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VERBATIM REPORT

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SPEAKER: THE HONOURABLE M. JAMES RUSSELL

The House met at 11:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

The honourable Member from Bonavista South.

MR. MORGAN: Mr. Speaker, I wish to stand on a point of personal privilege with reference to a motion that has been put before this honourable House by the Member from Hermitage asking that I retract statements that I made in a debate on the previous day, last Wednesday. Mr. Speaker, I have no hesitation in totally retracting any unparliamentary statements or any kind of derogatory comments made in the heat of debate last Wednesday. I do this knowing that now it will prevent the need for this kind of motion we have before the House and to prevent the waste of the time of this honourable House of Assembly debating such a motion. Thank you, Mr. Speaker.

MR. NEARY: Mr. Speaker, is this in order? Your Honour has not ruled on the motion yet.

MR. SPEAKER: Order, please!

The motion was made by the honourable Member for Hermitage and realizing the honourable Member for Bonavista South was out of town on the Select Committee on Fisheries I subsequently advised the honourable Member for Hermitage that I would withhold any ruling on the matter until the Member for Bonavista South was back in his place and the honourable Member for Hermitage agreed with that. The honourable Member for Bonavista South has returned to his place and saw fit to do in essence exactly what the honourable Member for Hermitage requested in his motion of privilege. The Chair at least is satisfied that this settled the matter.

MR. SIMMONS: If I may, Mr. Speaker. As far as I am concerned, Mr. Speaker, what the honourable Gentleman for Bonavista South has just done certainly satisfies for my purposes the intent of the motion that was put before the Chair a few days ago. I would like to thank the member for withdrawing. That was my concern. I was very upset with it at the time. I did not see the need for such language. Now

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Tape 1080 (morning)

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that the member has withdrawn, well, obviously there is no need to proceed with the motion.

ORAL QUESTIONS:

MR. SPEAKER: The honourable Member for Bell Island.

MR. S. NEARY: Mr. Speaker, I want to put a question to the honourable the Premier. Would the honourable the Premier care to indicate to the House what kind of a position Newfoundland is going to take at the First Ministers' Conference on Energy? Will the Premier indicate to the House whether they have thrown up their arms, that there is going to be an increase and the Premier and the government accepts that without a fight? Are they going to fight any increase in gasoline and heating fuel?

MR. SPEAKER: The honourable the Premier.

PREMIER F.D. MOORES: Mr. Speaker, the government's position will be made very clear tomorrow at the conference. There are many issues to be discussed as the state of the economy generally as well as the prices of oil and gas. We have said as far as the price of oil and gas is concerned that because of transportation difficulties, because of our remoteness here, of course we need assistance and any increase in that price of oil and gas will have to be phased in over a period of time. But also we feel very strongly that the Provinces as such very definitely should have the benefits of their own resources. This is almost a cornerstone of the principle of Confederation, whether it applies to some resource in Newfoundland or whether it is a resource in Alberta and that principle must be established, in our opinion, realizing at the same time that because of the oil and gas crisis as it was, because of the tremendous impact it has had with the rise happening so quickly, realizing that it is going to take time to do it. We feel that when this happens that the equalization formula of the Federal Government should be adapted to suit that.

Now, that has got to take time because the effect on the Federal Treasury would be quite horrendous if it happened overnight. But the Federal Government are the only government that have the ability to derive the amounts of money necessary from taxation. They are the only ones that have the tools to do the taxation which should be

supported by all Canadians, but we agree that it should take time.

MR. NEARY: Mr. Speaker, a supplementary. Do I understand then from the Premier's answer that the government has an alternative plan, that his government has an alternative plan to try to get the equalization payments changed? Will, if they are changed, will the administration pass on any adjustment on the equalization to the people to subsidize the cost of gasoline and heating fuel?

PREMIER MOORES: Mr. Speaker, until the conference itself has been completed it is too early to say that. Until the findings of that conference have been arrived at it would be wrong for us to prejudge what is going to happen here, but certainly after the conference is over, the second day in camera, quite gladly will I make a report to the House when I get back.

MR. NEARY: Mr. Speaker, a question for the Minister of Justice who was not in his seat the other day, Sir, when I put this question to his colleague, the House Leader. Would the Minister of Justice indicate to the House whether or not he has received a petition from the school children in St. Lawrence High School concerning a port of call for CN boats on the Burin Peninsula?

MR. SPEAKER: The honourable Minister of Justice.

HON. T. A. HICKMAN: Mr. Speaker, I understand that there has been a copy of a petition which has been sent to Ottawa by the school children of St. Lawrence. It has been sent to me soliciting my support in their submission to their member of Parliament for Burin-Burgeo, namely that the report of the Dalton Commission be, in effect, ignored by the Government of Canada and that St. Lawrence be chosen by the Government of Canada as the port of call for one of the ferries.

I have no hesitancy at all, Mr. Speaker, in supporting that kind of a petition, none at all. I hope that the Government of Canada and that the member of Parliament for that area in arriving at the final decision, because that decision has to be made by the Federal Government - we have no jurisdiction. We have not been called upon as a Provincial Government to become involved nor should we. As a member

for the district I have no hesitancy in supporting the St. Lawrence petition. But I do hope that when the Minister of Transport, acting upon the advice of his colleague the Minister of Regional and Economic Expansion, makes that agonizing decision that he will take into account some of the social needs, the social problems that exist in the town of St. Lawrence. St. Lawrence is in desperate need of an alternative industry. There is no question about it that it can make a far more compelling case than any port along the South Coast of this Province. And I do hope that Mr. Jamieson will have the heart, I am sure he will, to take that into account. Insofar as the navigational requirements are concerned, there seems to be a division of opinion amongst master mariners as to the adequacy of the harbour. The people of St. Lawrence advise me that in their opinion the St. Lawrence harbour can adequately accommodate the Ambrose Shea, the Princess of Tasmania or any other ferry running between Argentinia and North Sydney. And I have seen boats there loading product from the mines at St. Lawrence, which are certainly as large as the ferries. There is no doubt at all, Mr. Speaker, that from the point of view of convenience to CN, St. Lawrence is the place where that boat should stop. Because right now on the present run between Argentinia and North Sydney the Ambrose Shea passes within six miles of the mouth of St. Lawrence harbour. In fact I have stood on the deck and you can identify the houses as you are going by. So that that boat can go in there without any real delay, Mr. Speaker, to the CN. So location-wise there is no doubt that St. Lawrence has an edge over any other port.

And I do hope, as I say, it is totally federal and the people of St. Lawrence recognize this, the Mayor of St. Lawrence has said the same thing, he realizes that it is totally and exclusively the responsibility of the Government of Canada, but if my support of the petition that has been sent to Ottawa from St. Lawrence will help, then I gladly support it, and I do hope that we will get a very sympathetic and understanding decision and get it quickly.

Because, Mr. Speaker, before I sit down, may I point out to this House that this matter has been on the go now since 1971 or 1970. This is the second report that has been received by the Government of Canada on this same issue. The first was from a committee or a commission -

MR. SPEAKER: Order, please!

MR. HICKMAN: - chaired by Mr. H. R. Lake of Fortune.

MR. SPEAKER: The Chair feels that just as questions should be short and precise perhaps so should the answers.

MR. NEARY: A supplementary question, of the minister, Sir. Can I take it from the minister's answer, Sir, that the position of the minister and the administration is that they would prefer to see St. Lawrence made a port of call in preference to Marystown? Is that what the minister is saying?

MR. HICKMAN: Mr. Speaker, may I repeat -

AN HON. MEMBER: (Inaudible).

MR. HICKMAN: - the administration, the Government of Newfoundland, so there can be no mistake about it, knows the fields in which it has jurisdiction and there it will make decisions whenever it is called upon so to make. This happens to be a matter that falls exclusively within the jurisdiction of the Government of Canada, and the Government of Newfoundland has never been called upon nor will it ever be called upon by the Government of Canada to become involved in this matter or to take a position. Now let me say, as the member for the Burin district, M.H.A. Burin, that I wholeheartedly support the petition that has been sent to the Government of Canada by the good people of St. Lawrence and that should be the port of call for the ferries. That is Alex Hickman's position and maybe nobody else's, but it is mine.

MR. NEARY: Mr. Speaker, I have a question for the Hon. Minister of Mines and Energy, Sir. Would the Minister of Mines and Energy care to indicate to the House whether or not he has received any representation from the town of Marystown in the minister's district to proceed with plans to have Marystown made a port of call for the CN ferry?

MR. SPEAKER: The honourable Minister of Mines and Energy.

HON. L. BARRY (MINISTER OF MINES AND ENERGY): Mr. Speaker, I do not recall any formal communication to that effect, but, of course, I have been dealing on an informal basis with the council, with various constituents in Marystown. I might add that I was happy to see my recommendations to Mr. Dalton incorporated almost verbatim in the conclusions that he reached in his report as to the most appropriate site for a stop on the Burin Peninsula for the East Coast ferry. I think my position and the position of the people in Marystown is as the people, I think, on the Peninsula, generally indicated when this commission was set up.

This is an area where it should be taken out of the realm of small, partisan politics. It should be given to an independent board of enquiry or a commissioner. We were happy to see the federal government do this. As I indicated earlier in the media, I support totally the concept of having a stop for the East Coast ferry on the Peninsula. I support totally the recommendations of the initial step of the federal government to set up the Dalton Commission to enquire into this. I support totally the recommendations of Mr. Dalton that he brought out in his report. I would have to. Could I do any less when he incorporated the recommendations that I made to him in his conclusions?

I agree that the matter is settled now. It is just a question of when -

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Well, my honourable colleague is entitled to his opinion on matters that are not within the jurisdiction of this government, the same as I am, presumably. It is the federal government that is going to be making a decision there. My honourable colleague is performing the same function I am. He is making strong representation on behalf of his constituents the way that I am making strong representation on behalf of my constituents to the federal government.

The question that we both have at the present time is when is

the federal government going to act on the recommendations of the commission. When is it going to act? We ask that the federal government explain what was their purpose in setting up this commission if they did not intend to accept the recommendations and act upon them.

MR. NEARY: Mr. Speaker, maybe I can get the Premier to referee this little bout. Would the honourable the Premier indicate to the House if his government has any official on this matter, any official position on this matter of a port of call on the Burin Peninsula or are they just taking a neutral position?

MR. MOORES: We certainly support the idea of, as the minister said, of a port of call on the Burin Peninsula, and certainly we are putting all the pressure we can on Swift Current not as a point of entry but as a point of decision. We will do the best we can to keep that up.

MR. NEARY: Mr. Speaker, I have a question for the Minister of Highways. In view of the fact that there are so many roads in the Province impassable at this moment, some of the roads it is impossible for traffic to get over, would the minister indicate to the House if he has any plans to hire any outside equipment to -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, I do not but "Old Conflict of Interest" has some - to try and improve these road conditions so that they can be made passable and the school buses at least can get over them. Perhaps the minister has a report. He brings a report with him every day. Would the minister also indicate if it was only watchmen who were laid off in the recent layoff in the minister's department or were the winter maintenance men laid off and will the minister's department be sanding and salting roads now in the future or have they abandoned that? In case we get another snow fall, will the minister's department be sanding and salting roads from now on or have they discontinued that for the year?

MR. SPEAKER: The honourable Minister of Transportation and Communications.

HON. J. ROUSSEAU (MINISTER OF TRANSPORTATION AND COMMUNICATIONS): I know the answer must be as concise as the question, I assume. There were three

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questions in effect. The first question - I really do not understand what the honourable member refers to. I do not have my road report this morning, but on the last day all the roads were open. They are not in the best of driving conditions and as I suggested to the House on an earlier occasion we are doing everything possible to get the roads in passable condition where they are not in passable condition. We cannot do that in most instances with sand or gravel. You have to do it with shale or some sort of rock. We are gathering our trucks in units and we are trying to do each of the roads as quickly as we can. So to

my knowledge right now, and I would have to check, and if the honourable member would like to I will bring it to his personal attention, I do not think there are any roads closed in the Province, Most of them are on a half load limit. I would guess that the driving conditions are fair to good on most roads. There are going to be exceptions, of course, but I do not know of any road this morning which is closed, but I could check it out.

MR. DOODY: Roaches Line.

MR. ROUSSEAU: Pardon?

MR. DOODY: Roaches Line.

MR. ROUSSEAU: Roaches Line is all right.

AN HON. MEMBER: It will be open for tonight.

MR. ROUSSEAU: In respect to the layoffs - yes, there have been layoffs, of course, the normal layoffs that accrue with the end of the snow clearing season. We have laid off the snow clearing operators. In District I we laid off about one hundred, that would be St. John's. In District II about 130, that would be Clarendville.

AN HON. MEMBER: Inaudible.

MR. ROUSSEAU: One hundred in St. John's, District I, about 130 in District II in Clarendville and the area, and the Burin Peninsula, 256 in Grand Falls District III and 160 in Deer Lake District IV.

Now Grand Falls had quite a - normally -

AN HON. MEMBER: Over 500.

MR. ROUSSEAU: Yes, well now these are people who were hired on last Fall when we had the problem. Normally what we had during the snow clearing season is double shifts, Now we have single shifts back on again because the cost, of course, is fantastic. So what we do now is we have the people ready to do the sanding, yes. We have the same equipment. The only difference is now we have men only on one shift rather than the two shifts we had during the Winter, So that if we have a snowfall and we have to do any snow clearing or have any sanding to do we have the people, We normally now work them overtime whereas before we had two full shifts on. And, of course, there are quite a few people laid off. They will be rehired again next Winter. Our Summer maintenance programme is much greater than our - I am sorry, our Winter

maintenance programme is much larger than our Summer maintenance programme. But the one shift now can carry out the same job on doing the overtime work because we do not anticipate any great snow storms like we normally have during the Winter.

MR. SIMMONS: A supplementary to the minister. In laying off those persons how are the decisions made on the basis of seniority or lack of it?

