

The person who goes and buys \$100.00 worth of clothing a year which is what most Newfoundland mothers do or \$100.00 or \$200.00 is badly out of pocket, badly out of pocket. Why should it be a secret? Mr. John Lundrigan told me that the main reason he nearly lost in Gander Twillingate, in his view, in October, 1972, was John Crosbie and his "blankety-blank" mothers' allowance, taking away the mothers' allowance. That is what the people of Newfoundland thought of that particular maneuver and I am quite sure Mr. Lundrigan was not speaking to me in confidence or I would not have said it, I would not have raised the matter here.

AN HONOURABLE MEMBER: He is not very pleased about the tax ... (Inaudible)

MR. ROBERTS: No, he is not. What else have the government done? They say they are going to bring in subsidies on fishing gear. The minister, and his budget says that. What of their own backbenchers? The gentleman from Bonavista South comes out and says there is profiteering and cries for an investigation into it. I say to the facts, the Minister of Finance should give him an investigation. So should the Minister of Fisheries; instead a studied, indifferent, insolent silence.

The Minister of Finance, Sir, the gentleman who would now have us pretend that he knows nothing about taxes, Sir: The sales tax went up in 1967 and in 1968. The Minister of Finance in each stage was a member of the cabinet. So was the present Minister of Municipal Affairs. So was the present Minister of Justice. There are no other men in this House, Mr. Chairman, at present, there are no members in this House now who were in that cabinet except those three men.

AN HONOURABLE MEMBER: What did they do? Resign?

MR. ROBERTS: Oh! Of course, they resigned on a great point of principle? They left over the budget? They did not. I voted for that budget. If it were put to a vote I voted for it and if it were not put to a vote I would have voted for it. The member for Placentia East who is the only backbencher and the gentleman from Harbour Grace who catches my eye will vote for this budget when it is put to a vote because they support the government. It is the government's budget, the minister's budget.

Let the minister not deny, when the government finally get up courage to bring in this tax bill and it is put to a vote, the Minister of Finance will have the proud distinction shared only by the Minister of Justice and the Minister of Municipal Affairs of having voted for every increase in the sales tax which has come in since 1962, every one. They will have voted for it, I will not, Sir. I voted for the one in 1967 and I voted for the one in 1968. I do not vote and I shall not vote for the one the minister now proposes.

So let him go on to this if he want to. The people of Newfoundland know. The people of Newfoundland know who authored the chocolate bar budget. Sure Joey Smallwood was Premier. The minister chomped harder on the chocolate bar than anybody else. He authored the cuts in the student aid twice, not once but twice, once as a Liberal, and once as a Tory. They know who authored the taking away of the subsidy for water and sewerage. The minister was Minister of Municipal Affairs in 1966, Sir, going to the country, a great subsidy programme. Maybe it was an election gimmick. Maybe it was not. So

what if it were. It was a twenty per cent subsidy to people paying water and sewerage rates.

The minister was Minister of Municipal Affairs. He was in the cabinet, Sir, that took that away.

AN HONOURABLE MEMBER: Twenty dollars.

MR. ROBERTS: It was twenty per cent of the - no, I am sorry, I think it was twenty per cent. No, it was twenty per cent.

The minister was the minister and then he whipped it away. He is a great hand, Mr. Chairman, before elections he gives, after elections he takes it away. He has done it now as a Liberal. He has done it as a Tory and if ever the NDP have the misfortune to welcome him to their ranks he will do it to them.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: So, I mean, let that stand as a matter of record. We do not think this sales tax the minister proposes is necessary. I could find a way to take \$10 millions off the budget. Just cutting out George MacLean would save about \$5 million.

Mr. Chairman, that is not the point. The point is that the minister seems intent upon dodging the budget debate, seems intent upon trying to avoid debating the issues. I invite him now to do so. I invite him to deal with the - if he want to play with tax point, he can again. We will have some more fun on that. The facts are as I have stated them.

The minister was in the cabinet and sponsored the nickel a gallon increase in gas. No one on this side was. The Minister of Finance was, Sir, "Sock it to him Crosbie!" "Old Jack'em John!"...

He calls my colleague the great taxer, trying to make fun. Well, the fact is the honourable gentleman has sponsored almost every tax increase we have had in Newfoundland since he entered public life and he is proud of it. I can hear him now, "It is good for the people, It is good for the people." It is good for the person in Grand Falls who was burned out on Wednesday last and they will not find him a home, a crippled man who has been living on

social assistance for fourteen years? He is living with a son. He has got another son, fourteen years old, sleeping on the floor of the room, the bedroom. The mother is over with a married daughter. The other two children are out in boarding houses and the government cannot find them a house. It is good for their fiscal soul? A family in Grand Falls, I am sorry, in Winsor, they are now living in Grand Falls, that lost their house in a fire on Wednesday past, those are the conditions they are now living in. When they called me I suggested they get in touch with the regional supervisor of the Welfare Department, my colleague's old friend, Mr. Hobbs, Michael Hobbs who apparently reiterated the policy and said to them, "I am sorry, Sir, there is nothing we can do. You will have to get out and find your own house."

That is fine to a man who is crippled. That is like giving a Holy Bible to a man who is blind and saying, "Here, read it and get consolation." That is about as useful. That is the government the minister is so proud of. That is the fiscal policy the minister is so proud of. That is the sort of thing they do.

Sir, let them come to grips. One should not get emotional over individual cases, I know, but I do. That one makes me angry just like the lady in Goose Cove makes me angry. Studied, studied indifference by the government towards these people. I would be happy to give the minister outside the House the names of these cases if he would look into them, because both of them, in my view, have genuine merit. I have gotten nowhere through the regular channels, nowhere at all.

There may be hundreds of other cases that I know about, maybe thousands that he knows about. I know that hard cases make bad law but these are facts and these are people and they are Newfoundlanders. It is a pretty bad way for them to have to try to exist. God has cursed them enough, has laid enough burdens upon their backs now without this sort of thing. That is beside the point. I should not get into it in detail, Sir.

What I am concerned with is the question, the equity of treatment of our, the public employees. These are people who provide the public services of this Province.

Their wage consume a great part of the budget, a great part of our expenditure. They are people who should be treated with equity and fairly and with justice and even-handedness. I suggest the way to do that now, Sir, in view of the unprecedented rise in the cost of living is if the minister would say to them, "All right, come in and sit down, We are going to bargain tough, We are going to bargain hard but we shall bargain. We will open these wage clauses on the cost of living basis." He would only be doing what private industries have done all across Canada and what I venture to suggest governments will do. I would venture to suggest further that private industry in Newfoundland will be doing it before much longer. I would think that wherever the minister searches for opinion, he will find that opinion will support the point of view I am advocating and not deprecate it. I commend it to him and I put it forward quite genuinely as being a suggestion he should look into.

MR. CROSBIE: Mr. Chairman, you know we really do not need the urging of the Leader of the Opposition to look into that question or any other question, because the Leader of the Opposition knows that I answered several days ago the very point that he spoke tonight for about an hour on. He knows that has been answered. He knows that the government have said that the government are going to look into the question and consider carefully the question whether or not the request of the NZA to open up their part of the contract that relates to salary, whether or not that will be acceded to is being considered by the government.

It was stated quite clearly in this House on Friday - Thursday or Friday. It was repeated in the "Evening Telegram". I saw the write-up in the "Evening Telegram" myself. So this great speech the Leader of the Opposition has made tonight urging this upon the minister and ending up in a statesmanlike way, commending it to his attention and all the rest of it, is pure political piffle because the Leader of the Opposition knows already that the government's position is exactly as I have just stated it and as it was stated in the House last Thursday

or Friday, so we have not needed his impassioned plea that this be done. We have not needed it. We do not need him to tell us that this is something that will have to be considered. Obviously anything that the NTA suggests or any other union with which we deal; anything which they suggest we have to consider.

Now the representatives of the firefighters local came in this morning, out of the blue, without an appointment and were able to see me, the same as anyone else who wants to see me. I am always accessible to anyone, unless I am tied up at a meeting or whatever. There is no need for honourable gentlemen opposite to smirk. There is no one in this government more accessible to anyone than I am. They came in this morning about 10:30 A. M. or 11:00 A.M, with a letter, two of them. Gave me a letter asking the government to consider a request from them to reopen their contract with respect to wages.

I mentioned that here in the House this afternoon in response to a question. The Member for Bell Island knew about it because apparently these representatives had left my office and went to the opposition - or they were out in the hallway here at 3:00 P.M. this afternoon when I came in. Apparently they had seen the Leader of the Opposition and briefed him thoroughly. I poured no scorn on the firemen this afternoon, Mr. Chairman. The Leader of the Opposition's attempt to say, I will not say what it was, I dealt with it at the time. No scorn was poured on them but I did point this out and I point it out again that I find it most unusual, a most unusual tactic for a union or a group that wants to deal with the government, that comes to the government and asks them to consider reopening their contract, which has got eleven months to go yet, for them to leave a represented government office and immediately proceed to the opposition and give them a copy of the letter and go into it in full detail with them. Is that the proper course of conducting negotiations or discussions with the government?

AN HON. MEMBER: Inaudible.

MR. CROSBIE: I just asked this question. Is that the proper course? In my view it is not. That will have no affect on the answer I gave

them this morning. I told them this morning, the government would consider the matter. The government will take this under consideration and in due course we will be in touch with them about it. The Minister of Finance is not authorized to tell the firemen when they came in this morning, 'Yes, boys we will open up your contract, and more power to you!' That is a matter for the whole government.

The NTA have been told and the firemen were told verbally this morning this matter will be considered. It will be a few weeks under consideration. There is going to be no quick answer. This is a new departure. The agreements that we entered into for two years, now they seek to reopen. We know there is an unusual situation, inflation - inflation not caused by this government, not contributed to by this government. The only government in the whole country that can have any affect on it are the Government of Canada. They have had no affect and have attempted no affect. They have made no attempt to control inflation and because of their lack of an attempt to control inflation this government and every government in Canada is suffering and every person in Canada is suffering the affects of inflation. We know that.

So therefore there is going to be no quick answer to the NTA or no quick answer to the firefighters or anyone else who asks for their contracts to be reopened. This will have to be looked at very carefully. When it is looked at very carefully and when a decision has been made, then they will be invited in to discuss that position with them. So we do not need the Leader of the Opposition's admonitions tonight and all the rest of it. He already knew the situation, it was explained in this House last Friday.

Now it is a peculiar thing - well the Leader of the Opposition cannot take - you know any number of attacks can be delivered on me here in the House. I can be savaged and every kind of language and every imputation and every kind of knock can be given to me but if I get up and answer, you know, if I use sarcasam or satire or fight back and just do not sit here like a limp dishrag, then the Leader of the Opposition

gets all upset - "The Minister of Finance does not deal seriously with the issues before the House and everybody in the country knows it. He is all upset because there was some scron or sarcasam used in response to an attack made on the Minister of Finance." What kind of suckiness is that? What kind of sissyness is that?.

No, I am suppose to sit here and take every kind of dirt and attack and dirt launched by those heroes on the other side and when I respond, I am kind or I am sarcastic or I answer, I use the same kind of tactics. Then it is a terrible, terrible, terrible thing that I have done. Terrible! Terrible!

Well I have answered every serious argument that the Opposition have put forward. It might not be to their satisfaction but they have been answered seriously every silly, jejune, picayune, ridiculous argument that they have advanced I have answered. It made them look, in my opinion, like fools, because their arguments have been so silly. "Fifteen tax increases, " the Member for Bell Island imposed in his years in the House. "Super - Tax.

MR. NEARY: Inaudible.

MR. CROSBIE: I will give him the detail all right.