MR. ROUSSEAU: Yes, the layoffs are by seniority and according to the union agreement.

MR. NEARY: Mr. Speaker, a supplementary. Would the minister indicate to the House if this is a record number of men to be laid off around this time of the year? How does this compare to last year for instance?

MR. ROUSSEAU: I do not have the figures, but it would not be that much different, although we did hire a few more people on possibly this year because of the heavy snowfall on the Burin Peninsula and on the East Coast. But that is comparable figures to any other year.

MR. SPEAKER: The Hon. Member for Hermitage.

MR. SIMMONS: Mr. Speaker, a supplementary. I believe I heard the minister say that it is strictly on the basis of seniority. I wonder would he undertake to check out a number of cases that I and the Member for St. Barbe North can put to him which contradicts that -

MR. ROUSSEAU: Inaudible.

MR. SIMMONS: We are talking about persons who have been employed, in one case as a trucker, Mr. Speaker, and he has been working for six years. We know of another case where a person was working for sixteen years and was laid off the 1st. of April. Could the minister undertake to investigate this?

MR. ROUSSEAU: Let me give this undertaking, do you have any specific names? If you have any specific names I will check the specific names. If some time during the day you would like to send me over the names I will undertake to check each instance. But we do have to abide by the union contract generally. There may be exceptions. If there are there has to be a reason which I will give either of the members. In each instance, if they want to give me the individual names, certainly

I will do that.

MR. SPEAKER: The Hon. Member for Bell Island.

MR. NEARY: Mr. Speaker, a supplementary. Would the minister care to indicate whether the number of maintenance men that he just read out, I think there is probably somewhere in the vicinity of 600 or 700 hundred, would the minister indicate whether the watchmen laid off are in addition to these 600 or 700 maintenance men or did the minister include those in that figure?

MR. ROUSSEAU: Let us get the watchmen in their proper context. Now we laid the watchmen off because we have done that in each of the other three districts, I, II, and IV, and now III which is the one we are talking about, the Grand Falls district, the watchmen were laid off. There were twenty laid off previously and they were absorbed. There are twenty more on the list that I have now who are to be laid off as watchmen between now and the end of April, as watchmen. What we have done now is we have watchmen only in the main depots and the sub-depots. For purposes of definition in respect to a watchman, a sub-depot is a depot where extensive repairs are held, and in this instance there are only two in the district concerned, Lumsden and Springdale. Now in the unit depots we will be laying off the watchmen there, but as I undertook in answer to the question previously posed by the honourable Member for Fogo, who was not here on Thursday, he was at the Select - or Friday he was at the Select Committee hearings, that every effort will be made to rehire these gentlemen either by an involuntary demotion to a class of labourer or some people might want an early retirement or - but we will ensure that these people are not laid off from the department, they will have another job.

Now in respect to the snow clearing operations, you know, we have our

normal number of people working with the Department of Highways. During the winter we hire part-time, temporary help to cope with the snow clearing situation and these temporary help that were involved in the snow clearing operations are now being laid off. We will continue to maintain one shift. We will continue to maintain our regular employees on the Summer Maintenance Programme.

MR. SPEAKER: The honourable Member for Fogo.

CAPTAIN E. WINSOR: In view of the fact that I asked the honourable minister about those watchmen being laid off, and unfortunately I was not here if you gave an answer on Friday, am I to take it now that those watchmen that are to be laid off will be given employment or every effort will be made to employ them?

MR. ROUSSEAU: Yes. I gave that on Friday. We got a number of things. First of all, they have to either accept an involuntary demotion, for example, to a labourers class or they can do another job. They could do that. As the honourable member knows, many of them are older gentlemen who may want to take early retirement. We will accommodate them there if that is their desire, but in the event that they do not want involuntary retirement and they want to continue working every effort will be made and I cannot say with certainty, but I am fairly certain that we will be able to handle each one of them. We will do everything possible because people with eight, ten, fifteen, nineteen years of seniority with the department in this job, certainly the department has no desire to see these men terminated without work, unless they themselves desire it. We have to work out something and with this seniority I am sure we will.

ORDERS OF THE DAY:

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

COMMITTEE OF SUPPLY:

MR. CHAIRMAN (Dunphy): Order, please!

Industrial Development, Head XV.

1501-01

MR. DOODY: Mr. Chairman, we spent some time on this on Friday

afternoon. We went through the general structure of the department and the aims and objectives. I have finished explaining the aims and objectives of the NORDCO operation which we have set up or are in the process of setting up. I explained at some length the difficulties in attracting capital, risk capital particularly, to the Province for the establishment of industry. The second greatest difficulty which we feel is facing the establishment of business and industry here is the management situation, the lack of trained or knowledgeable management. To try to overcome to a certain extent the management situation, we have organized a section of the Newfoundland and Labrador Development Corporation, and I will speak further on that a little later on.

Also, we have organized an organization called NIMAT, the Newfoundland Institute for Management, Advancement and Training. Now, this is a

private, non-profit organization. It is composed of representatives of business in the adult education facilities, both at the university and outside. We hope to have them co-ordinate the various activities of these training agencies and to bring out into the Province the opportunities for people to take advantage of courses in elementary bookkeeping, labour relations and so on. We feel that this will go a long way toward improving that situation.

In the development and promotion area of the department we have the assessment and research vote, the section of which is that Newfoundland Institute for Management Advancement and Training which I have explained. And we also have the studies and consultant services. Now I am sure honourable gentlemen are very interested in the studies and consultant services. The vote of last year is \$220,000 and 1503-01. We have undertaken to assist various businesses and various prospects in getting background material and hiring outside consultants where necessary, to augment the resources or the people available in the department itself.

The Goose Bay Project Group, which is also financed under this subhead has had a rather difficult time during the past year. A group of people were brought together with a view to taking over from the federal government, the Department of Transport, the Ministry of Transport in Goose Bay, the facilities that were surplus to their needs. Toward that end we organized a project group consisting of representatives of the Federal Department of Regional and Economic Expansion, of Manpower, of Forestry and the Ministry of Transport itself.

The Provincial Departments of Industrial Development, Public Works, Manpower and Municipal Affairs, the local businessmen, the Mayor and as ex officio members we appointed or invited to join the Provincial Member for the District, Mr. Woodward and the Federal Member, Mr. Rompkey.

This group is to be congratulated on the effort that they have put into the organization of the takeover procedure. And the studies that they have undertaken in terms of industrial opportunities which may be

of assistance to Goose Bay in the future. They divided themselves into studying the commercial potential of the airport facilities as well as the industrial opportunities that may be significantly affected by the operation of the Lower Churchill or the project.

The sawmill, wood transportation, wood transmission poles and so on, trucking services, bulk cement storage, steel fabrication shop, various other facilities were looked at, but the major difficulty is, as I have explained to this House, has been the inability of the federal government and the provincial government to come together on the takeover procedures.

The buildings and land related to the Goose Bay situation itself are relatively, over the period a year, a relatively simple transfer. When we get into the Public Works, the infrastructure, the support facilities up there, we are talking about an estimated cost to the Province of something in the vicinity of \$10 million, where you are going to inherit a broken-down or pretty badly delapidated water sewerage system, we are talking about fire prevention services, fire fighting services, street paving, and last but not least, the generation of electricity, the generation of energy for the area which runs into a considerable amount of money. The federal government has offered us something in the vicinity of \$2.5 million to face these costs and we find that that is not satisfactory at all. What we have

asked most recently in a telegram which we sent them, I think, to confirm our discussions on February 27, to come through with the transfer of the buildings, the houses and the land as one unit and then eventually to take the services, the Public Works, unit by unit and come to a cost-sharing arrangement as we take them over. We have had three replies to that telegram, one of which acknowledged receipt of it, the second of which said that it was going to be considered, and the third said that it would be considered during the second week of April. So really the people in Goose Bay are as frustrated as they have ever been and for good reasons. But it certainly has not been the -

MR. NEARY: Point of order, Sir. I am sorry to interrupt the minister but when we are putting through important estimates like this, Sir, could we have a quorum in the House because the Select Committee is not travelling today, Sir?

MR. CHAIRMAN: Ring the bells.

There is a quorum.

MR. DOODY: Are the three minutes up now?

MR. CHAIRMAN: The Hon. Minister of Industrial Development.

MR. DOODY: Thank you, Mr. Chairman.

AN HON. MEMBER: What are you doing, Treasury Board is it?

MR. DOODY: No, we are on Industrial Development now.

The development and promotion vote under that subhead, in most of the advertising and indeed just about all the layouts in the audio and visual aids, printing and so on was all originated and ordered from the department itself mostly in housework. Obviously some of the printing had to be done outside the department, but our own people did the layouts and did the subscriptions.

MR. NEARY: Was McLean employed?

MR. DOODY: No, I am afraid not. We asked for submissions and proposals from various public relations firms but unfortunately MACOM or McLean

Public Relations did not come in with a sufficiently attractive picture so we were -

AN HON. MEMBER: (Inaudible).

MR. DOODY: There is a group called -

MR. NEARY: International -

MR. DOODY: No, there is a group called - wait now, I will get to them in just a second. Mass media advertising, photographic efforts and brochures, audio visual - Dave Myles, a local chap, did a tremendous amount of it, and there is an outfit called -

MR. NEARY: (Inaudible) homes.

MR. DOODY: Oh, well he survived that and came on to greater things with the Department of Industrial Development.

MR. NEARY: (Inaudible).

MR. DOODY: Well he has gone through two Baptisms of fire and survived and now he can finish the article. He is doing a complete job. Now the major firm was the one called P.R.S.L., Public Relations Services Limited.

MR. NEARY: Who is that?

MR. DOODY: It is a Toronto firm. They were \$39,000. But they are not associated with -

MR. NEARY: What is the name of the firm?

MR. DOODY: P.R.S.L., Public Relations Services Limited. We found that they were something less than satisfactory. We have asked - I have a pretty long dissertation here on how that particular firm was chosen. Would you care for me to run into it? There is

a lot of Madison Avenue jargon here which you will have to forgive me for it is not - the verbiage is not mine but it says I asked for our department back last year for advice on how they intended picking the public relations people for the firm and they gave me the following rationale. It is now apparent that after significant interdepartmental discussions that we can now realistically define the promotional requirements of our department for this coming year. In the past we have operated on the premise that we should maximize our use of in-house and in-Province talent. This, it is felt, we should continue to do so. However, as expected, certain services and capabilities are not available to us in sufficient quantity or quality in the Province to suit our requirements. We have identified these areas and are convinced an efficient programme next year must include these elements if we are to operate a proper programme. The first area of concern is the general public relations field. There is only partial local capabilities available to us in this area, particularly when we consider our international requirements. With this in mind it appears necessary that we will have to contract for this particular expertise outside the Province.

A second area of concern is that of audio visual services. It is hoped that in the coming year the department would produce a number of audio visual aids, film strips, slides, etc., that may be used in seminar, exhibition and conference settings for promotional purposes. We have discovered that the technical capability to produce such audio visual pieces is available in the Province through Atlantic Films and Electronics Limited. However, the creative and production capabilities appear not to exist locally and again we must look elsewhere for the service.

A third void in our promotional programme to date has been proper media research. In other words, an appraisal of the media which we should be using for advertising given the market we wish to reach. This service is not available in any form within the Province. It can be contracted for either on a piecemeal basis or as part of a total package with an

organization capable of this work and other services as well.

Related to media research is, of course, media placement, purchasing of space in line with the described programme as set out as a result of the media research previously undertaken. Again, there is some limitation for the capability to undertake this work for us in the Province. Having discussed this locally, we find that financial constraints provide the major stumbling block. In order for a company to place media advertising, it is necessary to finance this placement between the time the insertion order is placed with the media and the invoice is paid by our department. At times this amount of money can amount to several thousands of dollars and carrying charges and interest rates present problems for the small, accredited advertising firms in this Province. For this reason, I feel it wise to divide our media placement into two categories, national and international and to allow a local firm to place our national programme, the international programme to be handled again by an outside organization. Beyond these specific areas we feel capability exists to undertake all other necessary work for us in our promotional programme, brochures, advertising, layouts, etc. With a view to filling these gaps in our programme, we have undertaken discussions with a number of firms that could provide all services we require in package form.

Our discussions have, through a process of elimination, led us to what appears to be a choice between McConnell Advertising of Montreal and Public Relations Services Limited, P.R.S.L. of Toronto. Attached is correspondence from both these organizations outlining briefly their capabilities and their willingness to work with us in the environment that we have described to them, namely, allowing maximum use of local talent.

In addition to speaking with the firms themselves, we have also undertaken to contact individuals that could provide us with an objective criticism of each firm and also attached are samples by each firm of work done in the past. The reputation of McConnell and P.R.S.L. goes without question. The basic decision is one of retaining the services

of an advertising house as opposed to a public relations firm. Advertising and public relations are both practiced arts of communication. The major difference between the two lies in not what each attempts to do, but in how each communicates to its respective markets. Do you want me to go on with this?

AN HONOURABLE MEMBER: Inaudible.

MR. DOODY: It is not, is it? It is awfully dull. But the thing is that they measure the capabilities of both these firms and they decide that P.R.S.L. -

AN HONOURABLE MEMBER: Inaudible.

MR. DOODY: Yes, be only too happy to.

MR. NEARY: Well, if the minister will take it, Sir, and let me have a copy, he does not have to finish reading it.

MR. DOODY: Be only too happy to. An in-house memo and I am sure that you would be delighted to - Now, the House might also be interested at the same time in seeing some samples of the in-house work that our fellows do down there which you might be interested in seeing that in Newfoundland itself we have a capacity of turning out some pretty neat and some pretty effective advertising material, brochures, newspaper layouts and so on.

AN HONOURABLE MEMBER: Inaudible.

MR. DOODY: No, these are done, once again, by Ted Mills and the people in the department down there.

If any honourable members are interested in looking at any of this stuff it is available to them.

MR. NEARY: Send it over here

MR. DOODY: Yes, he can have all of this stuff. Would you bring that over to the honourable Member for Bell Island? Let him see how efficiently our department can operate on a limited budget.

In addition to the - anyway that covers our promotional area, As you say your major problem has been met. Unfortunately, Mr. George McLean, my good friend, did not receive any of the business. I hope that his submission this year may be more in line with what we feel the department needs.

MR. NEARY: What happened to George?

MR. DOODY: If it is I will have absolutely no hesitation - as I say if he does come in with a submission that is acceptable to the department I will have absolutely no hesitation at all in endorsing it.

MR. NEARY: What happened to George?

MR. DOODY: He is well and happy I understand, you know.

MR. NEARY: Was he down in Florida with the Premier recently?

MR. DOODY: I have no idea, Sir. I cannot discuss Mr. McLean's itinerary. He does not confide in me to that extent.

MR. NEARY: Inaudible.

MR. MOORES: He does not play tennis.

MR. NEARY: Inaudible.

MR. DOODY: The Premier is a very able tennis player and he finds that Mr. McLean is a bit of a hazard on the court.

MR. ROBERTS: maybe he can play doubles without a partner.

MR. DOODY: That must be the same feeling you have when you read about Roaches Line.

AN HON. MEMBER: Inaudible.

MR. CHAIRMAN (DUNPHY): Order, please!

AN HON. MEMBER: Order!

MR. DOODY: I am sorry, Sir.

In the same development and promotion area we have, of course, the Argentinia Industrial Park. It is somewhat in the same limbo as the Goose Bay area.

But the added complication that it is tied up with the original Base agreement, the lease to the American authorities. Now the Canadian Government are very reluctant, at least that section of the Canadian Government, the Department of Justice up there is very reluctant to pass over control of the area to the Province of Newfoundland because their fear of a jurisdictional decision which may affect discussions at a later date. To us it appears to be a rather academic thing and we feel very frustrated and very disappointed that they have not seen fit to see to the requests of the American authorities to turn large sections of Argentia over to us. We have succeeded by giving various guarantees to companies to secure their leases, to obtain part of the area out there. There are other areas that are available to us and we hope that they will be passed over to us very soon. But unfortunately, as I say, the Department of Regional Economic Expansion and the Ministry of Transport are quite anxious, I feel, to facilitate us in this respect, but the legal people in Ottawa are seeing things somewhat differently. In any event there is a \$70,000 vote there which is going to be necessary to construct an access road, put in some security fencing and to repair and restore the water and sewerage system in the area.

The Atlantic Provinces Economic Council, the APEC situation is one that has not changed. It has been a vote that has come out of the Department of Regional Economic Development and recently out of Industrial Development. It may serve some useful purpose. I imagine it does, but quite honestly gentlemen it is -

AN HON. MEMBER: No, you are not going to Japan.

MR. DOODY: I do not know if it does or not. Who is not going?

AN HON. MEMBER: Inaudible.

MR. DOODY: Who is not? "Tom"?

AN HON. MEMBER: Inaudible.

MR. DOODY: The next area of interest I feel is the OPIAC Division of the department which was set up some time ago as an Offshore Petroleum Industrial Advisory Council when we got involved in the original offshore activity of the oil companies. It was felt that the Province of Newfoundland was at a disadvantage in many ways in not

knowing exactly how we should handle the potential spinoff, if you will excuse the expression, benefits that may accrue to the Province from a major petroleum strike off our shores. And so to maximize the public benefit and to minimize social disruption and to get the Newfoundland business and social community involved in the potential development, we set up a council called OPIAC. This group has been meeting fairly regularly. They have been more of an advisory group rather than an active industrial group up to now. They have prepared papers and submitted them to government on such things as the impact of an offshore development on fisheries, manpower training, industrial assessment, marine services, the impact on municipal services in certain areas, and social development and so on. This group now, which is twenty-four people in number, may be a little bit heavy or a little large

We are looking at it in terms of maybe reducing it in size now that a lot of the study has been done and maybe it is going to be necessary. I think it is going to be essential really that since the emphasis on the activity has moved considerably away from where it was originally thought to exist, off the Grand Banks, and has now moved to the shores of Labrador, it is going to be essential that representation from that area be appointed to the OPIAC Board and we feel that some of the native groups up there, the Inuit Brotherhood, the Native People and the some of the white settlers there, the councils' representatives, the representatives of the municipal councils on the coast should be added to OPIAC, so we are taking some steps along that line.

We have recently recruited as a full-time Executive Director of OPIAC a Mr. Peter Furlong, whom I am pleased to have with us. Mr. Furlong is a Newfoundlander, a graduate of Memorial University and a petroleum engineer with AMOCO until recently. So we feel that the work that this group is doing is more that justified, the relatively small expense involved in their operation, and we hope to hear a great deal more from them as it goes along.

There were other studies and things that were done there that I am sure honourable members would be interested in. We had a rural development study done for the Bay D'Espoir area which Ottawa cost-shared with us and an inspection survey for the planned Argentinia Industrial Park. The Bay D'Espoir Area Study, has that been tabled? Have you ever seen a copy of that?

MR. NEARY: No, but we would like to have a copy of it.

MR. DOODY: It can be done.

MR. NEARY: Could we have a copy?

MR. DOODY: Yes, Sir.

AN HON. MEMBER: Now?

MR. DOODY: I do not see why - let me look under my copious vault here.

MR. MURPHY: Bag of goodies.

MR. DOODY: Oh yes, look at this. Is that not a coincidence? I just happened to have it with me.

AN HON. MEMBER: In your purse?

MR. DOODY: No. I do not want to read it do you? Take that one, please, and give it to the Member for the District. Here is the latest woods report and here is a Bay D'Espoir Report done by Maritime Consultants on a fish plant. We are planning a fish plant for the area, if you remember that. We had hoped to get a major fish processing establishment there in the Bay D'Espoir area. A group called Maritime Consultants, I think the name was -

MR. MURPHY: I heard you say -

MR. DOODY: No. No. No. We did all the work on the thing and then we sent up to Ottawa for their assessment from environment and so on. If I could just find that letter now, we could solve some problems for the honourable Member for Hermitage I suppose a little later on. I know May 31 of last year we sent a letter to Mr. Jack Davis and one to Mr. Jamieson outlining the proposal for the fish plant at St. Alban's and asking for their thoughts on it. On December 12 of last year we got a reply from Mr. Leblanc and he says that, he refers to our letter of May 31 addressed to his predecessor and a proposal for a large fish plant development at St. Alban's.

Officials of the Fisheries and Marine Service that reviewed the consultant's report and recommended that the project should not be supported. It is their view that the proposed site is poorly located in relation to future catch expansion possibilities, and since there is already too much groundfish processing capacity in Newfoundland in relation to existing catch levels, the construction of another plant would only increase the problems now being faced by the industry. So unfortunately the proposed plant for the St. Alban's area never did get beyond that stage. It was certainly not for want of effort. I know that the DREE people, as well as ourselves, are most interested and most anxious to get it set up there, but once they ran into the difficulties with Environment Canada there was little or nothing that could be done beyond that stage.

April 7, 1975

Tape No. 1090

NM - 3

MR. MURPHY: Inaudible.

MR. DOODY: Well, there is really no great fishing done up to the head of the bay. The fishing areas are down in the Hermitage end of it and Gaultois.

SOME HON. MEMBER: Inaudible.

MR. DOODY: Who are you talking to now? Are you talking to me? I was saying that there is no great fishing capacity, there is no fishing capacity period up at the head of the bay, up in the St. Alban's area. The fishing is done down in the Gaultois and Hermitage and that end of the district.

Anyway the Newfoundland and Labrador Development Corporation is a major part of the operation or at least a major part of the responsibility quite apart from their recent and supportive and short-lived interest in the seal fishery.

MR. NEARY: What are the Development Loan Corporation doing?

MR. DOODY: Yes. Well, I tabled and read and gave to the member just a few days ago a list of the loans by sector and by district.

MR. NEARY: Can you give us the names?

MR. DOODY: The names of the people to whom the loans were given? No, the honourable member asked for that also, and I was very reluctant to do that without first consulting with the Minister of Regional and Economic Expansion who shares the responsibility with me for the expenditures of that division, and I sometimes feel -

MR. NEARY: (Inaudible) - what is wrong with that? That is common knowledge.

MR. DOODY: Well, sure, if it is common knowledge you must have it.

MR. NEARY: No, it should be common knowledge.

MR. DOODY: Oh, it should be common knowledge.

Well let me give you some of the names, Sir, that

I have in front of me -

MR. NEARY: No, we want the whole list, not some.

MR. DOODY: No, I will give you all the ones that I have here.

I am not saying that this is all of them because I do not know, but I have been told that this is the first -

MR. NEARY: Well send it over.

MR. DOODY: - in depth review of organization, operations and finance with observations and recommendations for 1973 to 1975. It may be a bit heavy for the honourable member so I will just read parts of it to him.

MR. NEARY: Send it over.

MR. DOODY: Technical assistance, the financial analysis section in co-operation with the technical services section has been involved

with a number of clients in the following areas: analysis of and assistance with client accounting procedures and preparation or client proposals for assistance in various government programmes. In the first instance the assistance has been as follows: - now this is analysis and assistance not money, eh - Maritime Bedding and Upholstery Limited of Stephenville, the establishment of an inventory control system; George Sexton Limited of Bloomfield, Bonavista Bay, complete revision and administration of all accounting procedures; A. Northcott Limited, Lewisporte, product cost analysis for their fifty products; Bay Bulls Sea Products Limited, Bay Bulls, analysis of their accounting system; Southern Fisheries, Bay L'Argent, analysis of their accounting system; Stephenville Electronics Limited, Stephenville, analysis of their accounting control systems; Rayo Forest Enterprises Limited, Gambo, analysis and assistance with their accounting and control systems, and Canadian Cushion Craft Limited, Topsail Road, assistance with financial control.

A number of clients have been assisted in preparing proposals for government in private sources of funds. These include, Maritime Bedding and Upholstery Limited, Stephenville.

MR. NEARY: (Inaudible).

MR. DOODY: It was, yes, at one time but he is not associated with it now.

MR. NEARY: Who owns it now?

MR. DOODY: It is owned by the - what is his name, the chap who got the - I cannot remember his name. It will come to me in a few minutes. I will give it to you shortly. He is the chap who was involved in it from the beginning. He put an awful lot of money into it, an awful lot of his own private capital and money that he borrowed. He mortgaged himself up to the hilt with the best of intentions and unfortunately he has been something less than successful. This is the same company. You are thinking of the hockey stick operation and the whole bit. Well, this is the only surviving part of it which is this Maritime Bedding and it is a very marginal operation. Maritime

Bedding and Upholstery Limited, Stephenville, a proposal to the Newfoundland and Labrador Development Corporation of the Department of Industrial Development, they are looking for further financial assistance which was not forthcoming; Pelcon Limited, Octagon Pond, a proposal for DREE, and a number of private investors; Ralland Forest Enterprises Limited, Bay D'Espoir, a proposal for DREE; Bay Bull Sea Products Limited; Woodstock Lumber Company Limited -

MR. NEARY: (Inaudible).

MR. DOODY: I do not know. They do not give the name of the principal, Sir.

The Woodstock Lumber Company Limited, LaScie;
Canadian Cushion Crafts Limited, Topsail Road. I think that is that group of fellows who are trying to get the hovercraft thing going. Whitten Fish Oils Limited, St. John's; Fort Amherst Sea Foods Limited; Lloyd Stuckless, Glenwood; S. T. Jones -

MR. NEARY: - Fort Amherst Sea Foods?

MR. DOODY: That is this on-going caplin -

MR. NEARY: Canning.

MR. DOODY: This one, as I remember, was not a canning operation.

This one was smoked and corned caplin which they are putting up in individual portions for restaurant or tavern trade.

MR. NEARY: Grog bits.

MR. DOODY: Grog bits.

S. T. Jones and Sons Limited, Little Bay Islands;
Higdons Fisheries Limited, Little Harbour; George Hutchings, Corner Brook, a proposal for private lending institutions, whatever that means -

MR. NEARY: (Inaudible).

MR. DOODY: Whether it was or whether it was not, he did not get any money so it is really not that important. The Department of

Fisheries assistants who budget for Fisheries Advisory Board and so on. Now, technical assistants, they compile compilations of a Newfoundland sawmill directory, consumer mail survey for R.K.O. Industries in Stephenville, stone cutting equipment specks for Glovertown, productivity assessment for Rail Forest Industries, charcoal and manufacturing specifications for a firm in Corner Brook, pressed log fire investigation for another fire log investigation, hardwood wood turning investigation in conjunction with a United States firm, sawmill investigation for New England and the Maritimes, offshore oil related industries, initial investigation for hydrator dairy operation, steel drum manufacture from Corner Brook. I do not know who that could be.

MR. NEARY: These are all feasibility studies.

MR. DOODY: These are all feasibility studies, the actual loans. Now, have we got that here, I wonder? Maybe I will look at the list of contents now and see if we got a list of loans attached here. If they have not, we will have to try to get it for the honourable gentleman.

MR. NEARY: Well, that is very important. -

MR. DOODY: Yes, I know, because the witch hunt.

MR. NEARY: Inaudible.

MR. DOODY: It should be published, that is what I am saying, see, this should be published right across Canada if it is going to be published at all. This is why I was hoping to hear from Mr. Jamieson on it because the Federal Government puts in a \$20 million loan fund. The Provincial Government puts in a \$2 million equity fund and so we feel that the Federal Government really should have a say about whether or not these names are published. I agree with you. I do not think they would have any objection anyway. So, I will try to get it. It is not here anyway. There is another great list of feasibility studies and technical studies and so on that they have done, informations and regional profile stuff and all this sort of thing.

AN HONOURABLE MEMBER: Inaudible.

MR. DOODY: This is the only one I have got. I will get you one.