MR. NEARY: Sir, a point of order. Sir, is the minister joking or is he serious? If he is serious I suggest, Sir, he is apparently deliberately trying to mislead the House. That is a false statement the minister made. I ask Your Honour to ask him to retract it and apologize to the House for making misleading statements.

MR. BARRY: Difference of opinion, Sir.

MR. NEARY: It is not a difference of opinion, Sir, that is a false statement. Mr. Chairman, it is a false statement. The minister should not be allowed to make false statements on the floor of this House, Sir. I ask him to retract it.

MR. CROSBIE: Mr. Chairman, there is no need to retract because - well, I will rephrase. Let me rephrase. The Member for Bell Island has been associated with and has supported by his presence in the House and by his vote in the House at least fifteen major tax increases since

1962. I got them -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: No, No, I was only in the House in 1966. Well the honourable has got a much "terribler" record than I have. Much "terribler". Look there are five personal income tax increases the honourable gentleman supported, 1964, 1965 (I was not in the House) 1966, 1967, and 1969, he supported them with vim and vigor. He did not dissent. He supported the government. Three corporation income tax increases, 1967, 1968 and 1969. Five increases in the social security tax, 1963 to five per cent, 1967 to six per cent, 1968 to seven per cent, then in 1969 when I was not in the cabinet and the honourable gentleman was, when I was an humble backbencher, as I am an humble minister now - when I was an humble backbencher and I sat I think right here, banished, banished, plucked, taken from the front benches and transferred to the back benches in 1969, the honourable gentleman's cabinet, and he was in the cabinet then, went and put on the chocolate bar and dropped the thing down, drycleaning and laundry and hotel and motel, telephone, telecommunications, repairs - that was in 1969.

MR. NEARY: Inaudible.

MR. CROSBIE: The honourable Member for Bell Island joined the cabinet. He climbed

in over the backs of those who had left. He climbed in over the backs of those who had left in July, 1968 and the 1969 budget was brought down in 1969. The Hon. Member for Bell Island joined the cabinet -

MR. NEARY: No increase.

MR. CROSBIE: I well remember because before he joined the cabinet, Mr. Chairman, between June of 1968 when I got back from California, between then and when he went to the cabinet, he conversed several times with me in secret conspiracy and made sure that the word got to Mr. Smallwood so that Mr. Smallwood hauled him into the cabinet so that he would not be joining the dissident group. That is how the Hon. Member for Bell Island got into the cabinet, a cute trick. He slithered his way in by having several secret meetings with me which he publicized to Mr. Smallwood under the door. Now that was July of 1968.

MR. NEARY: That is not true.

MR. CROSBIE: Now the 1969 budget came down in 1969 and the honourable gentleman was in the cabinet in 1969. Now that is three, plus two - that is five on the sales tax and two on the motive fuels tax. That is the gasoline tax, for the honourable gentleman. In 1967 he whopped her and in 1968 on the gasoline tax. I am not going to go into the insurance premium tax. This is all really irrelevant. I am only bringing it out because the Hon. Leader of the Opposition tries to pretend that Smallwood was not there, that Smallwood disappeared in 1966, 1967 and 1968. "It was not Smallwood." When that chap over there got up and spoke, it was not Smallwood, it was Crosbie; that Crosbie was a ventriloquist and Smallwood was his dummy. I was Edgar Bergman and Joey was Charlie McCarthy. Apparently everything that went on in that government from July, 1966, when I had the misfortune to join it, until May, 1968, when I left it, apparently I did it all or all the bad things. Those tax increases were not Joey's. That was old "Bully Boy Crosbie. He was really telling Smallwood what to do. He

forced the poor fellow into the tax increases. Shocking! He did not want to do it. Our late Premier did not want to do it but the Minister of Health he just made him do it. It is terrible.

MR. NEARY: He is gone.

MR. CROSBIE: I do not know what happened between July or May of 1968 and when these honourable gentlemen joined the cabinet. Now where was I? Yes.

Well it just will not wash. The people of Newfoundland do not believe that Smallwood did not exist in those years. They have the strong impression that from 1966 to 1971 Joey was around. I can remember myself when I sat over there, I was pretty sure he was here and that I was there and that he was the Premier.

MR. NEARY: (Inaudible).

MR. CROSBIE: The welkin would ring every day on VOXM. I listened in, 10:15 A.M. What is the slander today? Call up the station and answer the slander. For two years I had to do that, Mr. Chairman. I am pretty sure now that it was Joey. I am pretty sure it was. I do not think it was Crosbie because Crosbie was over there then. It could not have been Crosbie, it must have been Joey. For two years apparently Joey disappeared, and all these other things that happened were Crosbie's. I do not think, I positively do not think it will wash. The public does not think it will wash either. What washed was the laundry and dry cleaning when the Member for Bell Island whopped the taxes on that in 1969.

"Hear ye! Hear ye! Everyone in Newfoundland who has a laundry and dry cleaning, Steve Neary put seven per cent on that in 1969." That is what is going out on the "Open Line" tomorrow. I am forecasting it now.

MR. NEARY: We are not going to get out, at least I will not, unless the honourable gentleman should give me a ride in the government aircraft.

MR. CROSBIE: I am taking the honourable gentleman with me but there is only going to be one parachute.

Now, Mr. Chairman, to get back to the Leader of the Opposition and leave my old aspiring partner. I think I answered him on reopening the wage contract. It is a serious matter, unusual conditions and we are going to give it serious consideration.

Now the unemployment statistics - the House had all of that in the Speech from the Throne. A nonconfidence motion was moved, by the Leader of the Opposition I believe. We had all of that. It just so happens that tonight, by some chance or other, I have all the answers for him right here in this little file. I answered the nonconfidence motion, Mr. Chairman, if one would cast his mind back. I know the press is weary with this. I am weary with this too. Take up your pencils boys, we will do it all over again!

The nonconfidence motion was moved. The Leader of the Opposition used his statistics and I got up and used my statistics. Mine were better than his. I could take the House another two hours with statistics but I will not. It all depends on what month one compares to what month. It is all so meaningless and irrelevant. One has to compare one year to another. I am not going to go into them all because it has been gone into before.

Mr. Chairman, per capita personal income in this province in 1971, for that year, came to \$2,188. That is during the year 1971. The per capita income was \$2,188. At the end of 1973, the per capita income was \$2,760. These are indisputable figures. That is an increase from 1971 to 1973 of 26.1 per cent. We calculate that the per capita income this year will go to \$3,071, which will be an increase of 12.7 per cent over last year. That is what our economists forecast.

Now what is the inflation rate? Yes, I agree, inflation is bad, it is terrible. We have never had the likes of it in Canada. Look at this. Since 1971 the overall consumer price index (I am not taking it now to this month. This is for the end of 1971 compared to the end of 1973.) increased by 13.7 per cent, that is the overall consumer price index. The per capita incomes increased to 26.1 per cent in the same period. The real income growth in Newfoundland in those two years, the

real income what people kept, the real increase in income, taking out inflation, was 12.4 per cent for an average of 6.2 per cent per year, from 1971, 1972 to 1973. That is an extremely high rate of growth in historic terms.

Mr. Chairman, in other words, the people of Newfoundland at the end of 1973, on the average, were 12.4 per cent with respect to their income better off than they were in 1971. These are the indisputable statistics. That is it. That is, allowing for the increase in the cost of living. Now the inflation is bad and so on, we all recognize it. Why attempt to paint it as so much worst? The people of Newfoundland today are considerably better off than they were at the end of 1971. There is no question about it. There is absolutely no question. Now the food costs have gone up and have accelerated and so on and so forth but the overall consumer price index is 13.7 per cent. That is the only real point I make today out of all these statistics. I am going to use them tomorrow; gross provincial product, retail sales, new car sales, etc.

Mr. Chairman, the people of Newfoundland cannot be too badly off. New car sales: In 1971, 16,300 new cars were sold, a huge amount of cars, \$6,300. In 1973, the total exceeded 24,000 cars sold in Newfoundland, an increase of forty-eight per cent. This is the greatest rate of growth in Canada in that period. Now can everything be so bad, so desperate in this province as the Leader of the Opposition would have us believe here tonight in the face of those statistics - 16,300 new cars in 1971 and 24,000 in 1973? Sure, we all have problems with the increase in prices and so on but people are much more affluent in this province today than they were two years ago or two and one-half years ago.

Mr. Chairman, every figure you look at: pulp wood production, fish landings; the average weekly wages and salaries are up 20.2 per cent during the two years. The average size of the labour force has increased to 13.9 per cent. It is tremendously high in historical terms. The average number employed has increased to 13 per cent, a very rapid rate of increase. We know that we have a higher rate of

unemployment now than two years ago, slightly higher because our labour force has exploded fantastically. The figures are there. The labour force in 1971 was 158,000 and at the end of 1973 it was 180,000. It is one of the fastest increases in the world, at the end of 1971 compared to the end of 1973 - a tremendous increase. There has been a big increase in employment. The labour force has expanded so rapidly that we have not been able to absorb everybody to the same degree. There is a higher participation rate of women in the employment and a higher participation rate of men. These are all serious factors here in Newfoundland.

Fish landings: I have only gotten the figures for value here. The fish landings' value increased 32.6 per cent. It was \$35.6 million in 1971 and \$47.2 million in 1973.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Does the honourable member mean in volume or something? The value has been up every year.

AN HON. MEMBER: The value has been up but the production has been down.

MR. CROSBIE: Yes, volume is down but the value is up.

I am not going to go on. I just wanted to use that bit to counteract what the Leader of the Opposition has said. Yes, inflation is a serious problem but there is no ignoring the fact that incomes in this province have increased to an ever greater extent than the rate of inflation. The net result is that the increase in real per capita income is 12.6 per cent over the two years. He is trying to make things look worst than they are.

Now when the Leader of the Opposition came to wages: Look, in the 1973 budget we showed the likely wage and salary bill for everybody paid from the public treasury, 25,000 people it was then, roughly, which was \$200 million. It seemed to be a huge amount. This year it is 27,000 and some odd people and the wage bill is just about \$250 million. We are paying out this year \$49 million approximately more on wages and salaries than last year. Is that the action of some, you know, desperate, stingy government?

The honourable gentleman gets on about the collective bargaining last year. Is the employer, Mr. Chairman, supposed to fall dead when the employees' representatives approach and say we want such and such? No, that is not the function of the employers' representatives. The Leader of the Opposition has talked about Dofasco. The Minister of Labour has gone now. He could have helped me like he helped the Leader of the Opposition in giving me a few names. It was Dofasco, Skabasco and Tobasco and Miranda and Inco

and the INCO and ZINCO and PINCO. All these companies are now allowing their contracts to be opened up. The Leader of the Opposition was very impressed by that. He said that government should do the same.

Now, there is one difference, Mr. Chairman. Dofasco and Tomasco and Tobasco and PINCO, FINCO, ZINCO and all the rest of them, they can pass on their increased wage costs to the consumer and that is just what they are going to do. They are going to open up their labour contracts and they are going to up their prices. That is what they are going to do. Their profits are huge. Their profits have increased tremendously in the last year or so. No wonder they are opening up their labour contracts. No wonder! How can they not?

So, they are opening them up. We are not Dofasco and we are not the INCO Iron Ore Company, which is not having a really prosperous year this year. Most of those other companies are having huge profits this year. We are a government. If we increase our wage and salary costs, who pays for it? The taxpayers have to pay for it. The taxes have to pay for it.

So, honourable gentlemen opposite are from one side of their mouths saying that it is a terrible thing to have a tax increase and then they come into the House and then they want us to open up the labour contracts. "Do not be stony-hearted! If you do not do it, you are going to have trouble!" They meet with the union people and say that they will support them all they can in the House. So, out of one side they want more millions to go on wages and salaries and on the other side they are decrying the tax increase that we had this year.