MR. NEARY: Have any of these ever materialized -

MR. DOODY: Some of them have, some of them have not, but the important thing is that they are well looked into before money is invested in them and this is one of the major functions, I think, of this organization, is that the things are examined properly from the beginning rather than sometimes a case -

MR. NEARY: Never get off the ground.

MR. DOODY: Some of them never get off the ground because they never should, do not deserve to, and others do.

MR. NEARY: Inaudible.

MR. DOODY: By and large they are done by the corporation themselves. They have got an in-house staff of some very talented young men, some of whom even have university degrees.

MR. NEARY: Inaudible.

MR. DOODY: I do not know if they have done any work - yes, they have done some work with the Extension Service up there, not very much. They have also hired some outside consultants from time to time, as I understand it, but by and large the studies are done by their own group. So there our equity fund participation in that is a \$500,000 amount this year and our operating costs, our share under the agreement is \$300,000 of their operating costs.

MR. NEARY: Has the Development Corporation started any industries themselves on their own -

MR. DOODY: Oh, yes. This Rayo Forest Products is one of theirs. That one - the Green Bay Mining operation is theirs.

MR. NEARY: Inaudible.

MR. DOODY: No, no, the investment, the money investment in that was a major -

MR. NEARY: Inaudible.

MR. DOODY: Oh! The initiative was local. Yes, that is right. Well,

the initiative also on Rayo Forest Industries was local. In most cases, the initiatives are, have been local. People have come into them with proposals and propositions and with some hurt money of their own and the corporation carried it the rest of the way.

MR. SIMMONS: (First part inaudible) or some other organization?

MR. DOODY: No, no, Rayo organization out around Gambo, Rayo.

MR. SIMMONS: Oh, yes! I see. Yes, I see, yes.

MR. BOODY: Ralland is the South Coast one. Ed Ralph and Strickland.

That one they are also involved in -

MR. NEARY: I presume they got a loan following their feasibility study.

MR. DOODY: Oh, yes.

MR. NEARY: Quite a hefty one, I imagine

MR. DOODY: Osmond or Ralph?

MR. NEARY: No, Ralph.

MR. DOODY: I think they got a rather substantial -

MR. NEARY: I would think so.

MR. DOODY: A rather substantial one because it is a very - We had results of a substantial DREE involvement in that Ralland one and I remember that was one of the more interesting cases. There was some hesitancy by some of the more bureaucratic or technically minded people in the Department of Regional and Economic Expansion and it was a direct involvement of the minister, I think, that made it possible for that Ralland operation to get moving. As we pointed out, and the minister agreed completely, if there was ever an opportunity for Regional and Economic Development funding that made sense it was in that very heavy unemployment area of the Bay D'Espoir area. He was quite sympathetic and I think that is going to be a very worthwhile operation when it gets going, despite the fact that the lumber industry as such in the Province is not in the best of shape, But it is a temporary thing and it will come back again.

The fishing vessels construction subsidy - there is nothing in there this year for that. That was a vote last year which covered up to fifteen per cent of the capital cost of constructing fishing vessels at Marystown Shipyard. I think the first major contract down in Marystown was for these National Sea boats which the government at the time undertook to give a fifteen per cent subsidy and pick up the mortgage and subsidize the building of them in addition to that.

Subsequent to that the next major contract down there, I think, was the Atlantic vessels, and we managed to gut the subsidy considerably on them. We have had several contracts since that time in which no subsidy has been involved, so we have been making considerable progress with regards to the operation of that yard down there.

Industry development - purchase of local industries, Pack Atlantic. This is the property that, you remember, was out in the Stephenville area which was unfortunately -

AN HON. MEMBER: Inaudible.

MR. DOODY: Pack Atlantic. Do you remember Pack Atlantic, of happy memory? Pack Atlantic Interfish. It was a herring operation, and it was suppose to be a canning operation.

MR. NEARY: Harmon I and Harmon II, is it?

MR. DOODY: They were associated with it at one time, that is right. But they put in a very sophisticated canning line, and the thing certainly looked fine, and was in its conception or inception. Unfortunately I think had the Development Corporation been in existence at that time or indeed if the Department of Industrial Development with the staff that it has now been in existence, the Pack Atlantic situation probably never would have happened. The management was a problem. The marketing was a problem. The resource availability was a problem. Anyway the net result of it was that the thing went insolvent.

AN HON. MEMBER: What thing?

MR. DOODY: I think that was shortly before we took office, but it does not matter anyway because the thing does could not work. So the upshot of it was that the Bank of Montreal, who had the major investment in it, it is only in excess of \$1 million as I remember it,

decided to foreclose and so on. The Government of Newfoundland had a hundred and some thousand dollars in it, and DREE had a much larger amount than that involved in it. It was a pretty big bulk. In any event, the Government of Newfoundland have undertaken to buy the property out there for \$300,000. The property which is located immediately adjacent to the Labrador Linerboard Limited consist of approximately 1,000 feet of water frontage and 150 feet of the public wharf at Port Harmon and six buildings. Because of its location relative to the Port Harmon wharf and the need to expand that wharf, government considered it essential to reacquire the wharf and related waterlines. The buildings which generally are in good repair are ideally situated to provide much needed space to Labrador Linerboard Limited and a portion of the land is ideally located for future industrial development in the area. Consequently it was decided that government should acquire all the land and buildings related to the Pack Atlantic property, and negotiations -

MR. NEARY: And turn them over

MR. DOODY: Well, yes, in effect, we sold it to the Linerboard mill which was all under the same - negotiations with the Bank of Montreal resolved that all equipment would be sold by the Bank and that government would purchase a real property for \$300,000. It is now proposed that the dock will be transferred to the jurisdiction of the federal government to enable orderly management of the dock space at Port Harmon. Two buildings are to be sold to Labrador Linerboard Limited while two other warehouses will be transferred to the company by lease or by sale with the understanding that the land on which they are located be reacquired by government in the future should it be required or for industrial development. A small fish processing building and a meal plant building is being held by government, and it is hoped that a small fishery-related industry can be established there. There is still hope to use part of the property for a herring packing plant out there for the fishermen.

AN HON. MEMBER: Inaudible.

MR. DOODY: Do which? Cold storage. I do not know what has happened to the cold storage. That was one of the buildings that the Labrador Linerboard has taken over, but I do not know what use they would have for a cold storage, quite honestly.

AN HON. MEMBER: Inaudible.

MR. DOODY: The whole thing. The people in - the Connors Brothers in Black Harbour bought most of the equipment that was in the place. Presumably they bought the cold storage too. We had come right to the deadline with Connor, we had almost, the famous last words - we had just about concluded an agreement with them whereby they would go in and operate the plant in conjunction with their own sardine industry in New Brunswick. They were going to operate a herring canning plant or use the facilities out there. We had undertaken to sell it to them, We had come to an agreement on the price and so on. However after they had done a survey -

AN HON. MEMBER: Inaudible.

MR. DOODY: of their own - they could very well be - a survey of their own of the resource availability in the area and so on, they decided because of the Bank, and because of the current tight money situation, the capital is not available for that kind of an investment, they decided not to get involved.

MR. NEARY: On a point of order, Sir, it is very interesting what the minister is saying, Mr. Chairman, but the minister is going down, giving us an item by item account now of each one of these subheads. Usually, Mr. Chairman, under the minister's salary there are remarks of a general nature. The minister gives a report of the industrial development in the Province in the past twelve months -

MR. DOODY: But we went through that on Friday.

MR. NEARY: - tells us of what plans they have for the future but never, Sir, unless we agreed to it in advance, and we have not agreed to it, because we will ask questions on each one of these subheads so we are wasting the time of the House, Sir. The minister should give his general remarks. My colleagues respond and then we go on to an item by item accounting of each subhead. That is the way we have been doing it all along. I do not see any reason why we should depart from that procedure.

MR. DOODY: All right. You can do that now if you like because I went through the general remarks on Friday afternoon. I went through the structure of the department and the aims and objectives, the general industrial development strategy and so on. You can get that in Hansard. So you can carry on now if you like, item by item. I would be quite pleased. I do not want to take up your valuable time. I know how anxious - you might have to go to Clarendville again today, for all I know.

MR. CHAIRMAN (SENIOR): The honourable Member for Hermitage.

MR. SIMMONS: Mr. Chairman, before we pass on I have some things I would like to say. I was wondering actually when the minister was going to -

MR. ROWE: Peter out.

MR. SIMMONS: Petered out, he petered out a long time ago if he had kept talking. It is obvious, Mr. Chairman -

SOME HON. MEMBERS: Inaudible.

MR. CHAIRMAN (SENIOR): Order, please!

MR. SIMMONS: I will try Dr. Rowe. I am sorry.

MR. MURPHY: Dr. Rowe, honourable Minister of Health.

MR. SIMMONS: I will try honourable Minister of Health.

Mr. Chairman, it is pretty obvious now to those of us on this side of the House what the government is up to. Well let me say it first, let me say it and then laugh after. Some people laugh all the time. They cannot help it, Mr. Chairman. Some people laugh all the time and they cannot help it. I laughed all night after I saw that thing on national television last night, another story, the Minister of Social Services.

MR. NEARY: What did he do? Did he put himself up for adoption?

MR. SIMMONS: Made a fool of himself. Made a fool of himself.

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

MR. SIMMONS: A complete fool of himself.

MR. CHAIRMAN (DUNPHY): Order, please!

MR. SIMMONS: Mr. Chairman -

AN HON. MEMBER: The minister would not do that.

MR. SIMMONS: No, he did not do it deliberately. I will say that for him.

MR. MURPHY: Inaudible.

MR. SIMMONS: I have had lots of examples sitting here.

Mr. Chairman, I was about to say before the Minister of Social Services so rudely interrupted me, as he is very capable of doing, that it is obvious to us what the government is up to. We have now been - what is this, four or five departments out of the seventeen or eighteen and it is the Opposition who normally gets accused of the filibuster of talking on and on but I think if we had timed, if we had timed the remarks of the various people who spoke in committee, I think we find that the ministers, in leading off the department, have together used more than half of the time so far in this committee. They have used more than half, and we are not going to get through all the estimates. But I believe it will be clear to everybody this time what the real reason is. The reason is, of course, that some of the ministers have been instructed,

such as the Minister of Industrial Development, to filibuster, to talk on and on and to prevent certain other departments from coming before this committee.

Now we in the Opposition would like to see all the departments come up. It is pretty obvious, Mr. Chairman, that this is not going to be the case.

MR. DOODY: Order, Sir. I have not been filibustering. I have been trying to give the committee information. I thought that that was what the function of these discussions were, to provide information on the operations and expenditures of a department. I have been attempting to do that. It has not been a fillibuster. I resent the implication, Sir.

MR. NEARY: To that point of order, Mr. Chairman. Mr. Chairman, that is not a point of order. I submit to Your Honour that the minister was just attempting to waste more valuable time of the committee. It is not a genuine point of order.

AN HON. MEMBER: Inaudible.

MR. NEARY: It is just a matter of opinion, Sir, between two members.

MR. CHAIRMAN (SENIOR): The Chair feels maybe the point raised by the Minister of Industrial Development was not a point of order but rather a difference of opinion. But the Chair also feels that the comments expressed by the Member for Hermitage was not relevant to the vote presently being discussed, Industrial Development, 1501 - Minister's salary.

MR. NEARY: Good ruling, Sir. It that Your Honour's first ruling.

MR. SIMMONS: Thank you, Mr. Chairman, I certainly respect your ruling. I will try and be relevant. I was discussing what the minister

had been doing and he may not think it was a filibuster, he may not think that we should think it was a filibuster but I can only come to that conclusion, Mr. Chairman. We have seventeen departments or so. If every minister spends two hours introducing his department, there is thirty-four hours. There is literally half the time of the committee spent in introductory remarks, and I submit, Mr. Chairman, that if that continues to go on that we are not going to have time to discuss the estimates of the various departments.

I will come now, Mr. Chairman, to the matter of Industrial Development since everybody is awfully anxious to keep me right in line again. I listened with a lot of care to what the minister has been saying. He droned on somewhat in the last day or so but I tried to hear the substance of what he has been reading, not saying, but reading and he did see fit to drag out this report from the Research and Productivity Council in New Brunswick. Mr. Chairman, I am presently checking the record, or having someone check the record to see if indeed the minister did not lie to the House last spring on this matter. I would like to know when he had the report. It is dated for January 1974. I asked my question in May of 1974 and he informed me at that time that he had not received any report. You know, I would like to know what happened between the time the report was dated and the time it came to his attention, Mr. Chairman. I will check that, Mr. Chairman, before I say anything further on it. But I am rather suspicious when all of a sudden in April 1975, fifteen full months after the report is dated, suddenly there is the necessity for the minister to bare his soul on this particular subject. I have been trying desperately for a year to get information on this particular subject. The minister knows my interest in it, and he had not seen fit before now to bring it to the House. I think that is irresponsible, Mr. Chairman, but I will pursue that further once I find out when it was I asked the question and exactly what the minister's answer was.

But this is the kind of thing, Mr. Chairman, which proves that we will never have industrial development in this country as long as this honourable crowd is in charge. Because, you see, you cannot just sit on this kind of information. The people in the areas concerned, and the people responsible, are, like myself and others concerned about the particular area ought to know the kinds of things the government has found out at the taxpayers' expense about those particular areas in terms of what the economic and the industrial development potential of those areas is. We cannot know if government is sitting on this kind of a report for a year or fifteen months, as the case may be. I say that that is shocking, and I say we would expect better of the minister than that kind of thing. But as I say, I will pursue that some more once I have some more information in terms of when I first raised the question and what the answers were from the minister.

Listening to the minister for the last day or so, Mr. Chairman, one can only come to the conclusion, one can only have re-enforced the conclusion that I had come to before, that the so-called Industrial Development policy of this administration is a myth, a myth of the first order. They talk a lot about it, they talk so much about it that they got themselves convinced, Mr. Chairman, but it is a myth. As I say, I listened with care to what the minister has had to say in the last day or so and if anything it only confirms, re-enforced once again the feeling I have had about this so-called policy for some time, that it is a complete myth. There is no Industrial Development policy.

Now, Mr. Chairman, the minister and his colleagues can talk long and hard about the numbers of qualified people they have in their respective departments. I happen to know many of them myself personally, and I can agree with the ministers that they are indeed qualified, capable people. But if I might draw a

parallel and an analogy, you can have the most capable, the most competent hockey team, or whatever sport you want to refer to, you can have the most competent team, but if you do not have a good coach, if you do not have leadership, you will never get any results out of that team. And the government has around it in the Civil Service a group of very, very qualified, capable Newfoundlanders, people who are

able to produce because they are a competent people and people who are concerned about this Province. That is what makes the shame all the greater, Mr. Chairman, that that very valuable resource, the best resource we have, the human resource, a very competent human resource in the case of the civil service as a whole, that human resource is going to pot, going to waste, Mr. Chairman, because it is not getting the leadership from the minister and from his colleagues in Cabinet, not getting the leadership to put together, Mr. Chairman, the kind of industrial development policy that they keep talking about, they keep dreaming about, they keep pontificating about, but never do very much about in very concrete terms.

Now, we were told a couple of years ago, if I may refer back to Bay D'Espoir for a minute, a couple of years ago we were told about this great study that was going to be done. I have my Bible with me again this morning, P.C. Times, and back in September or October or November of 1973, we were told that there was to be a major study to assess the rural and industrial development opportunities in the Bay D'Espoir area to be undertaken. That was -

AN HONOURABLE MEMBER: Inaudible.

MR. SIMMONS: The word study is used in the scriptures before me. Yes, Mr. Chairman, they are good at studies. I have never denied that for them. They are very good at studies, talking about studies and producing studies, very good at them, Mr. Chairman, but what I would like to hear from the minister is what has been done. This report now has been printed and again he obviously lost it for some time, if I may judge from the answers I got from him in the House. But this study has been finalized -

MR. DOODY: Inaudible.

MR. SIMMONS: No, Mr. Chairman, the minister will have ample -

MR. DOODY: On a point of order. The first time you said that you thought that I lied to the House I ignored it because you said you were not going to refer to it anymore. Now, this time you said that I deliberately misled the House and I resent that very much

because it is not so.

MR. SIMMONS: I did not say deliberate. I did not say deliberate.

MR. DOODY: Well, you implied as much and I prefer that you check the record before you get into it. You inferred it and it is most distasteful to me. I prefer that you check the record before you make allegations of that nature because they are simply not true.

MR. SIMMONS: By all means, Mr. Chairman, and I understand the minister's concern and I did not mean to imply he had deliberately mislead. I am just suspicious, Mr. Chairman. Let me put it in those terms. I am suspicious that a report dated January, 1974 does not come to light in terms of being accessible to the House of Assembly, does not get assessible to the House for another fifteen months. I say I raised questions on it last Spring and I will wait until I check the Hansard record before I pursue that point. That is the commitment I gave to the minister earlier. I am now pursuing another point altogether. I am now saying that the report dated in January, 1974 which for some reason did not get here until now, that report made a number of recommendations concerning the development of the Bay D'Espoir area, a number of them. I am wondering if, and the minister can respond to this in time, I am wondering what is being done about the recommendations here, the recommendations to set up another series of commissions and studies and so on and so forth, but a number of fairly specific recommendations, one for instance, about the commercial feasibility of marble production. Has the government done anything to determine the feasibility of that possible undertaking and the tourist potential and the forest industry? And they are all here. The minister is obviously acquainted with them.

I would like to know for the benefit of myself and my constituents what has been done in terms of pursuing the recommendations outlined in these reports. You see, Mr. Chairman, that is my point, that this government can never be accused of not being first-class at getting reports. They have got the taxpayers' money to do it with

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and they have no restraints at all when it comes to spending the taxpayers' money or engaging another crowd to do another report. So, I do not scorn them at all for not having enough reports, Mr. Chairman, or for that matter for having too many. I am not scorning them on that either. What I am scorning them on, Mr. Chairman, is their lack of action once they get all those reports. I suppose, Mr. Chairman, no constituency, no area has been so over-studied as Newfoundland as a whole, Newfoundland and Labrador. But, unless we

do something about those studies, unless we take some action, unless we devise from the knowledge in those studies, the findings about reports, unless we devise an Industrial Development strategy, a workable Industrial Development strategy then we are just wasting the taxpayers money and wasting our time.

Now I know that the spokesman for government will talk about a grand strategy. But somewhere, Mr. Chairman, somewhere you have got to put your money where your mouth is, somewhere you have got to stop just talking about strategy there is and to be able to show proof of the existence of that strategy. Be able to show proof that that strategy is working in terms of job creation. Now three or so years after this administration undertook to do great things in terms of Industrial Development, I think. I can honestly say that there is no Industrial Development policy. There is no strategy. Or let me be a little more kind; there is no proof, there is no visible proof of any such strategy. There are no results. If there is that strategy it is still a set of theories. It is still notes for speeches. It is still subjects for some more study. There are no tangible, I repeat, there are no tangible, visible proofs that such a strategy exists or is in operation. One obvious barometer of the existence of such a strategy would be its affect in terms of the labour figures. And we all know the sad story there, Mr. Chairman. I referred to that at some length when I spoke, I believe in the Address in Reply.

If we look at the labour figures for Newfoundland as compared to other parts of Canada, and as compared to other times in the last three, four, five or six years in Newfoundland you can only come to the conclusion that any Industrial Development policy which might exist somewhere, if it does exist, you can only come to the conclusion that that policy is an abysmal failure, because it is certainly doing nothing, nothing, absolutely nothing in terms of job creation. The figures get higher and higher. Mr. Chairman, I would submit to you that if the figure was not twenty-three per cent, but rather ten per cent or eight per cent or seven per cent or six per cent, the Minister of Industrial Development, the Premier and the Minister of Manpower would be on their

feet taking credit and saying here is what our Industrial Development policy has done in terms of jobs. Well, Mr. Chairman, it is not quite that way. It is twenty-three per cent. And so we are told that that twenty-three per cent is explained by the fact that Newfoundlanders do not want jobs, and that they would rather sit back and get their unemployment. This is the kind of thing that we are hearing from government spokesmen, Mr. Chairman. They have to come up with those excuses, of course, because they cannot, they cannot afford to mouth the real reasons. And the real reason is that the Industrial Development policy is at worst a myth and at best a bungling reality, a reality that is worst than if it were not there, a reality that is causing all kinds of havoc in the labour market. It is not producing any jobs. A reality, if it is that, that it is holding up false hopes before many, many Newfoundlanders. For two years now the people in the Bay D'Espoir area have been told that the government are going to do great things in terms of development, in terms of aluminum plants, and the hardwood industry, and, you know, everything else.

The hardwood industry reminds me, the minister, the present Minister of Industrial Development said in 1973 that a proposed \$10 million to \$14 million venture creating 400 jobs would see a birch veneer and a particle board plant established in the Province - that kind of statement, and then one by the Premier the same year. It is a very real reason to believe there will be substantial developments in the hardwood industry in the near future. That kind of statement, and more more specific ones which I could dig .

specific ones which I could dig out of this document. These statements are the ones that leave people in Bay D'Espoir and people in all parts of the Province with a lot of false hopes in terms of job potential. I say, Mr. Chairman, before I move on, that it is either a myth, which I believe it is, or it is a reality which because of the bungling, because of the incessant talking, speech making on the part of this administration without following through in terms of action, a reality which is causing a lot of havoc. I suppose, Mr. Chairman, if you had to examine the patient, the government, if you had to diagnose what the real problem was, you could not really say it was the lack of expertise or the lack of back up, in terms of the Civil Service. I believe the government has around it a fine Civil Service. You cannot blame it on them. You cannot blame it on a lack of ideas. We have heard a literal diary of ideas in the last three or four years. You cannot blame it on a failure to study the problem. We have heard more about studies than you can shake a stick at.

These are not the problems, Mr. Chairman. The problems are related to leadership, as I have said before, but to a particular aspect of leadership, related to the lack of follow through. This government has no follow through. They can start any kind of a scheme however wise, however crazy, however expensive, they can give mouth to it, give voice to it, talk about, study it and even make some visible efforts to tackle the problem, but they have no follow through. And the next thing you know the government that yesterday was talking about a birch plant is today talking about an aluminum plant and tomorrow talking about concrete platforms offshore and that kind of thing, but that is all you ever hear of it, Mr. Chairman, no follow through. It is a fatal weakness, Mr. Chairman, particularly when the people who have no follow through are the people in whose hands are entrusted the resources and the financial resources and the other resources of this Province.

Now the minister in speaking Friday afternoon, I believe, mentioned that there was a very real political temptation to make grand announcements. These are his words, Mr. Chairman. I copied them down. It is a very real political temptation to make grand announcements. Mr. Chairman, nobody in this House would know as well as he about that temptation. Because nobody in this House has yielded to that temptation as often as he with the possible exception of the Premier. Speaking of grand announcements, I remember a year or so ago when that same minister announced that there would be a fish plant in Burgeo if - remember all the 'if' announcements of a year or so ago, they gave up on that kick after, Mr. Chairman - there would be a fish plant in Burgeo if they got some money from the federal government. Before they had either begun negotiations or certainly before the negotiations with the federal government were concluded, there was going to be a fish plant, if.

Now let us talk about Come By Chance. What area of the Province, Mr. Chairman, has been so associated with economic or industrial development in the past few years as the Come By Chance area? Or is that fourth paper mill the Premier keeps talking about out there, talking about grand announcements? Or where is the second oil refinery, which he announced in June, 1973, I believe? It was going to start in June, 1973. The best intelligence I had from the area is that it has not begun yet, either in June, 1973 or June, 1974 or April, 1975. Now if the minister is going to stand, Mr. Chairman, and piously talk about not making grand announcements, I suggest he relate his verbalizations to the record. I suggest that he be very aware that he, himself, has indulged in that temptation. He himself has made some pretty grand announcements.

Indeed there is nothing wrong with grand announcements of themselves, as long as they got some foundation and some hope of coming to reality. But I suppose, as I have said, the best example is the continuing hopes we have been put through with respect to Come By Chance.

Now, Mr. Chairman, let us not misunderstand me on this one. I hope sincerely that the Burgeo operation can be a reality, the Burgeo proposal. I hope we can see the additional refinery at Come By Chance or a substantial extension to the present refinery. I sincerely hope that. But I also hope the government would adhere, would follow the dictum so eloquently mouthed by the Minister of Industrial Development, that we should not yield to the political temptation to make those grand announcements.

When the Premier first took office, indeed I think before he became Premier, one of the statements that he got known for around this Province, indeed I say one of the statements that helped to get him some votes at that time, was a statement to the effect that he was not going to be the Premier of the grand announcements. He was not going to run to a microphone every time it was stuck in front of his face. Mr. Chairman, in fairness to him he has not done that. He has not been on the radio every time, sometimes the fellows at the microphones cannot find his face to shove the microphone at him. He is too far away. But when he is around he has got a track record second to none, Mr. Chairman, for making grand announcements about industrial development, second to none.

I promised the Minister of Industrial Development I would come back to this matter if I can find it.

MR. NEARY: Me and my old buddy got to go down for a haircut tomorrow. I can see that.

MR. ROWE: I used the hair dryer this morning.

MR. SIMMONS: I have every Hansard here but I cannot seem to spot it here now but -

Mr. Chairman, one could dwell for a long time on the effects

of the lack of any consistent industrial development policy. The effects across this Province are being felt in every corner. The job opportunities are grim. Only one out of every eight people going into labour markets now expect to get a job. It is that bad. The job opportunities are grim.

The economic performance is absolutely dismal. We all know about the cost of living. We know about the unemployment figures. But the real indictment is that no new jobs are being created. No new jobs are being created. As I have said, seven out of eight new entrants into the labour force will either have no job or will have to displace another job holder elsewhere in the economy if that new entrant is to get a job.

Another area related to Industrial Development which I would like to come to for a moment is the matter of vocational training which strictly speaking belongs, of course, in the Department of Manpower but I am sure that there has to be liaison in terms of this matter between the Industrial Development Department and the Manpower Department. I understand that Newfoundland has the lowest percentage by population, the lowest percentage of persons with vocational training of any Province in Canada. There is certainly a need for a massive Manpower training programme but I realize that if I pursue that one too far we might be into trouble in terms of relevance because it does relate more specifically to the Department of Manpower.

Mr. Chairman, I glanced again the other day through the 1972 Throne Speech. One of the matters which was given a lot of show, a lot of visibility in that speech, was the matter of full employment, the commitment, The government would see to it that there would be, not just an improvement in the unemployment rates, not just an improvement from sixteen or whatever it was at that time down to ten or eight or seven, there was going to be full employment. Well, now, you would not expect any group of men to accomplish miracles in short periods. They have only been in office three or so years. You would not expect them to have it down to zero unemployment at this particular time. The you would expect, Mr. Chairman, that having made that kind of a commitment, you can only assume, first of all, that they either made the commitment knowingly, knowing what kind of a job they were committing themselves to doing. It is a sizable job, Mr. Chairman, to achieve full employment in this Province.

You can only give the people who made that commitment, people in the present administration, credit for either knowing what they were doing and then knowing that they were reasonably capable of undertaking the task, or you can give them the credit or the blame for making a political promise without any intention of fulfilling it. I had hoped that it is the former. I had hoped that they fully intended to be able to come to grips with this particular issue. I had hoped that they honestly, sincerely meant to tackle this problem of high unemployment and to do something about it, to bring it down approaching the zero mark.