Now, one cannot have it both ways. These people, I suppose, think the public are fools. The opposition opposes every increase in taxes. They oppose everything that gets more revenue, whether it is pasture fees or fees for this or fees for that. They oppose all of that. They want to spend. They are tremendous spenders, spend in every direction. Not enough on education. Not enough on health. Not enough

here. Not enough there. Not enough wages. Not enough salaries. Who is to pay for it? They say, "Oh, well we do not have to worry about who pays for that. That is not our responsibility." Well, it is never going to be, Mr. Chairman, never going to be as long as the Leader of the Opposition leads that group over there. In the outer darkness they will dwell, all eight or nine forlorn members of the opposition, cast into outer darkness until somebody else is chosen to lead them, to lead to kindly light and then eventually they may get in in the 1980's and the 1990's when Premier Moores is old and grey goatee, haggled and straggled. He had been in twenty-five years and he is ready to give her up and have an Anniversary dinner of his own, and they will have an official one and all of that. Then they might get in if they change the leadership.

AN HONOURABLE MEMBER: Did the minister get his shots after lunch?

MR. CROSBIE: Look, I am going South in to the Waterford Hospital to see if I can get some shock treatment.

Now, I think I have covered just about everything. Let me see. Ah, yes. No, I am not going to answer that one. I have a suggestion here from John Carter which I will not use. I will save it until sometime I am really upset.

Oh, hospitals. Lo and behold! Every hospital under construction in the province was a Liberal hospital. The only thing that is not Liberal, according to the honourable gentleman, is the taxes. Every brick - he even mentioned the mental hospital. When the Leader of the Opposition was Minister of Health people in this House and outside pleaded with him to start the extension to the mental hospital and he did not do it. He was Minister of Health from 1968 to 1972. Did he start the wing on the mental hospital? He did not start the wing on the mental hospital. That was started by the honourable the present Minister of Health, Dr. Gus Rowe, last year. Liberal project? No. Liberal inmates but it is not a Liberal project. That hospital was started by the honourable "Gussie Rowe", the Hero of Carbonear.

The hospital at Twillingate: Who saved that wreck of a project but the government that is now in. The honourable "J.J. Rousseau

saved that wreck of a project started in the most despicable manner, quickly, because of an election, contracts botched up, called in two phases and you could not separate phase one from two and so on. That is another tremendous project that "Dr. Gussie" and honourable "J.J." saved. That is who saved that. The only Liberal bricks in that are the ones on the bottom that had to be dug up again and put down again.

The Carbonear hospital: We all know the story of that. The Carbonear hospital, a monument to the drive, determination, vigor and political acumen of the member, "Dr. Gussie" again. He is the biggest builder we ever had as Minister of Health. Build? The man can build. My God, can he build! If one could only pump a half a billion dollars into his department, we would have a hospital in every square yard in this province.

Now, the Leader of the Opposition -

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Well, ask the Leader of the Opposition. He knows all about that one, Saddle Hill. He should know all about that.

MR. ROBERTS: Do not ask me, I do not know.

MR. CROSBIE: Right. Now, John Lundrigan told the Leader of the Opposition. Now, is that not shocking. Poor Johnny Lundrigan is a good friend of mine and he talks incautiously, I would suggest, to the Leader of the Opposition. Because if one tell the Leader of the Opposition anything in confidence, he is bound to say it in this House of Assembly. What a dirty piece of work, to get up in the House and say that John Lundrigan told him that John Crosbie almost lost him his election because he scuttled the mothers. I have not scuttled a mother in my life, not one and I have had hundreds approach me, hundreds. I am a mother scuttler now.

I mean, how much can a man take, Mr. Chairman. This is subhuman to have to stand it. Well, "I forgive, Johnny boy!" I now send this message out to Ottawa, "I forgive you, Johnny lad, you did not know what you were doing. Now, you know better. Crosbie did not scuttle

you. You are going in strong next time. The mothers are right behind us again shoulder to shoulder." He has no problem now.

Mr. Smallwood told me something about the Leader of the Opposition, do they know that? Yes, he did. Right down behind that chair there. He told me something about the Leader of the Opposition. We had one final conversation before we parted company in 1971. He invited me. He said, "John, stay out of the next election." We bumped into each other by accident. I was going down for a smoke. Lo and behold! As I got down for a smoke I nearly bumped into the honourable the Premier himself, the then Premier, Mr. Smallwood.

There was a momentary start, a look of some apprehension on both our faces as we had not spoken to one another for some two years but election fever was barely coming on. So, we started to converse. He said to me, "Now, John, do not be foolish. You should not run in this election. Do not run. Sit out this election. Progressive Conservatives have not got a chance. Moores cannot win a seat anywhere on the island." I would not tell you what else he said. I would not dare tell that. Anyway, "he would not win a seat anywhere on the island."

He said, "You stay out John. There is no one to follow me, no one to succeed me. I have got no one. In two or three years in by-election, you can come in and take over." What do they think of that. By golly, I tell them I was some man not to take him up on that. Of course, I had had a few little bitter disappointments before along those lines and I was not exactly taking it down, hook, line and sinker.

I said, "Oh, yes you have got people around you. There is Ed Roberts. There is Billy Rowe." I must confess I forgot to say "Stevie Nesry". If it were today, I would say "Stevie Neary". I mentioned these people and Mr. Smallwood made a comment about the Leader of the Opposition. If I wanted to be dirty, if I wanted to inject an unfriendly note I would say what Mr. Smallwood said but I

will not. I will leave the whole thing hanging in the air because I think it is much better to keep the honourable gentleman in suspense.

AN HONOURABLE MEMBER: Pretty horrible.

MR. CROSBIE: It was pretty horrible but I am not going to tell this committee about it. It has not relevance to the operations of this House. I have it all transcribed downstairs in my file ready for my autobiographies should by mischance I go under or succumb some evening as I wend my weary way from the House of Assembly to Waterford Bridge Road.

MR. ROBERTS: Inaudible

MR. CROSBIE: I love that little Leader of the Opposition that is why I am not going to tell that story. I have all my notes down there. They are ready for my literary executor. This will all come out some day. I would say it will sell at least 5,000 copies between here and Holyrood. I do not know what it will do in the rest of the island. Now, where was I?

AN HONOURABLE MEMBER: Wick Gollins going to be your literary executor?

MR. CROSBIE: That is right. Anyway, I forgive you John boy. He did not know who he was telling.

Now, I think I have tried to answer all the points that the Leader of the Opposition raised. So, in essence,

Mr. Chairman, we are quite prepared. We are going to consider the problem he brought up very carefully and after we thought of all the implications, we will be in touch with the NTA and the firefighters and anyone else and discuss the whole situation with them.

MR. CHAIRMAN: Shall 401 carry?

MR. NEARY: Mr. Chairman,

AN HON. MEMBER: Sit down!

MR. NEARY: Take your time, I am glad to see a new Chairman in the Chair, Sir, but take your time. We are not in any hurry, we have seventy-five hours.

Sir, there is one thing that the minister said that must not be left on the public record. I am sure the newspapers and the reporters will go out on radio and television tomorrow and report a number of secret meetings between me and the Minister of Finance when he was in the Smallwood Administration. No such meetings took place, Sir. There were no secret meetings between me and the Minister of Finance.

AN HON. MEMBER: Not in the cabinet.

MR. NEARY: Never, never, Sir.

AN HON. MEMBER: Inaudible.

MR. NEARY: The Minister of Finance was so stuck up, Sir, and so arrogant, going off with his nose up in the air all of the time, he would not even grunt at you, not alone have a meeting with me. Sir, the next thing he will be producing tapes. Of course, there will be a few gaps in the tapes. No such meetings even took place, Sir. I could not get within an English mile of the Minister of Finance when he was in the Smallwood Administration. We were just dirt under his feet, as we probably are today. Sir, that is neither here nor there. That is not going to put any bread on the tables of the working people of this province.

Sir, one thing that distrubs me greatly about this administration here is the fact that they have set up a situation whereby they had insulated themselves from the people of this province. They have a new technique. They developed a new technique, Mr. Chairman, of blaming everything on Treasury Board. This is what the Leader of the Opposition was getting at.

When these people come in to ask to have their contracts reopened and I heard it already tonight when I was home for supper, I heard one of the television newscasts state that the firefighters had asked Treasury Board. Mr. Chairman, the firefighters had not asked Treasury Board. Treasury Board are not the elected representatives of the people, they are only the flunkies for the cabinet that is all they are, Sir. The hired help. This honourable crowd over there have developed a new technique of blaming everything on Treasury Board. If something be not passed for their district, they do not get a water and a sewer system for their district, if somebody should not get a haul-out or a slipway, it would be only because Treasury Board would not approve it.

AN HON. MEMBER: The honourable member is mixed up.

MR. NEARY: I am not mixed up, Sir.

AN HON. MEMBER: Treasury Board is -- cabinet.

MR. NEARY: Well now does he want to give us a lecture on that?

AN HON. MEMBER: Inaudible.

MR. NEARY: I have it straight, Sir. I was one minister who used to be so annoyed with Treasury Board.

Mr. Chairman, remember the other day the Minister of Finance, the Minister of Finance said, "They are the watchdogs of the Treasury." Well, Sir, every major government department has its own accountant. Our Treasury Board is duplicating their services. They are the watchdogs. They watch the estimates on their own. The minister has an accountant down in his own department.

AN HON. MEMBER: Inaudible.

MR. NEARY: Oh, yes. Social Services, Rehabilitation, Health, all have their own accountants. They all have their own staff.

AN HON. MEMBER: Was the honourable member ever on Treasury Board?

MR. NEARY: I was, yes.

AN HON. MEMBER: You would never know it.

MR. NEARY: I was on Treasury Board. And my colleague was on Treasury Board.

MR. CROSBIE: A rough date.

MR. NEARY: But, Sir, this is a new technique, blame it on Treasury Board and poor old Vick Young and all the other officials and the Treasury Board Secretariate. They are the ones who have to bear the blunt of it. They have to take the rap for the indecisiveness of the administration. They pawn it off on them. This is what they are up to, Sir. This is the kind of a game they are up to. They will not face the music themselves. "Oh no, we referred it to Treasury Board and they turned it down." Treasury Board meaning the officials they have down in the Department of Finance, Treasury Board Secretariate.

They are not going to get away with it, Sir, they cannot get away with it. No way they can get away with it.

Nice to have the Hon. Premier back in the House. Nice to have him back. Red as a beet but he is back anyway.

HON. F. D. MOORES (PREMIER): Inaudible.

MR. NEARY: Well I cannot afford to go South, Sir.

But, Mr. Chairman, this administration have created a bureaucracy in this province, the likes of which has never been known. The whole province, Sir, the whole administration of this province is grinding to a halt, getting bogged down in bureaucracy, red tape and they are trying to pawn the blame off on the mandarins down in the Department of Finance. They should not be allowed to get away with it.

AN HON. MEMBER: Inaudible.

MR. NEARY: Mr. Chairman, I will start my leadership campaign the moment that I can get rid of all these lawsuits, all these enquiries and investigations that the Hon. the Premier and the crowd over there have against me. Once I get a clean sheet, their slate is clean, I come out smelling of roses, then I will announce my candidacy for the leadership. When will that be? In the fall of the year?

MR. MOORES: Inaudible.

MR. NEARY: Maybe the Premier and I should go out behind the curtain here and have a little discussion and we will wipe the slate clean, start off from scratch, buddy, buddy.

MR. MOORES: Not likely!

MR. NEARY: Not likely? I did not think so, Sir.

But seriously, Mr. Chairman, the Minister of Finance again tonight got up and put on one of his performances but he did not answer any of the serious questions that were put to him by the Leader of the Opposition. The only thing that I can say, Sir, is that if the Minister of Finance want to treat all of these suggestions and recommendations and ideas and positive suggestions and constructive ideas that are put forward by this side of the House, if he want to treat them lightly, Sir, that is his prerogative.

But I want to say this for the benefit of the committee, Sir, and the people of this province that when we offer a suggestion or an idea to the administration we do so in good faith. We sincerely hope, Mr. Chairman, that the administration will accept our suggestions in good faith, because anything that we recommend, Sir, is in the best interest of the welfare of the people of this province. But, if the Minister of Finance wants to make light of it, Sir, it is his prerogative. We cannot stop him, Sir, all I can say is that if they continue this attitude, then God Help the people of this province.

MR. CHAIRMAN (STAGG): Shall 401-01 carry?

On motion 401-01 carried.

MR. CHAIRMAN: 01-02?

MR. SIMMONS: Mr. Chairman, before this item carries I would just like to make a comment or two and perhaps address a question to the minister on the subject. Perhaps the question first. Would the minister indicate to the committee what kind of policing is involved with the collection of S.S.A. How far in arrears can businesses get. Is it a couple of months or several months or what? Would he indicate what kind of policing goes on with respect to S.S.A. collection?

MR. CROSBIE: Yes, I guess the honourable gentleman is talking about - this is tax collection, he mean is it?

MR. SIMMONS: Yes, S.S.A.

MR. CROSBIE: We are on 402-01 - Travelling, but anyway I will answer it. There is no hard-and-fast rule, Mr. Chairman. If someone is not paying the taxes when an audit is made he gets caught or they get

caught up with. Then if they make a reasonable suggestion as to how they can pay the arrears over a period of time, and they make an honest effort to do it, well that suggestion is gone along with. So there is no hard-and-fast rule.

I say the tax collections are in a better shape now than they have been in many years. But, you know, Sir, there is no iron-clad rule, it just depends if the person who is in arrears in his taxes should come in and

makes a reasonable proposal how he is going to pay them over a period of time and he is going to make the current payments, and that is accepted. So there is no hard-and-fast rule about it.

MR. SIMMONS: Mr. Chairman, we are on 02-01, travelling, are we?

MR. CHAIRMAN (Stagg): We are presently on 402-01, salaries.

MR. SIMMONS: That is what I thought, yes. So the question is quite in order, is it?

I asked the question, Mr. Chairman, because it has been brought to my attention that there are a number of firms which are presently operating in the Province and which owe substantial amounts in S.S.A. payments. I understand that under the regulations these are to be submitted on a monthly basis. I am aware of one firm, for instance, that is presently operating quite a large retail firm in the Province, and has not paid any S.S.A. for several months, I think June or July of this year, and presently owe something like \$39,000 in taxes.

I mention this because there are other examples. I mentioned it, first of all, because I think it is pretty sloppy business. I think it does not say much for the efficiency of government that we have heard so much about. I think it is down right delinquent that this situation should prevail and it does as of today with the company that I have just mentioned and there are others.

I mentioned it also because in cases of bankruptcy, and there have been two recent ones that I have in mind where two very large companies in the Province declared bankruptcy and at that time in each case owed about six months S.S.A. payments. Now I realize that in those cases government is certainly a preferred creditor but that does not excuse the delinquency, the inefficiency which is pointed to, that at the time of bankruptcy of those two companies, the two I have in mind, they did owe about six months in S.S.A. payments. I wonder if the minister would comment on this and would he first of all, I hope that he can, assure us that this is the exception to the rule. Also, I would like for him to indicate how this kind of thing can transpire, this kind of thing can take place where, despite his pontification about efficiency and so on, in

the cases I have mentioned for periods of months, five or six months no taxes. In one case seven or eight months no taxes have been collected from the firms concerned.

MR. CROSBIE: Quite frankly, it is difficult to answer questions in such a vague nature as that. Now, I can only say this to the honourable gentleman that tax collections have never been in better shape in the provincial government in ten years than they are now. There are still several millions of dollars, I do not know the exact figure, owing in S.S.A. tax arrears. The amounts were much larger than that at one time.

I would say there are dozens and possibly several hundred delinquent accounts, some small, some larger. The policy is if the persons involved are making an honest effort to pay their arrears of taxes so much a month, whatever they can afford, whatever our auditors think they can afford and if they stick to that and make their payments, fine. If they do not then a fine pay gets issued or a writ of execution signed by me and issued. I think the records of the department are checked to see that there are being so many issued. If it be sent up to me from my officials, they send up whatever the document is called, to be filed down in the sheriff's office because somebody has not kept their agreement or their bargain, it is signed and sent on.

I do not administer the taxes. There are officials that do that and only when there are some serious case of arrears or they cannot collect funds or they need a writ filed in the sheriff's office then it comes to me and I sign it. That is the case.

Now, if the honourable gentleman has, it is not the custom in this House and I do not think it ever has been to talk about individual tax payers and how much do they owe.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: I think it is prohibited from being discussed in the House but if the honourable gentleman has any queries or has any questions about individual accounts or firms which he thinks owe a lot of money and he wants the status of them and he gives me their name, I will get it

for him. I will certainly do that. There is no one getting any favours from the Department of Finance as far as owing taxes are concerned.

Now, I do not know what bankruptcy the honourable gentleman is referring to. There is National Furniture. That might be one of them. They owe the government some thousands of dollars. They were in arrears when this government took over in January, 1972. They entered into three or four agreements to pay their taxes over a period of time. They would fall down on the agreement. They would come in and make more promises. They would pay so much down. They would start paying again by the month. They would fall behind again. Now they are in bankruptcy but the government should be able to recover all of its money. We are a preferred creditor and I think the government will collect all of its money in that case.

So that is really all I can tell him. If he should have queries about any individual case that he thinks or he hears a rumor that they are not being made to pay their taxes, I shall find out for him and give him a report.

MR. SIMMONS: Mr. Chairman, I was aware that it was against the law and for that reason and others I did not mention the name. I have the names of the companies but it is not my intention to speak to harass any particular company. I was addressing myself to the overall question of administration of the tax collection. I say that whatever the precedents for it in the past, it does not at all make it right.

I raise it also because I am aware of a case which I could tell you which is quite the reverse, the case which happened a year ago past where another company who had at that time a seasonal type operation and who, to the knowledge of the departmental officials, did not operate in the month of October, a company which had a writ against it for not filing a nil claim. The writ was served and the case was held indeed within a month of the end of the month under question, the month of October of 1972.

I put that one against the kind of thing we have here where we have quite a large company and (plural) companies operating and quite

in arrears on taxes. I say that if we are going to brag about -
Mr. Chairman, I think we ought to call a quorum at this point. I
venture they are inside, Mr. Chairman. A quorum call, please.

MR. CHAIRMAN (Stagg): Would the clerk count the House, please?
Ring the bell.

We have a quorum.

MR. SIMMONS: Mr. Chairman, as I was saying, I think it is really
for across the board type of efficiency, efficiency that applies
equally to all. I quoted the case of the company

which was harassed for not filing a new return in the month in which government knew full well the company did not conduct business because of the reasonable nature of its operation at that time and yet was taken to court within a month or the end of the month for which the return was required. Still at the other end (I hope at the other end) we have the situation where a company has not paid a cent in S.S.A. to government.

Mr. Chairman, you must keep in mind that S.S.A. is not really a part of the company's holdings at all or finances at all. It is something that is just held in trust and it is to be passed on at regular intervals, monthly, to government. How a company can come up with any kind of an excuse, any kind of an excuse to the government inspectors who I hope are policing this, how any kind of excuse is plausible for a company to be permitted to go since last June to the present date without having paid a cent in taxes, I do not think any kind of explanation can answer that kind of inefficiency on the part of the government.

Mr. Chairman, my plea then is for the kind of efficiency that is applied equally to all, that is not dictated by political considerations. I have very good reason to believe that the case I referred to, the court case was dictated very much by political considerations rather than by considerations of government efficiency. My plea further is -

AN HON. MEMBER: (Inaudible).

MR. SIMMONS: Of course not but the decision to rush up the - not the issuance of the writ, but the decision which preceded that to, get the writ issued, I am saying that that was dictated by political considerations.

AN HON. MEMBER: (Inaudible).

MR. SIMMONS: I am saying, Mr. Chairman, that a company was taken to court within a month of October, 1973, the month for which there was a nil-return required and not filed under the law which it should have been - I am not pleading that one.

AN HON. MEMBER: (Inaudible).

MR. BARRY: Is it something one can commend government for.

MR. SIMMONS: Sure it is something to commend government for.

I am saying, Mr. Chairman, that while government, when I say government I mean the administrators of this particular collection, while these people knew full well that there was an nil -return and an nil -return only required and, therefore, there was no money at stake, they were not going to leave the country with any money because there was no money at stake, the company concerned did not operate during that month.

That was important enough to be pursued to the point actually where it got into court before the end of November (It was actually in court because the company concerned had not filled a nil-return) while, Mr. Chairman, on the other hand we have a situation where a company has been allowed to go since last June, in one example I have quoted.

Sir, I have still others which would bear my point out further. The one I have mentioned a couple of times is the one that has not paid a cent of tax since last June and now owes, my figures show, \$39,000 in S.S.A. I am not talking about rumours, Mr. Chairman, that I have heard, second, third or fourth hand. I am talking about facts, a company that has not paid a cent of tax since last June. I am saying, Mr. Chairman, that there is no judgment against that particular company. It has never been taken to court and yet the company has not paid. Now what other action has been taken I do not know. I do not have command of all the facts. I do know it was not in court. I do know that they owe this amount of money.

Mr. Chairman, I do make a plea that if there is going to be efficiency, if it is going to be bragged about by the Minister of Finance and his colleagues, that that efficiency be across the board, applied equally to all in the category. I also make a plea for honesty. Before the minister begins bragging about the kind of efficiency he has bragged about, let it be a fact of life. It is not now from where I sit. From the evidence I have, it is a very inefficient operation, when one has the kind

of examples, the present examples, that I have put to the committee this evening; the one that I mentioned with several months of no payment on S.S.A., the others, the two companies that have gone bankrupt in recent months and have owed S.S.A. payments going back as far as five or six months in each of the two cases.

Mr. Chairman, until we can get rid of that kind of example, I do not think government or the Minister of Finance in particular can claim to have efficiency in the administration of this particular tax.

MR. CROSBIE: Mr. Chairman, it is certainly very enlightening to hear the honourable gentleman. I do not know what he is talking about. I have already said that if he should want to give me the name, if he allege that somebody had an ill-assessment, he was prosecuted and it was done in great haste or something, I shall certainly look into it. I have no recollection of it.

I have explained how the tax system works down there. I am not boasting that it is the most efficient in the world. I am not boasting about it at all. I tried to answer the honourable gentleman's question. The thing is with the S.S.A. tax, we do not have enough inspectors to be into everybody's offices every month to see if they have made their returns or have not made their returns. There may be some go for six months or a year without being audited. Then if they are not turning over their S.S.A. tax, they suddenly get caught owing a large amount of S.S.A. tax. There are dozens of accounts down there, and they are supposing to be paying so much a month on their accounts. It may take a couple of months with their not paying before they are caught up with. That kind of thing goes on as it does in every collection agency. It is impossible for me to answer these vague - I can say this that there have been no political decisions on any tax matters since I have been down there that I can think of. Everybody as far as I am concerned and as far as I can remember has been treated impartially and that is the way we are trying to operate it.

If any member of the House or the opposition should have any suspicion about any particular case, I am prepared to get the facts of

that case and let them have them. I do not know what more I can do than that. That is the only way I can answer the honourable gentleman.