Here we are three years later with no evidence from the records at all that this government has done anything about it. We have the labour figures which are the highest ever. That is certainly no indication that they are working towards full employment. We have the record of the minister's department whose salary we are now discussing, and he can point to reports on Bay D'Espoir and he can point to pronouncements on Burgeo and he can show how they are the victims of Ottawa, that they would have one fish plant or two or three in Burgeo now if it was not for Ottawa, and they can show how

the only reason they do not have a fish plant in Bay D'Espoir is because Ottawa, I think I heard him say, kind of frowned on the proposal. All of which, Mr. Chairman, begged the real question, of course.

This same government had another opportunity a long time before he wrote his letter in December to Ottawa, this same government had another opportunity to look at the possibilities of industrial development in Bay D'Espoir.

AN HONOURABLE MEMBER: He did not write that letter in December. The reply was in December.

MR. SIMMONS: The reply was December. Would the minister indicate when the letter was written?

MR. DOODY: About six or seven months before then.

MR. SIMMONS: Some time in the Spring of 1974.

MR. DOODY: Inaudible.

MR. SIMMONS: Yes. The minister has indicated -

AN HONOURABLE MEMBER: Inaudible.

MR. SIMMONS: Fair enough. For the purpose of what I am about to say, the minister has indicated that the letter was written some time prior to December, perhaps June or May or somewhere back in the Spring of 1974. A year or so before that even the Premier had a number of approaches from Mr. Spencer Lake about industrial development in Bay D'Espoir. I have in my possession, not here immediately but in my possession, a rather lengthy letter that Mr. Spencer Lake wrote to the Premier.

MR. DOODY: Mr. Spencer Lake's report on the sawmill is here, too.

MR. SIMMONS: Yes, I have noted it. Yes.

MR. DOODY: And also the fish plants.

MR. SIMMONS: Yes, I have seen both these.

The letter to the Premier from Mr. Lake is a fairly lengthy one and a lengthy indictment, really, of the Premier's way of doing things in terms of industrial development, a letter that I have never heard the Premier refute, by the way. I never heard him say yet that what Mr. Lake said to him - I think the letter was probably written in July or August or sometime in 1973, around there,

and I never heard the Premier say that anything that Mr. Lake said in that letter was untrue. Now, Mr. Lake documented in that particular letter his efforts to get to see the Premier, to talk to him about investing large sums of money in the Bay D'Espoir area for the purposes of development, developing the fishery, developing the tourist industry and other forms of development that were outlined in an earlier proposal to the Premier. Mr. Lake documented at some length, I think two, three, four pages, as I remember it, his efforts, his frustrated efforts to try and even see the Premier to talk about these particular proposals.

Now, there may be all kinds of reasons, Mr. Chairman, why the proposals put by Mr. Lake may be not viable or may be quite viable. That is not the issue I am pursuing right now. What I am saying is that any developer who has got money to invest and has an interest in investing it and has an idea which in his own mind is viable, any developer satisfying those requirements ought to at least be given the ear of the Premier, at least be given his day in court, his opportunity to outline to those who say they are so concerned about developing the Province industrially. Such a developer ought to, at least, have the opportunity of discussing with government his particular proposals.

Now, I am not too impressed, Mr. Chairman, with a big, fat, thick report, fifteen months late, about -

AN HONOURABLE MEMBER: Inaudible.

MR. SIMMONS: Well, I am not impressed with it, Mr. Chairman. I am not impressed with it, but I intend to keep it and thank the minister for it because I want to look at it in some more detail.

AN HONOURABLE MEMBER: Inaudible.

MR. SIMMONS: You cannot win them all. You cannot win them all, Mr. Chairman, I say to the minister, but there is no reason why a nice fellow like him should be such a monumental loser when it comes to industrial development. I am not too impressed by the big, fat, thick report, but I will read it in some more detail before I go passing

final judgments on it, But whatever is in it, whatever the goodies are in it, my real point is I am not particularly impressed with a report that only sees the light of day about fifteen months after it obviously should have. I am hoping when the minister replies, if he sees fit to, that he will indicate what in that report has been followed through because there are a number of recommendations there that again I cannot pass judgment on their viability, but certainly we have got to go the next step and find out if they are viable. The ways and means or at least the means, the ways I should say, the ways are laid down, the means would have to come from the Treasury. Government would have to decide whether they would pursue the matter further but that is for government, but I would like to know how far that has gone.

Mr. Chairman, the minister made reference, I guess the - No, the appropriate place to do that is under the appropriate subhead so I will not pursue that at this particular time. Just to reiterate before sitting down, Mr. Chairman, I would just like to reiterate. Mr. Chairman, I kind of got off this a little earlier when I referred to the 1972 Throne Speech, I mentioned that in that Speech there had been some full employment promised, but there are a number of other items which I think the minister has to answer for as minister of his department, of which notice were given either in 1972 or in the Throne Speech or about that time which, if followed through, would have meant substantial industrial development, the whole gamut of them Mr. Chairman, some that fall into the categories of other departments. I am well aware of rather strict limitations in terms of relevancy here.

We heard a lot about additional processing facilities.

On that one I would just like to come to the matter of Hermitage.

The minister, I believe, the other day, it might have been the Premier,

I am not sure -

AN HON. MEMBER: Inaudible.

MR. SIMMONS: one of them - we are aware that there is no doubt in anybody's mind in this country about the closeness of the Premier and the Minister of Industrial Development or no doubt in anybody's mind about some of the unfortunate results of that closeness, Mr. Chairman, in terms of industrial development, in terms of the way our resources are being expended.

Mr. Chairman, I refer to an item in the 1972 Throne Speech about the commitment to provide additional processing facilities. Now -

AN HON. MEMBER: Inaudible.

MR. SIMMONS: I am sorry?

I was referring in particular to Hermitage, whether it was the Premier or the Minister of Industrial Development made some commitments a few days ago about the Hermitage proposal, and how it had gotten bogged down because the DREE offer did not come through, did the minister -

AN HON. MEMBER: Inaudible.

MR. SIMMONS: Yes. Did the minister indicate that the DREE offer did not come through? Is that my understanding?

MR. DOODY: When I get up I will tell you.

MR. SIMMONS: Yes, okay. I gather that the minister had indicated a few days ago that the DREE offer did not come through.

AN HON. MEMBER: Inaudible.

MR. SIMMONS: I see. Well I am glad he did not not. The minister indicates he did not say that, and I am glad he did not, Mr. Chairman, because that would be false. It would be quite false.

AN HON. MEMBER: Inaudible.

MR. SIMMONS: Quite false.

AN HON. MEMBER: Inaudible.

MR. SIMMONS: But someone -

AN HON. MEMBER: Inaudible.

MR. SIMMONS: I shall -

AN HON. MEMBER: Inaudible.

MR. SIMMONS: I see. I see.

So, Mr. Chairman, -

AN HON. MEMBER: See you later in Opposition.

MR. SIMMONS: Not all, Mr. Chairman.

AN HON. MEMBER: That will be repeated eventually.

MR. SIMMONS: No, Mr. Chairman.

AN HON. MEMBER: (First part inaudible) deathless prose.

MR. SIMMONS: No, Mr. Chairman, no more deathless than what we have had to listen to from the minister in the last couple of days. What I said, Mr. Chairman, I am always ready -

MR. DOODY: (Inaudible)

MR. SIMMONS: I am always very ready -

AN HON. MEMBER: He has new conquests.

MR. SIMMONS: Mr. Chairman, does the sometimes Chairman of Debates, the Member for St. George's have the right to interrupt while I am making a few points?

MR. CHAIRMAN: The question is hypothetical.

MR. SIMMONS: Stand up and let me see how low you are boy, for goodness sake.

MR. DUNPHY: Pardon?

MR. SIMMONS: Stand up and let me see how low you are.

MR. DUNPHY: Low? (remainder inaudible)

MR. CHAIRMAN: Order, please! Order, please!

One honourable member does not have the right to interrupt another but neither does an honourable member have the right to goad another into unparliamentary remarks either. So the honourable member has the floor and has the duty to be relevant and I ask him to be so.

MR. SIMMONS: Thank you, Mr. Chairman.

I -

MR. DUNPHY: Are you on your heels now?

MR. SIMMONS: No, because one of them is over there so I cannot be on both them.

Mr. Chairman, I ask that the member be asked to retract that comment he just made there a moment ago. If he can get away with that kind of thing, I shall use some language too. I will not repeat it in the name of decency but he did -

MR. EVANS: (Inaudible)

MR. SIMMONS: - he did get away with - is the member going to offer to retract it?

MR. DUNPHY: Mr. Chairman, what I was trying to say is the honourable gentleman is the east end of a horse going west.

MR. SIMMONS: Mr. Chairman, I have the floor and either the sometimes Chairman can retract or he can shut up.

AN HON. MEMBER: What did he say?

MR. SIMMONS: He said something I would not repeat and he is too cowardly to repeat too.

Mr. Chairman -

AN HON. MEMBER: (Inaudible)

MR. SIMMONS: It was. It was. He can be very clear on those subjects, he knows a lot about them.

Mr. Chairman, we got off on this rather unsavoury note when I was talking a minute ago about some indications that were given by those in government a few days ago about the Robert's proposal in Hermitage. Now I got the distinct impression, and again I might be quite wrong, I got the impression that a spokesman for government, either the Premier or the Minister of Industrial Development had indicated that the DREE offer had been refused, and I say I hope that is wrong. I got that impression and I would like for the minister to correct it.

MR. DOODY: If I will ever get a chance.

MR. SIMMONS: Yes, you may. The minister may, Mr. Chairman. I still have an hour and twenty minutes if I want to talk as long as he did in his introductory remarks. I realize not at one time, Mr. Chairman.

MR. MOORES: You are not going to waste time -

MR. SIMMONS: No, I am not going to waste time. The Premier may be wasting time by interrupting me, but I will compensate for that,

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Mr. Chairman.

MR. CHAIRMAN: Order, please! According to the calculations at the Table the honourable member has a couple of minutes left in his forty-five minutes which is allocated as his time.

MR. SIMMONS: I am aware of that, Mr. Chairman, thank you.

The minister, when he gets up, I hope will set us straight on what the government's position is right now in terms of the Robert's proposal. I have had a lot of difficulty in dealings with, particularly the Minister of Fisheries, in trying to

find out what the government's position is. So I shall welcome the opportunity of hearing from the minister, and in particular just let me say for the record that the DREE offer, there has been no difficulty in terms of the DREE offer. The DREE offer has been made. It has been made for some months. The problem is not there.

Now I can give my views on where the problem is but the point I want to make for the record is that it is not with the DREE offer. The DREE people have offered \$42,000 for that proposal and the problem is not there. I would suggest, Mr. Chairman, without covering the subject fully, that a fair amount of the problem lies with the attitude of the Provincial Department of Fisheries and perhaps with the attitude of the Fisheries Department. Well the latter is speculation but I feel reasonably sure in saying that a good part of the problem lies with the attitude, the attitude of the Provincial Department of Fisheries.

MR. DOODY: Inaudible.

MR. SIMMONS: Mr. Chairman, the minister seems to be so anxious to reply and everybody else seems so anxious for me to sit down, perhaps Mr. Chairman -

MR. DOODY: No. No. No. (Inaudible).

SOME HON. MEMBERS: Inaudible.

MR. SIMMONS: Oh I see. I see. That is an "Ank Murphy" joke, by the way. I am sorry, that is a Minister of Social Services joke. The minister can do better than that. He can be a lot more original than that. The speech writer for the Premier can be a lot more witty than that when he wants to be, Mr. Chairman.

The note on which I would like to end is the note on which I began, that the Industrial Development policy of this government is a myth, a myth in every sense of the term. It is a lot of studies, a lot of talk, a lot of speech making, no action whatsoever. The government cannot show, and the minister in his statement the last two days has not shown where any Industrial Development strategy has been pursued with any degree of success over the past three years.

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MR. NEARY: Mr. Chairman, I have a few remarks, Sir, a small contribution to make to the debate before we go on and pass the minister's salary but it is almost one o'clock now, Mr. Chairman, unless you want me to carry on for a minute or two, perhaps we could call it one o'clock.

SOME HON. MEMBERS: Inaudible.

MR. NEARY: I mean I can carry on if you want me to.

MR. CHAIRMAN: Is it agreed that we call it one o'clock? All those in favour "aye", all those against "nay", carried. It now being one o'clock, I now leave the Chair until three o'clock this afternoon.

The Committee resumed at 3:00 p.m.

Mr. Chairman in the Chair.

MR. CHAIRMAN: Order, please!

The honourable Member for Bell Island.

MR. NEARY: Mr. Chairman, when the Committee rose at one o'clock, Sir, we were discussing the estimates of the Department of Industrial Development, the minister's salary, and my colleague, the Member for Hermitage, Sir, had just made a very valuable contribution to the debate and I hope, Sir, over the next few minutes that I will in some way, be able to make what I hope will be a small contribution to this debate because after all, Sir, it is under the minister's heading that we get the opportunity to make a few general remarks concerning the departmental estimates that are under consideration by the committee at this particular time.

Now, Sir, we could save our remarks probably for the Throne Speech debate or we could save our remarks for the budget debate.

MR. DOODY: That is where they properly should be.

MR. NEARY: No, Sir, they should not properly, that is not where they properly should be. They properly should be here because the minister, Sir, in his introductory remarks gave an account of the activities of his department over the past twelve months. I was not here, but I heard the news reports and I read the reports of the minister's statement in the newspapers.

MR. DOODY: Inaudible.

MR. NEARY: Hansard is not published yet. I do not have a copy of Hansard so I -

MR. DOODY: You are going to go on the attack anyway.

MR. NEARY: I am going to go on the attack anyway, Sir, because I understand that the minister's performance on Friday was one of the most pathetic that was ever made in this honourable House, and God only knows, Sir, in the last three years that we have witnessed some pretty sad and forlorn and pathetic performances by ministers in the present administration.

Now, Mr. Chairman, the reason I say that we should take the opportunity on the minister's salary to make a few remarks is because this particular topic, Sir, that we now have under discussion, industrial development or economic development, if you want to call it that, is the most important subject, Sir, that we could discuss in this honourable House.