Now there have been improvements made in the administration of tax collections. We now have a regional administrator in Corner Brook and I think there are two or three other regional administrators around the province and there are a greater number of staff so that they can get around more often to do the audits and the rest of it, the gasoline tax and the S.S.A tax. We now have a Director of Tax Audits, one regional administrator in Corner Brook and two others, I think, at Grand Falls and I am not sure of the other region. There are thirty-six auditors.

The Tax Assessment Division has a director, an assistant director, four gasoline tax supervisors, twelve inspectors which is pretty well the tax staff down there. We have beefed up these sections. They are busy going into S.S.A. and gasoline tax, claims, i.e., Churchill Falls going back over the years. They are busy at the moment doing another big job at Come-by-Chance to see what S.S.A. and gasoline tax should have been paid down there under those agreements. I think they are doing a very commendable job and there has been a big improvement there. That is not to say it is perfect. That is really all I can say.

Now if the honourable gentleman at any time or any member of the House want something checked into or think that somebody has been treated wrong or that we are going too easy on someone or we dealt too harshly with somebody else, then if he should want to send me a note about it, I shall look into it. That is really all I can say in reply.

MR. SIMMONS: Just let it be clear though before we leave this item that there is nothing at all vague about the example I have given. I am giving an example of a company. The only reason I am not giving the name is because of the requirement of the law in this instance. There is a company -

MR. CROSBIE: The honourable member can give me the name, privately I mean. I do not mean in the House here.

MR. SIMMONS: Of course, yes, I will be quite happy to give the name of the company to the minister privately.

I am saying, less he construed that there is some vagueness here, and I have said it a couple of time and I will try it one more time, that there is a company which has not paid a cent of taxes since last March. Now I can understand the logistics of the problem, the shortage of staff and not able to do all things at once and that kind of thing, I can understand that audits cannot be done on every account, every month. I have not said that this company has paid short of what it should because someone has not discovered it in a proper audit. I have said that they have not paid a cent. It does not require any audit for the Department of Finance or this division in particular to determine whether a particular company has submitted its tax return for a particular month. It does not require any audit

Let us not confuse the issue by talking about audits. I am fully appreciative of the fact that in the absence of an audit government may well discover some months hence, when the audit for that particular company be done, that the company has paid in "X" dollars short of what it should have paid in, for whatever reason. I am not talking about that. I am talking about a company that has not paid one cent in eight or nine months (whatever it is since last June), nearly ten months actually, in this particular instance. I am saying that as long as that kind of situation goes on, we cannot hang the reason on lack of audits nor lack of staff nor anything of that nature.

If the division be in such bad shape that it takes ten months to discover that a company has not submitted its tax returns for a particular month, then I say that there is something seriously wrong with the division. I do not believe that it is that bad but I do point out this example to draw attention to a problem and to make a plea that if the kind of efficiency that we have been hearing about be a fact of life, then let us apply it equally across the board.

MR. CHAIRMAN (Stagg): Shall 402-01 carry?

MR. ROBERTS: Mr. Chairman, before we do, a question of fact for the minister. I note that throughout the estimates the salary appendixes (if that is the right word, appendixes, maybe) at the back of the book, they begin on page (I have them marked here) page 114. show the various subheads including this one here. They are not nearly as detailed as they were in former years. For example; on this (402), it names one deputy minister, two assistant deputy ministers, right down the line to (199), administrative and clerical assistants, for a total salary cost of \$1.59 million. Nearly \$1,600,000.

I am not going to say that there was not too much detail given in the past. There might have been but I think there is too little given now. There is no way that a member of the committee looking at these estimates and the appendixes (appendices) thereto can find out whether there has been any increase in the number of staff authorized or whether he can find out how much they were paid last year as

opposed to this year. I suppose one could go back to last year's estimates and by the correlation process go through it. I wonder if the minister could undertake to have his officials supply the committee (I am sure they have the information down there in the Treasury Board, readily at hand) with that information?

I do not think this is a deliberate attempt to obscure things, I assume it was done in an effort to try to make the estimates a little more manageable. The fact remains that there is really no information being given here about two hundred positions in the Civil Service. Were there one hundred position there last year? Were there (I am looking at page 117)? I see the minister looking through his copy. I think he knows what I am getting at. Could we have a little more information than we have? Also, could we have an indication of how many new positions there are. For example; the Public Service Staff Relations Board, is that a new position? That sort of thing as it would apply to each minister.

MR. CROSBIE: As a matter of fact, I must get the honourable Leader some copies of this; "Salary Details, 1974-1975." I was going to bring up some copies the other day.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: This is a more detailed salary detail. The honourable member can have this copy now should he like.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: Yes, but I shall have to get them tomorrow. I forgot to bring them up. This is more detailed. On the public board that the honourable gentleman just asked about: The public Service Staff Relations Board is Mr. Dyer, of course.

AN HON. MEMBER: Dyer.

MR. CROSBIE: Dyer. George Dyer. That was a board that was going to be set up by the last administration, It has never been set up and it is never going to be set up. I believe that Mr. Dyer is reaching retirement age so that position will be disappearing. He is getting close to pensionable age.

MR. ROBERTS: I thank the honourable gentleman for this information and I wonder if he (he promised that he would get some more copies for the committee) could indicate if there is any way the committee could be told - we do not need a mass of information, nobody is really interested in whether a clerk grade (I) - in knowing the details of a clerk grade (1's) salary but we are interested in knowing the salary scales to begin with and they are not in the published estimates. They may be in this supplementary document that the minister just sent me.

Also, I would like to know and I think the committee have a right to know whether there has been any large upgrading in positions. I suppose it is possible and we will have to do this if it cannot be done any other way, to get last year's estimates, the salary appendices thereto and sit down and compare them. For example; to show what I am getting at, there are listed here two assistant deputy ministers at \$43,100. It would be of interest I am sure, to the committee to know whether those two gentlemen (I assume they are both men) were getting last year \$20,000 or \$40,000. The way the estimates were hitherto presented, I think it was possible to determine that. Whether it was or was not, it should be, but it is not possible now.

Is there any way we can have that information? Because the same type of question, Sir, will apply, as Your Honour will understand, throughout the estimates. This information here will give us a detailed breakdown but it will not give us the figure for what happened last year. I think that is relevant because it is surely interesting to the committee to know whether there have been vast increases in the amount of staff hired or vast upgradings and increases in the salary of any individual member of the public service.

MR. CROSBIE: Mr. Chairman, I cannot give the honourable gentleman any more information than there is there. He really has to compare that to last year but I can find out for him how many new positions were created (if he should want that information) since April 1, 1973, and how many upgradings there were in positions for the year. I can

get that kind of -

MR. ROBERTS: (Inaudible)

MR. CROSBIE: I can do that for him.

MR. ROBERTS: How many positions were upgraded? Also, Mr. Chairman, could the minister get the salary scales? There is a scale, the GS numbers. They go from (1) to about (50). There are roughly fifty categories in the GS - I do not think there is any one getting a GS (1) salary but -

AN HON. MEMBER: The minister.

MR. ROBERTS: Well in that case the minister is being overpaid. That is too obvious, is it not? That is really a schoolboy crack so I retract that. I could say the minister is not getting paid what he is worth but there is a Minimum Wage Law and he benefits from it. Could the minister get for us the current salary scales of the public service? There used to be a table published but it is not in this year's estimates.

This year's estimates are an improvement in form, I think. It is all in one place but unfortunately in the consolidation process they lost some of the information and I think that is to be regretted. Hopefully, that information should be very ready to hand and one of the Treasury Board people can whistle it out in the morning and we can have it. Tomorrow is Private Member's Day anyway, so we can have it to study tomorrow afternoon while Your Honour is enlightening us on the gentleman from St. John's North's resolution. In fact, Your Honour is to enlighten us tomorrow.

On motion, 402-01, carried.

On motion, 02-01, carried.

MR. CHAIRMAN (Stagg): Shall 02-02 carry?

MR. ROBERTS: I wonder at this significant decrease, Your Honour. I do not mind increases but the decrease in office expenses. Why?

MR. CROSBIE: Oh yes! Here it is here! Here it is! I knew there was an answer. This year it is \$18,900 last year it was \$32,000. The reason is that last year additional costs costing \$14,000 were incurred

for relocation expenses, in moving tax auditors and gasoline tax inspectors to regional offices in Clareville, Grand Falls and Corner Brook. These offices were opened in September of 1973.

On motion, 02-02 through 02-05, carried.

MR. CHAIRMAN: Shall 02-06 carry?

MR. ROBERTS: Before we carry this, Sir, it is a one hundred per cent increase - it must be \$1,400.

MR. CROSBIE: Gas, oil, tires etc. for three mail vans averaging 1,200 miles each year

and one four-wheel drive vehicle for the gasoline tax inspector in the St. Barbe area which was acquired late in 1973-1974. So, there is an extra vehicle there. This is a four-wheel drive vehicle for the St. Barbe area gasoline tax inspector.

MR. CHAIRMAN (MR. STAGG): On motion 02-06 carried.

MR. ROBERTS: Perhaps the minister could say a word. There is a bit of an increase there.

MR. CROSBIE: On supply.

MR. ROBERTS: About twelve hundred per cent.

MR. CROSBIE: Yes. Now, there is a good reason for that.

MR. ROBERTS: I am sure there is.

MR. CROSBIE: Now, this is interesting.

MR. ROBERTS: Still have the dining room downstairs?

MR. CROSBIE: Golly, that would have been a good place to put them.

Now, the vote last year was \$4,800 and this year for supplies it is \$61,400. That is broken down into maintenance agreements - wait a minute now. No. For miscellaneous equipment for gasoline tax inspectors, \$1,000. Spectrophotometers for checking gasoline, \$1,600. Microfilm and materials, \$2,500. Postage meters supplies, \$800. Miscellaneous, \$500. Now, the big item is \$55,000. That is to buy automate blue ten dye for marking tax exempt gasoline, diesel fuel and stove, furnace oil. This expenditure was formerly charged to other contingencies.

The cost in 1973-1974 was \$12,000. The cost this year will be \$55,000. The increased costs are due to dye and tax exempt diesel fuel, stove and furnace oils which were not dyed in 1973-1974. In other words, Mr. Chairman, it is very obvious that there has been a lot of tax avoidance in the province as a result of our not dyeing stove and furnace oils. This note here explains it.

MR. ROBERTS: Inaudible.

MR. CROSBIE: Well, apparently still stove oil and heating oil can be used in a diesel, the vehicle they use, as diesel fuel. What a lot of people have been doing is filling up their diesel machines

with stove oil and furnace oil.

MR. ROBERTS: Like a tractor or a bulldozer?

MR. CROSBIE: Yes. Anyway, I will just read out this note now. It has been the practice to require that gasoline purchased - for certain tax abuses - be colored with a special marker of dye. As a result of this requirement the Department of Finance will be able to detect the illegal consumption of tax-exempt gasoline by having members of the inspection staff obtain samples from the tanks of motor vehicles. That is the tax exempt gasoline.

"Up until now detection of illegal use of tax exempt fuel in diesel powered vehicles has been practically impossible." I want all the tax avoiders to note this now. So, I hope the press will note this.

"Up until now detection of illegal use of tax exempt fuel in diesel powered vehicles has been practically impossible due to the fact that petroleum products known as furnace fuel and stove oil have not been required to be colored with a special marker of dye." There are many areas in Newfoundland where the one product was sold was either furnace fuel or diesel fuel. The end view determined how it was to be invoiced to the customer.

Thus to avoid paying gasoline tax and diesel fuel, the customer would order furnace fuel or even stove oil since the latter has many of the chemical characteristics of furnace fuel. In fact one day they were looking out the window of the Department of Finance here and saw a chap who had his grader in, or machine, here for clearing snow. Here was the old oil truck drawn up filling up his tank with furnace fuel. So, they raced out of the building immediately. They suspected that he was avoiding - right outside the window of the department. It is shocking. I did not know this before.

Anyway, the Department of Finance has attained information on the evasion of gasoline taxes through the use of furnace fuel and diesel powered equipment. "Much difficulty has been experienced in obtaining sufficient evidence to take appropriate action through the courts against the offenders because there was virtually no chemical

difference between diesel fuel and furnace fuel. In order to reduce the incidents of tax evasion, the government is now going to follow the example of the Western provinces and Quebec by coloring all heating fuels with effect from May 1, 1974." So, all heating fuels are going to be colored.

Then if the chap with the diesel machine - I am not sure what color it is, probably blue - gets furnace fuel, when the inspector comes along and takes a sample this will show up in the -

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Yes. "It is estimated that the coloration programme will cost the government \$55,000 annually, to purchase dye. We anticipate additional revenues of from \$200,000 to \$500,000 accruing to the province from more efficient enforcement procedures made possible because adequate evidence of the illegal use of heating fuels in diesel powered equipment will be available through the use of colored fuels.

"It would not be practical to merely dye taxable diesel fuel - although this would be far less costly - because of possible continued evasion by means of blending the taxable and nontaxable products."

That is the explanation, Mr. Chairman. Therefore we have \$55,000 in for fuel this year. Hopefully this is going to stop our losses from the use of -

MR. MARTIN: Mr. Chairman, I think it might be appropriate at this time to relate some of my own experiences in this matter. There may be a lot of taxes slipping away which even the honourable the Minister of Finance is not aware of.

I am the owner of a vessel which I operated last summer on the Labrador Coast. I think instances which I experienced are probably common throughout Coastal Newfoundland and Labrador. Just about every place I went in for refueling, I was asked by the agent whether or not I wanted to buy diesel fuel or stove oil for my diesel engine. I apparently had the choice.

AN HONOURABLE MEMBER: This is in Labrador North, is it?

AN HONOURABLE MEMBER: Probably out of the same tank.

MR. MARTIN: Purchased out of exactly the same tank. If I had said stove oil which was cheaper, then I would have been charged with 170 gallons of stove oil for my forecastle tank which carried thirty gallons.

The point that I really want to make here is that in the registration of pleasure craft for the purposes of tourist charters, it is possible that a person who owns a pleasure craft which he uses on weekends, if he registers it apparently with the Tourist Department as being available - that is the operative wording here - being available for tourist charters, then he is given an exemption and does not have to pay tax. Presumably he only has to prove once or twice that he had a charter. Now, this is easy to do if he has a couple of friends who want to go on to Conception Bay.

It is the kind of a loophole, I think, which if it were plugged would result in many thousands of dollars in increased taxes for this kind of thing. I pass that along to the honourable the Minister of Finance just for his own information.

MR. CHAIRMAN: On motion 02-07 to 02-09 carried.

MR. ROBERTS: Your Honour, just before the total carries, I notice that the miscellaneous revenue last year was rather good. Would the minister indicate to us where there is - I know we do not vote revenue but his notes over there would hopefully have in them an indication of where we collected \$310,000 in miscellaneous revenue as opposed to an estimate of \$15,000 this year.

MR. CROSBIE: I have a note here somewhere. The miscellaneous revenue: That includes conscience money. The conscience money pours in since I became Minister of Finance, recovery from students attending the public administration courses, overages in cashiers floats, sales of some publications and unexpected revenues not provided for. Well, the revised figure for 1973-1974 included \$295,000 funds transferred from the property loss reserve fund. That will not be repeated. So, the ordinary is \$15,000. Ordinarily \$15,000 is put in, whether it comes to \$15,000 or not of course we do not know.

That is the reason for the difference.

MR. ROBERTS: Could the minister tell us why the government moved it in this year considering the act was only passed by the House recently and indeed I do not believe has received royal assent yet? You know, has the government moved it in in defiance of legislation. The House approved the bill. I have no doubt His Honour will give royal assent to it when His Honour is asked to. It is interesting the government have already taken it in in advance. That should lead

Auditor General to an interesting comment next year.

MR. CHAIRMAN: Shall 402-03 carry?

On motion 402-03 carried.

MR. CHAIRMAN: 405-06-13, carry?

MR. ROBERTS: Hold on now you just skipped \$17 million.

MR. CHAIRMAN: That is statutory.

MR. ROBERTS: There is nothing voted there? Well would the minister permit a question then? If not we will ask it on the subhead. I apologize to the Clerk. I did not notice the capital. What is the revenue shown in the NIDC? Is that the Ottawa contribution? Perhaps the minister or if not you know the Minister of Industrial Development who really I think has more to do with this in the day to day administration - could one of them indicate a little about the financial situation of NIDC? We have not seen an annual report yet.

MR. CROSBIE: Well this subhead here is - first we will explain the revenue. Yes, related revenue, last year's - it was the revenue the honourable member asked about was it not? The revenue of NIDC last year was \$5,305,700. That is broken down into; \$422,864, repayment on principal of loan by Atlantic Sugar Refinery Company Limited for trawlers; \$10,300 from fish building, from the Canadian Salt Fish Corporation who rent this building on the Southside; \$826,502 from Mooring Cove, from Atlantic Fish. That is a payment for the fish plant in Mooring Cove; \$1,755,467 from National Sea Products. That includes payments on six trawlers, on the Southside plant. The amount was over the estimate last year because they lost the "Cape Brule" and the insurance proceeds, the government had a mortgage on it and the insurance proceeds were paid to NIDC, that was \$820,000 -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: National Sea then brought - then there were two trawlers being built, on the order of the government, in Marystown, one of them replacing the "Cape Brule".

AN HON. MEMBER: Inaudible.

MR. CROSBIE: No, they paid for it out of the money.

MR. ROBERTS: Inaudible.

MR. CROSBIE: Well just wait now until I cover it all see, I have here all the items. Then there was National Sea Products purchase of trawlers, \$1,343,000, That was a sale of a trawler to them in return for which they put two side trawlers into Burgeo. In other words the \$1,343,000 was money they paid to NIDC. They brought the trawler from NIDC.

MR. ROBERTS: Inaudible.

MR. CROSBIE: Because NIDC ordered it from the Marystown Shipyard. NIDC paid for it out of the money they had in hand, you know out of these insurance proceeds.

MR. ROBERTS: If the minister would permit a question on it: National Sea owned the "Cape Brule"?

MR. CROSBIE: Right.

MR. ROBERTS: Subject to a mortgage to the government because she was one of the six trawlers built as part of the ten trawler deal involving the former Ross Steers Plant over on the Southside, down at the mouth of the harbour down here. The "Cape Brule" was a total loss; she was insured. The government presumably had the rights of first mortgagee under the insurance policy so they collected her full or certainly the government's chunk of her insurable value. That was fine. That was one transaction.

Then National Sea came along and they wished to buy a trawler and the government worked out a bit of a deal, helped by the fact that the Burgeo plant was hardly the star in the Minister of Industrial Development's diadem at that point, in return for them agreeing to put two old stern-trawlers, I am sorry, side-trawlers into Burgeo where they are labouring away you know in a very inefficient and ineffective fashion at present.

AN HON. MEMBER: Yes.

MR. ROBERTS: Yes, these two are doing better than the "Bur Fish" and the "Bur Line" and those other gems that the minister brought but

they are not doing very good when all is said and done. No they are not doing very good and they are not doing very well either. They are doing neither good nor well. They are not doing anybody any good. They are not doing well. Now that is a separate transaction.

What I want to know is, did the government lend National Sea any money? Because National Sea may be flush and I have not got their annual report here but I had a look at it recently. There is certainly no indication that their cash position, Mr. Chairman, is down by \$1.7 million, which would be the position. Did the government lend them back the \$1.3 millions?

MR. CROSBIE: Mr. Chairman, I will just finish now giving the expenditures.

No revenue I mean. I am explaining the revenue. Then an additional piece of revenue in connection with National Sea Products was the subsidy with respect to the trawler. That was \$244,300. Now that money came from the province to NIDC as a grant on this trawler, ten per cent.

MR. ROBERTS: A grant on the "Cape Brule" replacement?

MR. CROSBIE: No on the trawler they had - I do not know if it is the "Cape Brule" or not or the other one.

MR. ROBERTS: No, the "Cape Brule" replacement.

MR. CROSBIE: Yes, the "Cape Brule" replacement.

MR. ROBERTS: What is the legislative authority for that?

MR. CROSBIE: There was an act passed by the House -

MR. ROBERTS: For six, not for seven.

MR. CROSBIE: This is a subsidy, not on the "Cape Brule" but on the ones that were being built down at Marystown. But that in itself confused the whole issue.

MR. ROBERTS: Well the minister is confusing us.

MR. CROSBIE: No, I am not.

MR. ROBERTS: Yes.

MR. CROSBIE: Now just let me finish.

MR. ROBERTS: Go ahead.

MR. CROSBIE: Then there is Hotel Buildings Limited, \$630,000. That payment on - the NIDC has a second mortgage on Holiday Inns. Now that is

normally higher but because Hotel Buildings Limited is now paying municipal taxes in Corner Brook and St. John's and so on and so forth, the amount paid over is less than it was for the year before - that was \$630,000. There was \$122,150 came in from Marystown Shipyards Limited because they had been over-paid on the trawler that they were building and they had to repay the overpayment. So that came to a total of \$5,355,000.

Now if you would look at the expenditures for NIDC, the item of \$3, 115,000 is broken down as follows; National Sea Products Limited, construction of trawlers, \$670,000, that finished off the trawlers-

MR. ROBERTS: They were the six built on the original deal?

MR. CROSBIE: Right.

AN HON. MEMBER: Let me get the details for you tomorrow, Sir.

MR. ROBERTS: I wonder could we - would the ministers agree to let the matter stand because possibly we could resolve it even outside of the Chamber?

MR. DOODY: Inaudible.

MR. ROBERTS: Yes, you see there are eight trawlers involved, because there were the six that were built on the original deal -

AN HON. MEMBER: And these additional two.

MR. ROBERTS: And then these additional two. One of the additional two - there are now only seven but there were eight. But would the Minister of Finance -

MR. CORSBIE: I just want to finish giving - look the Minister of Industrial Development can explain it to his heart's content the next time, what trawler did what, but the last two items are National Sea Products Limited, \$820,000 that was to replace the "Cape Brule". I am giving the expenditures now; \$670,000, the \$820,000 to replace the "Cape Brule". Then the Burgeo Fish Plant construction of one trawler \$1,625,000. Is that correct?

MR. DOODY: Inaudible.

MR. CROSBIE: Well, good! That is the figure anyway.

MR. ROBERTS: It is interesting that one cost \$1.3 million and the

other cost \$1.6 million. It is a sort of a lost leader is it "Bill?"

MR. DOODY: That was just the mortgage ...

MR. ROBERTS: Could he get the trawlers and bring them in.

MR. CROSBIE: They already had a mortgage.

MR. DOODY: Inaudible.

MR. CROSBIE: But the Minister of Industrial Development will -

MR. ROBERTS: Mr. Chairman, if the Minister of Finance would permit - the more the Minister of Finance explains the less understood it is.

MR. CROSBIE: Right!

MR. ROBERTS: Can we let the item, well there is nothing to be voted it is a mere \$14 million - we do not vote anything but could somebody undertake to -

MR. DOODY: I will get him the information.

MR. ROBERTS: I do not think there is anything fishy in it but it is certainly a mare's nest. No boy, the trouble with some trawlers is that they are not fishy.

MR. DOODY: They are a very successful operation.

MR. ROBERTS: I know it is a very successful operation. I want to know for whom it was successful now; National Sea, the people of Newfoundland or the ministry? I mean that is what I want to know.

MR. BARRY: The Marystown Shipyard.