MR. DOODY: Irrespective of redistribution.

MR. NEARY: Irrespective of anything else, Sir, because, Mr. Chairman, if we do not have a forward looking programme of industrial development, Sir, if we do not increase our Gross Provincial Product at the rate of seven or eight or ten per cent a year, then there is no way, Mr. Chairman, that we can finance all the other government departments. There is no way, Sir, that we can continue to get all the good things of life because the wealth, Sir, the resources will just not be there unless we can keep our Gross Provincial Product moving, Sir, at least to a rate of about eight or ten per cent a year.

Now, Mr. Chairman, the warning signals are up all over the place and I know that the minister when he replies to my few remarks maybe later on this afternoon, he will tell us that the warning signals are up all over North America, all over the world. Well, Sir, I say to that, so what, so what. What are we doing in Newfoundland? What policy are we following in Newfoundland to try to keep our Gross Provincial Product at a reasonable rate? I am afraid, Mr. Chairman, when you ask yourself that question that you have to come to the conclusion, Sir, that we are doing absolutely nothing in this Province to increase our productivity, to get the dollar value of all the goods and services produced in this Province up by a reasonable rate per year and we are told, Mr. Chairman, that in 1974 in real terms, allowing for inflation, Sir, that the gross value of the total output of goods and services increased in 1974 at the slowest rate that we have had in this Province in a good many years.

AN HONOURABLE MEMBER: How many?

MR. NEARY: Three per cent -

AN HONOURABLE MEMBER: How many?

MR. NEARY: In, I would say, Sir,

MR. DOODY: How many is a good many?

MR. NEARY: Well, Mr. Chairman, if you go back to the time that Newfoundland went into Confederation and you look maybe the increase in the Gross Provincial Product during the first few years following Confederation may have been slow on the upswing, but, Sir, in the last ten years of the Smallwood administration, in the last ten years of the former, much maligned, Liberal administration who were accused of only having an industrial development policy in the Premier's vest pocket, that he was always flying by the seat of his pants, -

AN HONOURABLE MEMBER: These are your words.

MR. NEARY: No, Sir, no, Mr. Chairman, these are not my words.

AN HONOURABLE MEMBER: Sounds like you.

MR. NEARY: No, Sir. Ask the Minister of Fisheries and the other people who came across the House, that disagreed with the industrial development policy of the former administration. We were told, Sir, that Mr. Smallwood had a giveaway programme. They sneered and jeered at his develop or perish policy, poked fun at it every opportunity they had and tried to downgrade the Smallwood industrial or economic development policy. Sir, since the P.C.s have formed the administration, for the first time, Sir, in at least ten years, 1974, our Gross Provincial Product increased at the slowest rate that we had, say, over a ten or a fifteen year period. We are told, Mr. Chairman, we are told by the experts and the economists that our Gross Provincial Product in the current year, in 1975, may be even less than three per cent.

If this is so, Mr. Chairman, is this is so, where will the money come from? Where will the wealth come from to give our people all the goods things of life that they now expect? Where will the money come from for water and sewerage? Where will the money come

to finance our education? Where will the money come from to provide the Minister of Social Services with all the resources that he needs to look after people who are unemployed through no fault of their own and who are sick and who cannot work, and the widows and the orphans? Where will it come from? The minister did not tell us that in his introductory remarks. The minister, I do not think, unless I am mistaken, Sir, and I was not here, the minister made no reference to our Gross Provincial Product whatsoever which is the only reason for having that minister's department in existence.

MR. DOODY: That is a terrible thing to say.

MR. NEARY: It is not a terrible thing to say, Sir. It is the right thing to say. Mr. Chairman, in the matter of industrial development as in many other matters that are being handled by this administration, Sir, I am afraid, Mr. Chairman, and I do not know if this is parliamentary or not, I think it is, that the Premier and the administration have violated the public trust that was put in to them, Sir, in the provincial general election by the people of this Province three years ago. This administration, Mr. Chairman, was elected on a platform of fiscal management, planning and development, the ending of patronage, the overhauling

of our fishing industry and rural development. I would submit to Your Honour that on all counts, Sir, the administration have failed to live up to the hopes and expectations that they built up in the minds and hearts of our people and that they have betrayed the people of Newfoundland and Labrador and they have failed, Sir, to live up to their commitments and their promises that were made to our people.

While all this is happening, Sir, while they have failed miserably, especially in the field of industrial development, Sir, our provincial debt has climbed higher than it ever was in our history. It is fifty per cent higher now than it was after twenty-three years with the Smallwood Administration, and it is climbing steadily, Sir. There is no way, Mr. Chairman, that I can see that we can cope with a couple of billion dollar debt in this Province unless, Sir, we can get the Province back on the rails, unless we can get the Province moving again, Sir, on an aggressive, economic or industrial development programme.

Yes, Mr. Chairman, I know the minister can get up and he can talk about how the Progressive Conservatives have planned and how they have studied and how they have planned to do studies and how they have studied plans to do more studies. While they are studiously planning, Sir, there are no results. We see absolutely no results. They are planning and planning and planning and there is no action. For instance, Mr. Chairman, as my colleague, the Member for Hermitage, pointed out this morning three years after the administration formed the government instead of a second oil refinery at Come-By-Chance we only have plans, Mr. Chairman, for the expansion of the first oil refinery. Now, even that, Sir, is in doubt.

I put a question to the Minister of Mines and Energy and to the honourable the Premier last week and the Minister of Mines and Energy, I think, made a public statement outside of the House that it was only - either the Minister of Mines and Energy or the Minister of Industrial Development - that there was a minor technicality in laying -

AN HONOURABLE MEMBER: A major technicality.

MR. NEARY: No, Sir. I have the clipping. I do not have it here with

me. I think I left it inside. If the minister was quoted right in the Evening Telegram, they said a minor technicality.

Well, Sir, from the answer that I got from both the honourable the Premier and the honourable Minister of Industrial Development, I would say it is a major technicality because there are very grave doubts now according to the answers that we were given in this honourable House, that even the expansion to the first oil refinery will take place. Instead of the Lower Churchill Development, power development, taking place two or three years ago, all we see happening now is a little preliminary work going ahead -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, Sir. Mr. Chairman, the minister can try to confuse me all he like, Sir, and try to get me off my trend of thought all he wants, and the minister will have ample opportunity before the day is over to respond to some of my criticism.

MR. DOODY: I may not. You may have destroyed me.

MR. NEARY: Mr. Chairman, the development of the Lower Churchill could have and should have taken place the first year that the Progressive Conservative Administration had been in office. It should have and it could have but for their childishness and their stubbornness and their foolishness because, Sir, the ground work had all been laid. In the place of development now, Sir, all we hear about is some drilling that may go on down there, some preliminary work and a meeting that is going to take place in Ottawa on Thursday coming when the Premier somehow or other is trying to force on the agenda of the upcoming First Minister's Meeting the development of the Lower Churchill.

AN HONOURABLE MEMBER: Are you against that?

MR. NEARY: No, Sir, I am not against it but my understanding of the meeting is that that is not the purpose of having such a meeting. This particular meeting in Ottawa has more to do with oil and oil prices than it does with the -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Well, I hope that the honourable the Premier can get to discuss this matter of development of the Lower Churchill, but it seems

to me that this will just merely be a side issue to the overall conferences taking place in Ottawa on Thursday. We were led to believe, Sir, on a number of occasions, that a great gigantic aluminum industry was going to be established in this Province. No sign of it. The minister did not tell us whether or not this hinges on the development of the Lower Churchill. Maybe it does. I do not know.

What about the cement plant that the minister talked about several months ago? A second cement plant.

AN HONOURABLE MEMBER: Tedious repetition.

MR. NEARY: No, Sir, it is not tedious repetition. Now, what about the caustic soda plant? Where is the industry to construct concrete platforms for offshore oil and gas development? I mean, this is the honourable crowd, Sir, that told us there would be no announcements made in advance, that they were not the kind of people, like Mr. Smallwood, who would go around saying, oh, there is a possibility of getting this kind of an industry or that kind of an industry. They were not going to do that. I am sure that on at least fifteen or twenty occasions in the last year I have heard both the Minister of Industrial Development and the honourable the Premier talk about the construction of concrete platforms for offshore oil and gas development.

Mr. Chairman, we all know what happened to the steel mill down there at Donovans when the Tory Administration, Sir, took over in this Province. They had the makings of a half decent steel industry in Newfoundland. They can get up all they like and tell us about the millions of dollars that were poured into that industry, \$13 million poured into it, and they can maybe brainwash a few people in the Province into thinking that this was a blunder -

AN HONOURABLE MEMBER: Not you.

MR. NEARY: No, Sir, not me. Maybe they can brainwash some of the editorial writers and some of the people who take pen in hand occasionally that this was a waste of the taxpayers money, that it should have never been there, was not on tidewater, could not compete with big STELCO

up in Hamilton. They can try to brainwash us all they like, but, Mr. Chairman, the facts are there that this honourable crowd closed down that steel mill right at the moment when it could have been a boom for this Province.

AN HONOURABLE MEMBER: Nonsense!

MR. NEARY: Ah!

AN HONOURABLE MEMBER: Utter nonsense!

MR. NEARY: That is utter nonsense? Well, I would like to see the minister worm his way out of it. They scrapped it and gave it away right at a time, Sir, when the price of steel was never higher in the history of North America.

AN HONOURABLE MEMBER: Now, the price of scrap tripled.

MR. NEARY: Now, while the price of scrap tripled, now they are going to go out and pay Mr. Mullally and his crowd to crush the cars and send them up to the Mainland to the steel mills. That is right, and we could have kept them at home. Yes, we could have, Sir.

MR. NEARY: Mr. Chairman, there is no doubt about it that the P.C.'s have planned but their plans have produced no results and no action - dismal, economic performance. Industrial performance in this Province, Sir, is in a slump. New motor vehicle sales are down in the last quarter of 1974, so we are told. Housing starts are down for the last four months of 1974.

MR. DOODY: Inaudible.

MR. NEARY: Industrial investment and construction work is slowing down, Sir, at a substantial rate.

MR. DOODY: Inaudible.

MR. NEARY: No new rural or economic ventures of any size whatsoever, Sir, of any size. The plans and the promises of the P.C.'s, Mr. Speaker, that were made in two provincial elections have petered out and the only -

MR. SIMMONS: The promises.

MR. NEARY: No, the promises are there.

MR. SIMMONS: The promises have not petered out, more than ever now.

MR. NEARY: The only projects, the only projects, Sir, that have either been completed since the P.C.'s formed the administration or are still on the go, in the process of being completed, are projects that were started by the former administration. How many new mines have been opened up, Mr. Chairman?

MR. THOMS: One up in Springdale, was it not?

MR. NEARY: One down in Daniel's Harbour and that was started by the former Liberal Administration.

SOME HON. MEMBERS: Inaudible.

MR. NEARY: The research, Sir, the exploration, the permits and the grants! Ah, Mr. Chairman, they can get over there now and cock up their heads all they like with the silly grins on their faces, Sir.

MR. DOODY: Oh come on, get down to business.

MR. NEARY: That mine down in Daniel's Harbour, Sir, was the result of hard work of the former Liberal Administration.

MR. DOODY: Oh, come off it, now.

MR. THOMS: Green Bay mining.

MR. DOODY: You are losing what little credibility you had.

AN HON. MEMBER: What credibility?

MR. NEARY: How many fish plants have been built in Newfoundland, Sir, since this crowd took over? How many linerboard mills have been built? How many paper mills have been built?

AN HON. MEMBER: Three?

MR. MURPHY: Rubber plants.

MR. NEARY: How many industries have been started since this crowd took over, Mr. Chairman? Does Your Honour know? Out in the Stephenville area -

MR. THOMS: Newfoundland Information Services.

MR. NEARY: Out in the Stephenville area, an area with which my honourable friend, I am sure is very familiar, where the government took over that great American Air Force Base out there when the Americans pulled out. How many new industries have been started by the administration out there, Sir, in the last three years? How many were started by the former administration? We heard the minister this morning make reference to two or three that had to come back to the government for financial assistance, Maritime Bedding being one.

MR. MURPHY: Atlantic Brewery.

MR. NEARY: No, the Atlantic Brewery is still going strong thanks to the Minister of Finance and his buddies.

MR. DOODY: It is not Atlantic Brewery.

MR. NEARY: No, Sir, it is no longer under the name of Atlantic Brewery.

AN HON. MEMBER: Speak from the facts now.

MR. NEARY: So, Mr. Chairman, it must be obvious to all our people that our Industrial Development Programme, Sir, has stalled, gotten off the rails, and all we are doing is just drifting around, no sense of direction. I hope that the honourable Premier will participate in

this debate, and there are no job opportunities for our people, Sir, and that is why we have the highest number of Newfoundlanders unemployed that we have ever had in this Province and it is getting progressively worse. There are no jobs, no new industries, no expansion of old industries, to provide these people with jobs.

Mr. Chairman, as I indicated a few moments ago, we are told by the Atlantic Provinces Economic Council, Mr. Watkins, that in real growth, Sir, our Gross Provincial Product in the year 1975 will be negative, will be less than three per cent. Inflation, he tells us, will outpace growth in the economy's output of goods and services. It is not a very bright future, Sir, and not a very bright forecast on the part of this gentleman who apparently is an expert in this field.

MR. DOODY: Reporter, freelance reporter.

MR. NEARY: On top of that, Sir.

MR. DOODY: An excellent gentleman.

MR. NEARY: On top of that, Sir, we are told, we know because the paper companies have already announced down time. We know that there is a softening in the pulp and paper industry generally. This will affect our Gross Provincial Product. And we are also told by the Minister of Fisheries this morning that there is a very little possibility of an improvement in the fresh frozen fish market in the United States in 1975. There is every indication there, Sir, that we are going to have a pretty tough year.