MR. ROBERTS: Well the people of Newfoundland have an interest in the Marystown Shipyard. As a matter of fact they have a principal in it too. But if some minister could undertake to provide us with - I do not care if it is in the House or outside as long as I can have the information publicly as to exactly what happened with the trawlers and the mortgages because I can stand here and ask questions for the next twenty minutes and the minister could give me answers for the next twenty minutes and that would take us out of the House. But really you know, the Minister of Finance has given us the information, given us the figures but that is not the information we need.

MR. CROSBIE: Well my honourable buddy will get the explanation.

MR. ROBERTS: Well I am glad one of them understands it, Sir, and hopeful the House will.

MR. CHAIRMAN: Shall 405-06-13 carry?

MR. ROBERTS: What are we now, Mr. Chairman? 405-06-13?

MR. BARRY: (Inaudible)

MR. ROBERTS: Are all of them then statutory?

AN HON. MEMBER: Indeed they are not.

MR. ROBERTS: 01-02-03 are statutory?

MR. CROSBIE: The only thing nonstatutory under pensions and gratuities is ex gratia payments. That is nonstatutory.

MR. ROBERTS:Marriage gratuities?

MR. CROSBIE: Well, it is in that act.

MR. ROBERTS: The Public Service Act?

MR. CROSBIE: Yes. Anyway, the fact that they are statutory, we can still give detail.

MR. ROBERTS: I do not get a marriage gratuity, I merely -

MR. CROSBIE: On the pensions and gratuities there, one will notice that the amount this year for public service pensions and retiring gratuities is up considerably and ex gratia payments are down. There are two reasons for that. One is the fact that last year the increase in pensions last year were paid at ex gratia because the act was not amended. There will be an amendment to the act coming before the House this session. So up in the public service pensions is last year's increase plus this year's increase, \$660,000 because that will not have to be ex gratia this year. There is an amendment to the Pensions Act that will come before the House and hopefully be approved.

Of course the ex gratia will be down because none of those will have to be paid from the ex gratia category.

MR. ROBERTS: Could the minister indicate, Mr. Chairman, has he a list there of the ex gratia payments? He may not wish to reveal the full list but could he give us, please, an indication of whether there have been any new ex gratia awards in this current fiscal year or for that matter in the last twelve months?

While we are at it, there are a number of other questions. Perhaps I could list them. I am fascinated by that revenue item from the Newfoundland Federation of Fishermen, \$44,000. I would like to know where that came from and what it represents. I am also intrigued by the fact that while the government contributions to the House of Assembly pension plans have not changed from the revised figure last year and the estimated figure this year, the members contributions

have changed. They are downward by ten per cent. Since the number of members in the House is greater this year, we were absent one member last year. The former member for Hermitage, Mr. Cheeseman, was absent for most of the session last year and I recall he quit on the eve of the budget. He quit about the end of March.

AN HONOURABLE MEMBER: What eve was this?

MR. ROBERTS: Well, it was on the eve of the budget coming down. He had a little flick from the gentleman from Bell Island on his supplementary estimates and then went out.

I would like to know why that is done. Our contribution rate has not changed. Our rate of salary has not gone down.

The other point is a much more important one, Mr. Chairman. The teachers have had a long standing gripe. Perhaps the gentleman from Hermitage is familiar with it, with the fact that the teachers' pension plan is not funded. It is like the government pension plan which is or indeed for that matter the Canada Pension Plan, it is on a pay as you go basis. In years gone by some of the teachers' representatives, Mr. Sherman McCurdy used to wax particularly eloquent on this but others have and Mr. McCurdy was speaking for the N.T.A., and used to wax very eloquent on the grounds that the government was taking in the estimated figure for next year, \$3 million on teachers' pensions, and paying out \$1.3 million on teachers pensions and add in refunds, \$374,000. So the government is making about \$1 million profit a year on the Teachers' Pension Plan at current figures, figures for this year.

The teachers' used to wax very eloquent and say that it should be funded. Now when we were the administration we never bought the argument for two reasons. (1) The government stands behind the Teachers' Pension Plan and its credit is just as good as the credit of the Province which is pretty good indeed. (2) It would cost, Lord alone knows how many million dollars to fund it.

There was a royal commission headed a number of years ago, by Greg O'Grady? Was Greg O'Grady the member of it or was he chairman?

MR. CROSBIE: George Allan was chairman.

MR. ROBERTS: George Allan was chairman, the former Auditor General and Mr. Greg O'Grady was a member and I think Miles Murray, Judge Murray as he now is, was a member. They brought in a report; it must have been fifteen years ago.

MR. CROSBIE: I was secretary.

MR. ROBERTS: The honourable gentleman was secretary. Well, they brought in a report fifteen, what, it must have been fifteen years ago.

MR. CROSBIE: An excellent report.

MR. ROBERTS: Well, it may have been an excellent report, a tribute to Mr. O'Grady and Mr. Allan and Judge Murray.

MR. CROSBIE: And the secretary.

MR. ROBERTS: Well, the secretary, doubtless to the secretary. That was the days when Mr. Smallwood - young lawyers starting in practice, Your Honour, would be asked to serve as secretary of a royal commission to give them a start.

MR. CROSBIE: Our emoluments were very low in those days.

MR. ROBERTS: I am sorry.

MR. CROSBIE: Our emoluments were low in those days.

MR. ROBERTS: The emoluments were low. Well, the Tory lawyers have learned since then as the Minister of Justice has told us. Anyway, they brought in a report on the overall Government Pension Plan and it just made everybody's hair curl. I do not remember what the figures were. I read it once seven or eight years ago. The Minister of Finance might remember. At that time it would have cost \$60 millions or \$70 millions to fund the then Government Pension Plan. The Government Pension Plan has become considerably more lucrative since then, much better payouts to the recipients. I have no idea what the liabilities are now but they must be in the hundreds of millions of dollars particularly in view of the fact that the median age of the civil service has been dropping precipitously. It may have stopped but it is now very low indeed.

In the years to come that median age will be moving up, Mr. Chairman, and the payout on the pensions will be accordingly greater.

Indeed I would suspect when the minister looks at his long range budget forecast, his long range expenditure forecast that head is one that is going to go fairly rapidly in the years ahead.

Anyway, I am particularly concerned about the teachers because the minister when he was on this side stood a number of times and was very moving when he said he thought it should be funded.

Well, have the ministry any plans to fund it now?

MR. CROSBIE: I hope we are not just funding me, Mr. Chairman. My views have not changed on funding but the government's views have not changed either. There is no immediate plan to fund either of those amounts.

Now it is dealt with in various ways in various provinces and another look is going to be taken at it this year by our pension division. There are no immediate plans to fund these pension contributions which go into the general revenue.

In five or six of the provinces I think that is the way they are dealt with and in another four or five they go into a special fund to be invested together with the government's contribution. In several provinces and in the federal government they do not go into special funds. They are credited to an account and the federal contribution does not go into any kind of a fund. So there are various ways of doing it.

The report which the Leader of the Opposition mentioned recommended that they be funded. I think that was turned in around 1961 or 1962.

AN HONOURABLE MEMBER: No.

MR. CROSBIE: No, well the report - Mr. Allan was sick and so forth and the report was a couple of years. It was around 1959 or 1960 maybe.

Then there was another report done after that. That was headed by Mr. George Dyer, who headed another.

MR ROBERTS: Before he became Chairmap of the Public Service.

MR CROSBIE: He headed another commission which also reported and recommended that it be funded. This is all years ago, and the years have passed and it is still not funded; and there must be a very large actuary liability.

So it is still an open question. There is no change in policy yet. The matter is going to be reviewed again.

Now, on the question about the Newfoundland Federation of Fishermen, what that is is this: Well, the Newfoundland Federation of Fishermen dissolved and I think this was announced last year, when the Newfoundland Federation of Fishermen was dissolved the funds they had on hand were paid over to the government as a contribution towards a pension to Mr. Pat Antle who was their only employee and the government is -

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: The government, Mr. Pat Antle, yes, is receiving a pension, an ex gratia award from the Newfoundland Government based on his service with the Newfoundland Federation of Fishermen, at their request, and they paid over to the government this amount you see, their \$43,800.00 as a contribution towards it. Now, the amount of his pension I cannot remember now but I was under the strong impression that this was announced last year.

MR. ROBERTS: No way.

MR. CROSBIE: Yes, right. Then it was explained last year.

Anyway, at the request of the Newfoundland Federation of Fishermen, the Government of Newfoundland is paying Mr. Pat Antle a pension and they turned over the funds they had left when the Federation was dissolved as a contribution to that pension. We are certainly delighted to be able to do that. Mr. Pat Antle made a great contribution to the fishermen of this Province, a number of years in this Federation and would have otherwise being left without any pension or recompense for it. Anyway that is what the revenue item there is.

Now on the other question

About the House of Assembly, I am not sure what the - The government contribution this year is a matching contribution. The way it is calculated is forty-two members at \$560 each, that is \$23,520.

MR. ROBERTS: Why is the members' contribution down by \$3,500 which is ten per cent of the estimated revenue. Our contribution is a percentage of our pay either as ministers or as members.

MR. CROSBIE: House of Assembly Government Contribution -

MR. ROBERTS: It is 405-10-02.

MR. CROSBIE: Oh yes right here under revenue. Yes, that is a good question. Now let us look that one up.

MR. ROBERTS: I mean there are not fewer members and the members salaries have not dropped. \$3,500 is a big -

MR. CROSBIE: Well what is on my note here is that the members' contribution is \$35,000. I do not know why it shows there \$38,500. The right amount is \$35,000 according to my notes here. So there should not be any difference.

AN HON. MEMBER: Perhaps Saunders paid money in.

MR. CROSBIE: No, Mr. Saunders did not pay anything in last year, nor is there anything being paid out to him.

MR. ROBERTS: Not out of funds under the minister's control anyway.

MR. CROSBIE: No, no, nothing.

MR. CHAIRMAN: The member for Labrador South.

MR. MARTIN: Mr. Chairman, just one more minor point of clarification, Mr. Chairman, and I may very well be out of order on this one. If so I will be prepared to await the proper subhead. It occurs to me that last year there was some discussion on the matter of pensions to railway employees. It was a question of employees who had opted to take the provincial plan as opposed to the federal. I am wondering if the minister could inform us whether or not this thing has been ironed out and if so how?

MR. CROSBIE: When the ex gratia pension thing was announced in the budget last year it had not been worked out how it would apply to railway pensioners and it took a long while to work it out because

the situation is quite complex. Now the pensioners who retired from the Newfoundland Railway before 1949 got the increase. The railway men who went with the Canadian National Railway after 1949 served some time with them but who kept their Newfoundland service separate from their Canadian National service; they did not combine them for pension purposes. They said, "The years before 1949 I will keep that separate, the Newfoundland Government will pay me the years, afterwards the Canadian National Railway pay me." The ones who kept their service separate they also got this increase that was announced in the budget last year but the railway pensioners who amalgamated their Newfoundland Government service before 1949 with this pension scheme of the Canadian National Railway did not get the increase from the Newfoundland Government. The reason they did not is that under the Canadian National Railway scheme there is a cost of living index or something like that so they get an increased pension each year in any event and of course the Newfoundland Government has to pay its share of that to the Canadian National Railway for their service before 1949.

Now when the pension increase was announced in the Budget Speech this year, that pattern is now set so it applies in exactly the same way and the increased pension will be going out in the cheques at the end of April. So it will be exactly the same this year. But railway employees who amalgamated their Newfoundland service with their Canadian National service will again not get the increase from the Newfoundland Government but the Newfoundland Government will contribute indirectly because they will get an increase from the Canadian National Railway in the ordinary manner.

MR. SIMMONS: Mr. Chairman, before we leave the item on Teacher Pension Contributions, I would just like to reiterate a couple of points that have been made by the Leader of the Opposition and he shall probably make a new one or two if I do along the way. First of all it is good news from a minister that the matter of funding the teacher pension is an open matter, it is an active matter. I do hope that

he does see it pursued. I am not sure what the situation is all across Canada. I believe most of the provinces have their teachers' pensions funded either fully - apparently Nova Scotia, for instance, I believe has partial funding of teacher pensions. British Columbia has total funding with matching contributions from government and so on. I believe the issue is one that needs to be pursued.

The minister has already been reminded of the days when he stood on this side and the matter of teacher pension funding was a theme that he pursued with a fair degree of vigor. I remember on a number of occasions sitting in the gallery and listening to the minister, supporting the idea very strenuously. I am glad to hear him tonight indicate that he is still in favour of the proposal. Insofar as the thousands of teachers involved are concerned, it is an important issue and one that needs to be pursued immediately. Both Royal Commissions, the Allen Commission on this in 1960 and the Dyer Commission in 1966 both recommended this kind of funding. I gather that for cost reasons it was not done. Whatever the reasons I believe the time has come for another close look at the issue. I appeal to the minister to give his full support to it in particular and thereby avoid being accused of the kind of thing that he has been accusing certain members on this side of, namely having one stance on this side and another on the other side. I repeat, now that he is not preoccupied, that I recall as do many teachers throughout this province recall the very active and vocal support which he gave this idea during his time in opposition. I would hope now on behalf of teachers, now that he is in government he will use his position to see to it that this matter is fully investigated with a view to establishing teachers' pension funding.

The problem is going to be less open to a solution as time goes by because as the years go by the numbers of teachers retiring will increase and therefore the expense on the Public Treasury of paying out teachers' pensions will of course increase, indeed will increase

traumatically with the numbers of teachers now who are becoming career teachers, unlike we had in the recent past, the numbers of teachers who are upgrading their qualifications rather quickly so that the cost on the Public Treasury can be expected to shoot upwards traumatically in the years ahead.

A related point I believe, Mr. Chairman is in a sense the gap between the pay-out on teachers' pensions this year - \$1.3 million and the amount being taken in - \$2.8 million. The \$1.5 million difference there is in a sense borrowed money. Government is spending \$1.5 million which it gets directly by virtue of this accident if you like, accident in terms of time, and that at this moment there is more coming in than there is going out and I think that it is a kind of a false foundation when government is depending on this kind of revenue to fund its expenditures during the year ahead.

I would make an appeal to the minister to have this matter fully investigated in the present year, as he has indicated he would, with a view to having proper teacher pension funding in the not too distant future.

On motion subhead 405-06-13, carried.

MR. WOODWARD: (406-01-01) Mr. Chairman, can the minister explain what the entertainment is. Is it Silver Anniversary? Is it booze parties or is it the contribution to McLean?

MR. CROSBIE: Listen, this is a vote, Mr. Chairman, that has been in the estimates for many many years and it is a vote that appears in the Department of Finance. For purposes of convenience rather than spreading it throughout each department, there is a vote in the Department of Finance, which of course has no control over it but there it is. I do not know whether there is any more I can tell him.

MR. WOODWARD: What is it used for?

MR. CROSBIE: Oh, what is it used for? Well, let me see now.

MR. CROSBIE: I do not have much information here on it.

MR. ROBERTS: Well I wonder if the minister will undertake?

MR. CROSBIE: No, the minister is not going to undertake.

MR. ROBERTS: Well that is fine.

MR. CROSBIE: The minister has been asked for an explanation -

MR. ROBERTS: Give the explanation. If it be not adequate we will ask for more. Does the minister know? Well, I will ask him later.

MR. CROSBIE: Now, Mr. Chairman, the total for 1973-1974 on entertainment is \$84,371.91 -

MR. ROBERTS: Eight thousand under the figure in the estimates.

MR. CROSBIE: Yes, but here I can only give him the information, he knows as we have it now. This might be a month or six weeks. I can only give him a breakdown as we have it.

Now the breakdown as I have it: Official functions \$39,309.99; entertainment by the Premier, his officials, \$8,098.91.

MR. ROBERTS: That is their booze parties.

MR. CROSBIE: No, no booze parties. It has got nothing to do with us.

MR. ROBERTS: Eighty-one hundred dollars entertainment by the Premier.

MR. CROSBIE: Entertainment by the ministers and others, that is their officials and so on; \$5,945.30; miscellaneous, \$31,000. These are small items under \$100. I only have a breakdown for \$100 or greater. He wants some particulars -

MR. ROBERTS: Well, Mr. Chairman, I wonder if the minister would allow myself or a member of this opposition to look through - for each expenditure the government make, as Your Honour knows, there is a voucher. For example, the famous \$517 for the Arts and Culture Centre was approved by the Premier, initialled 'F.D.M.' - that is why it was paid.

But I wonder if the minister would instruct his officials to allow me or one of my colleagues here, a member of the House, to see the vouchers? The Minister of Health is worried because the Waterford Hospital is going on strike in the morning. He is going to be more worried by the time they are through with him. Seven o'clock in the morning, the most serious thing we have had. I do not know, but I am told it is.

But I wonder if we have to talk about this because this is what is before the committee - I would rather talk about the Waterford Hospital situation.

MR. CROSBIE: That is not in our hands. That is in the hands of the board at the hospital.

MR. ROBERTS: Well that is a great cop-out. I am aware of boards but -

MR. CROSBIE: It is not a cop-out at all. It is a statement of fact.

MR. ROBERTS: It is a cop-out, that board is appointed by the government, and answers to the government.

MR. CROSBIE: That board answers to itself and never mind -

MR. ROBERTS: At the pleasure of the government. At 7:00 in the morning they are going to walk out.

MR. CHAIRMAN (STAGG): Order, please!

MR. ROBERTS: Anyway I was asking the minister -

MR. CROSBIE: Yes, get down to something that is relevant.

MR. ROBERTS: I am being perfectly relevant to 406-01-01 - if the minister would allow me to inspect the vouchers covering this expenditure of and in particular, \$13,000 by the Premier and his colleagues in the cabinet and by others, whomever they may be, for entertainment. I want to know, for example, how much of that went to ACT III and how much to the Woodstock Colonial Inn and how much to the Starboard Quarter? I want to know -

MR. CROSBIE: How much to the Battery?

MR. ROBERTS: For that matter, how much to the Battery? I may be able to ask the management of the Battery, they may be able to tell me.

But would the minister allow me to see the vouchers. I may point out that there is a precedent for that. I do not want to compare myself to the Hon. W. J. Browne. I would object, and Mr. Browne would object.

MR. CROSBIE: But the honourable gentleman would rather have good grounds.

MR. ROBERTS: Both of us on good grounds, agreed. But in the days gone by Mr. Browne was authorized to do it. Would the minister undertake to

allow me a similar courtesy now in respect of these vouchers?

MR. CROSBIE: Well quite frankly, Mr. Chairman, it seems to me to be a most unusual request. We already have an Auditor General. Does the Hon. Leader of the Opposition want to displace the Auditor General? I mean what is the honourable gentleman's point? There has been an entertainment amount in the Government of Newfoundland for donkies years, certainly since 1949. There is an entertainment account there now. Officials come down to visit or officials are away visiting, there are all kinds of entertainment have to go on by the very nature of things. It goes on in business. It goes on between governments. There is nothing unusual about the vote. It is voted in the estimates. Now the Hon. Leader of the Opposition wants the right to go through all the invoices.

MR. ROBERTS: No, the vouchers.

MR. CROSBIE: All of the vouchers. Well frankly I would have to consult my colleagues, Mr. Chairman, because it is a most unusual request. I do not think that they will decide that this is something that should be permitted. The Auditor General is the watchdog of the House, not the Leader of the Opposition.

Now if the Leader of the Opposition should want a copy of the entertainment expenses, well that is here and he can have a copy.

AN HON. MEMBER: A photostat of the vouchers.

MR. CROSBIE: No, we are not going to give the honourable gentleman a photostat of the vouchers.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Well why not open up all the vouchers of the government to the honourable gentleman opposite? Why open up vouchers of the entertainment?

MR. ROBERTS: Well the minister permit a comment on that?

MR. CROSBIE: I happen to be on my feet speaking -

MR. ROBERTS: Well the committee automatically rises at 11:00 o'clock, if the minister looks at the rules - at 11:00 o'clock whatever proceedings -

MR. CROSBIE: Well the minister is not finished, you see. The minister

is not finished.

MR. ROBERTS: Keep going.

MR. CROSBIE: Just calm himself. He is like a hound dog on the trail, He thinks he is going to -

MR. ROBERTS: No but \$8,000 worth of booze -

MR. CROSBIE: Mr. Chairman, we are prepared to. A disgusting statement. We are prepared.

MR. ROBERTS: Well then let me see the vouchers.

MR. CROSBIE: Mr. Chairman, we are prepared to table a list of the entertainment items, The 517-01 or whatever it was the honourable gentleman mentioned was repaid, it went through by mistake. He will find there are no other mistakes here. Everything is legitimate. Reception for the Royal Winnipeg Ballet, reception for the Federal Minister of Agriculture, reception for the Canada Games Society, Budget reception, Resources of the Sea Conference, the Canadian Radio and T.V. Commission, The Lion's Convention, The American Legion, The Eastern Canada Association of the Deaf, The Thunder Bay and St. John's Hockey Teams, Railway workers from Labrador City - it is all here. The honourable gentleman does not need to go -

MR. ROBERTS: He never touched on \$8,000.

MR. CROSBIE: - Snooping through the invoices there. No, not at all.

MR. ROBERTS: He still has not touched on \$8,100 for the Premier's booze parties.

MR. THOMS: Can we have a copy of that.

MR. ROBERTS: Well that is only the banquets, Paul, That is not what he is trying to hide. What he is trying to hide is the \$8,100 -

MR. CROSBIE: Luncheon for off-shore oil company representatives, dinners for deputy ministers of forestry, and so on, special entertainment by the Premier -

MR. ROBERTS: Eighty-one hundred dollars.

MR. CROSBIE: A small amount.

MR. ROBERTS: That is twenty times what Joe Smallwood spent in twenty years together.

MR. CROSBIE: We know what Mr. Smallwood spent.

MR. ROBERTS: That is twenty times as -

MR. CROSBIE: We know who spent it for him. This is legitimate money spent from the government treasury to entertain guests of the government.

MR. CHAIRMAN: Order, please!

AN HON. MEMBER: Shall the committee rise?

MR. CROSBIE: Now, Mr. Chairman, I am prepared to table this list. If the honourable gentleman want it, he can have it. If he should not want it -

MR. ROBERTS: Well, Mr. Chairman, it is 11:00 O'clock and under Standing Order (8) Your Honour is about to adjourn us. But I would be grateful if the list could be tabled, and I would ask the minister if he would consider my request. I would say simply that if the administration have nothing to hide, they will allow me to see those vouchers. If they do not allow me to see the vouchers, it is obvious they have something to hide in \$8,100 - \$13,000 worth of booze, liquor, wine and dining by the Premier and by his colleagues in the ministry.

So I would ask the minister to reconsider, consult with his colleagues and allow me to inspect those vouchers.

MR. CROSBIE: I have already explained that it is not a decision of the minister, Mr. Chairman. It is not a decision of the minister. I will consult my colleagues and see whether they wish to open up all invoices to the honourable gentleman. He will be rooting around in the invoices for the rest of the year. If he gets his snoot in the invoices, where will he stop? Nothing will be safe.

MR. ROBERTS: They are hiding \$8,000 in booze.

MR. CHAIRMAN: Order, please!

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

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

April 23, 1974

Tape 1274 (night)

PK - 6

On motion report received and adopted.

On motion the House at its rising adjourned until tomorrow,
Wednesday at 3:00 P.M.

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