So, Mr. Chairman, what is the net result of all this, this negative thinking, this lack of action, this lack of imagination, this lack of aggressiveness on the part of the P.C. Administration who have gotten Newfoundland off the rails, off our great march forward that was started since Confederation? The net result is, Sir, that we have over 43,000 Newfoundlanders unemployed, a new record for Newfoundland. In 1974 too, Sir, and I hate to be throwing up all these statistics at the House, in 1974 our average weekly wages and salaries in industry

increased in 1974 by merely the inflation rate, and the inflation rate in Newfoundland was thirteen per cent last year. So the purchasing power of the dollar, Sir, since 1972 has shrunk to seventy-two cents.

Mr. Chairman, one of the tragic results of this lack of action on the part of the administration, to develop our natural resources, to develop Newfoundland, Sir, is the fact that last year, or in 1974, according to information provided by the Government of Canada's statistics agencies, some 8,268 Newfoundlanders left the Province from January 1973 until mid-1974. And honourable members will remember how Mr. Smallwood, when he was Premier of this Province, used to stress so much the dangers of Confederation.

AN HON. MEMBER: Inaudible.

MR. NEARY: No, Sir, I was neither invited to the meeting, neither was I given the permission to go to the meeting and those are two good reasons why I will not be attending tonight's meeting.

SOME HON. MEMBERS: Inaudible.

MR. MURPHY: - mark my words.

MR. EVANS: You have not got the official letterheads.

MR. MURPHY: Mark my words, Smallwood Neary.

MR. NEARY: Mr. Chairman, this is a shocking indictment of this administration, that for the first time since Confederation over 8,000 of our fellow Newfoundlanders were forced to go outside of this Province to find employment so they could earn a living for themselves and their families.

There may have been a few, Sir, came back to Newfoundland.

AN HON. MEMBER: 1973, the first year.

MR. DOODY: Net increase.

SOME HON. MEMBERS: Inaudible.

MR. NEARY: Mr. Chairman, I might point out for the information and the benefit of the committee, Sir, that there might have very well been some Newfoundlanders returned home from the Mainland of Canada but exact figures are not kept on this by any -

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MR. DOODY: APEC has them.

MR. NEARY: No, APEC does not have them. There are no figures, Sir, kept on the number of people returning to the Province.

What is recorded, Sir, is the government estimate of the actual increase in our population and this was only 6,000 in the period that I am talking about. However, through immigration and natural increases as births minus deaths, the gross increase was 14,268. This means, Mr. Chairman, this means that in the short space of eighteen months the Newfoundlanders who left the Province for other locations numbered, as I said a few moments ago, 8,268, and that is a lot more, Mr. Chairman, than those who came to Newfoundland to live here in this Province from the mainland of Canada or from any other part of the world.

During that time too, Mr. Chairman, although there has been a slight increase in our personal per capita income -

AN HONOURABLE MEMBER: Grudgingly.

MR. NEARY: No, not grudgingly, Sir. The increase has only been the equivalent of the rate of inflation and the minister did not think that was important enough to mention and we are still, Mr. Chairman, we are still the second, we are number two, at the bottom of the totem pole, only to be outdone by P.E.I., we have the second lowest personal per capita income in the whole of Canada. That is not very much to boast about, Sir.

Even, Mr. Chairman, even when you look at retail sales in 1974 in Newfoundland, you will discover that they increased just a little above the inflation rate which is better than most places in the world, maybe it was. I do not know, Sir. The number of sales of new motor vehicles for the last quarter of 1974 was down thirty per cent in Newfoundland from the last quarter of 1973. The value of manufacturing shipments increased in 1974 over 1973 again by only the rate of inflation. The gross value of shipments of manufactured goods according to my one man research team that I had working for me, the gross value of shipments of manufactured goods was \$411.2 million, up 13.8 per cent from 1973 despite the start-up of production of the two major industrial enterprises, the Linerboard mill and the oil refinery down at

Come-By-Chance. Mr. Chairman, iron ore shipments were down by 7.0 per cent by volume in 1974 from 1973, some 24.3 million short tons were shipped to extra-provincial destinations during 1974, down by 7.0 per cent. The minister in his introductory remarks does not think that that is worth mentioning.

MR. DOODY: Seven point -

MR. NEARY: Zero per cent.

MR. DOODY: Inaudible.

MR. NEARY: Pulpwood production was up by 10.7 per cent by volume in 1974 over 1973, some one million cunits were produced in 1974 compared with 912,000 in 1973, but, Mr. Chairman, listen to this: Newsprint shipments to all customers, foreign and domestic were down by 10.5 per cent in November below October for all Canadian newsprint producers. Shipments to the United States were down by 12.3 per cent and shipments to the United Kingdom were down by 10.7 per cent from the previous month. Production levels may have remained fairly close or at least closer to October, 1974 levels because newsprint stocks were up four per cent with more production going to inventory as opposed to sales.

In other words, Sir, the paper companies, the newsprint industry, the newsprint industry, Sir, for the last year or so have been putting more of its production into inventory than into sales and the result is, Sir, the result is that this is where one of the recessions is occurring in this Province at the present time.

Mr. Chairman, what about investments? What about investments in Newfoundland in the last year or so? Well, Sir, since the Tories took office, Mr. Chairman, since the Tories took office, investment both public and private in Newfoundland fell off, fell off. Sir, that is a fact, unless the minister can put his research people to work down there and show me otherwise. Sir, according to my research, investment in Newfoundland, both public and private, fell off just as soon as the P.C. administration took office. Mr. Chairman, it has not recovered yet to the level recorded in the boom year of 1971, the last year of the

Liberal administration.

MR. DOODY: Inaudible.

MR. NEARY: Similarly, Sir, the value of construction work performed in the Province is down considerably. Housing starts are down. Investment and construction for 1974 is estimated to be down in real terms from the 1971 performance, the last full year of the Liberal administration. Housing completions -

MR. DOODY: Is that just -

MR. NEARY: No, that information can be tabled, Sir. Mr. Chairman, I am just throwing out these, I am just throwing out these few statistics, Sir, to show the House, the Committee and the people of this Province just what has happened in the last three years of the Tory administration in the field of industrial and economic development. There has been a negative, there has been a negative attitude, Sir. We have, by just looking over these few figures, Sir, we can only come to the conclusion that after Mr. Smallwood left office and the Liberal administration was put out -

AN HONOURABLE MEMBER: Temporarily.

MR. NEARY: Whether it is temporarily or for the time being or whether it is permanent -

MR. MURPHY: We will know tonight after the meeting. I will report back.

MR. NEARY: There has been no, no, no industrial development, Sir, been no industrial development. One of the big problems that we always had in Newfoundland, Mr. Chairman, one of the big problems that we always had is that wealthy Newfoundlanders are hesitant to invest in their own Province. I do not know why, Sir. They cream off the dollars, but they never seem to want to put money back into development of our Province. So, therefore, Mr. Chairman, up to now we have had to depend largely on foreign investment in Newfoundland and there are people in Canada, Sir, and there may be some in Newfoundland who look down their nose at foreign investment. But somehow or other in

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the last three years, Sir, even the people who have heretofore taken a good, hard look at Newfoundland to invest their money have shied away from this Province. Mr. Chairman,

you know I am not making a partisan political statement when I -

AN HON. MEMBER: Inaudible.

MR. NEARY: No, I am not, Sir, because I mean this can be verified. I am not making a partisan political statement when I say, Sir, not one new industry has been created by this government in three years, not one.

MR. MURPHY: Trying to clean up the forty -

MR. NEARY: Oh, they tried to clean them up. They managed to finish some of them, Sir. Whereas poor old Joey used to be criticized for going around the province with his little golden spade, turning sods here and there, how many sods have this crowd turned since they formed the government? The only sods they have been trying to turn over are the ones they have been trying to find little things under, their witch hunts. That is the only sods they have been turning over.

The minister did not tell us, Sir, in his introductory remarks, his government's policy on foreign investment.

MR. DOODY: I did.

MR. NEARY: Well, when the minister -

MR. DOODY: I spoke for fifteen minutes when you were on your way to Clarenville, I spoke at length on foreign investment.

MR. NEARY: Well, when the minister is talking about foreign investment what countries is his talking about?

MR. DOODY: Foreign ones.

MR. NEARY: Is the minister talking about Saudi Arabia?

MR. DOODY: Inaudible.

MR. NEARY: Well then, Sir, what I would like to know from the minister, what specific projects are on the drawing board at this moment? What specific projects are on the drawing board to get new industries started in this province? Every man, woman and child who is unemployed at the present time in Newfoundland, Sir, want to know. Especially the constituents up in the minister's own district, up in Harbour Main, in the head of the bay -

MR. DOODY: My district.

MR. NEARY: - who always managed to look forward to work in the Spring of the year on construction. They are heavy equipment operators, steel workers, riggers and painters. All the best kind of workers in the head of the bay. Last time I spoke to them -

MR. DOODY: How long ago was that?

MR. NEARY: - about a week or ten days ago, the whole situation looks hopeless to them. They have nothing to look forward to. There are no big construction projects starting up this Spring to take up the slack to provide these people with jobs. And the minister would soon find out if he went up to visit that part of his district that these people are very disgruntled, and very discouraged at the present time, Sir, because they do not know where they are going to find jobs in the Spring. They may not be up in arms, Sir, they are a law-abiding group of people.

MR. MORGAN: Stop trying to get votes.

MR. NEARY: I am not trying to get votes, Sir, I am -

SOME HON. MEMBERS: Inaudible.

MR. NEARY: Mr. Chairman, the minister's introductory remarks, both on Friday from what I can hear and what I have read in the paper, and the minister's remarks so far in this honourable House today concerning industrial and economic development is nothing, Sir, but bovine excrement.

MR. MURPHY: What is that?

SOME HON. MEMBERS: Inaudible.

MR. CHAIRMAN: The honourable member has two minutes left.

MR. NEARY: Two minutes? Well, Sir, Mr. Chairman, I may only have two minutes left on this part of my speech, Sir, but I intend to go on at great length this afternoon because I want to talk about productivity in this Province, Sir. We heard Mr. Furey recently and we heard the President of the Board of Trade the day before yesterday I think it was,

no, on Friday, come out and talk about recommendations the Board of Trade were going to make to the government about productivity in this Province, something the minister did not deal with in any of his remarks so far. something I would like to get his reaction to. But I must say, Sir, I was rather disappointed with Mr. Mercer in his remarks because Mr. Mercer more or less attacked the employees by saying that they were -

MR. DOODY: What do you mean, more or less? Did he or did he not?

MR. NEARY: He certainly did. He polarized the situation, which he should not have done. He blamed it on the employees, on the workers for looking for more of the wealth of this Province. I think that is wrong because the low productivity in this Province, Sir, can be blamed on both management and labour and it would be wrong to polarize the situation and blame it on one party or the other. If we are going to cure it, what we have to do, Sir, is to involve both management and labour in what I suggested a week or two ago in this honourable House in a productivity council.

But, Mr. Chairman, no entrepreneur is going to - yes, Sir, I will finish up on this paragraph. No entrepreneur is going to come into Newfoundland if we have a bad reputation for production, if our productivity is so low, why should they come in here and invest? We have to try to improve our productivity in this Province and I would like to hear the minister's views on that. When I get the minister's views, Sir, I got a few more things that I would like to say. But I must say forty-five minutes really is not very long.

MR. CHAIRMAN: The Minister of Industrial Development.

MR. DOODY: Well, Mr. Chairman, it depends on which side of the House you are sitting on, I guess, whether forty-five minutes is very long or not. Over here it seemed like an interminable exercise and a great wind. The thing that I found most distressing about the utterances and statements of the honourable member was earlier this morning, or just before lunch, the Member for Hermitage stood up and roundly dressed me down for what he called a fillibuster. I had spoken for perhaps

an hour, maybe a few minutes one way or the other, trying to explain the various subheads of the Department of Industrial Development and to me it appears that this is what this exercise is all about. It is a discussion of the estimates of various government departments and I think that each of the items that are in these estimates should be looked at, analysed, discussed, They should be hauled apart by the Opposition. They should take it on themselves to find out where the money is being spent, what it has been spent on, whether or not the programmes are sensible or non-sensible by their standards, and these long winded speeches that they give over and over and over again are best reserved for either the Budget debate or the Throne Speech debate and it seems to me that the Budget debate would better serve the exercise that these gentlemen across the way are engaging in.

It does not seem fair to the people of the Province of Newfoundland that these hundreds of millions of dollars that are contained within the pages of this book are not being really examined at all. There are many, many items in here that should be looked into and talked about. Great heavens! The sort of money that is involved here in this Province is a matter of grave concern to the Province and these people over on the other side of the House have a duty to look into them and to examine them and to talk about them. All these great political speeches that they make over there, all these wonderful words and phrases and mouthings and exercises are tremendous. But there is a place for them. As I say, the Budget debate is coming up, the Throne Speech debate is in being and there is an opportunity for them to go through all these criticisms, and all these high sounding phrases, and all these great theoretical exercises when they want to do it but to stand up on one side of the coin and accuse me of fillibustering this morning and then have the Member for Hermitage speak for perhaps, I do not know, thirty-five, forty minutes, then have the Member for Bell Island speak for another forty-five minutes and they have not mentioned whether the Department of Industrial Development

is spending \$2 million, \$1 million, \$100 million or not spending anything. And the nature of the exercise is the estimates. Now the members stood there and deliberately wasted the time of this House by quoting facts, figures and statistics from Statistics Canada and the Economic Council of Canada, the Atlantic Provinces Economic Council, Melvin Watkins reports every sort of nonsense and trivia that his friend, colleague, sole mate and conferrer could feed him at breakfast time this morning. He regurgitated the whole thing during the few hours of day and then deposited it all on our desks for our examination this afternoon.

All these statistics are fairly common knowledge. Anybody in Newfoundland who wants to can have access to them. They are there. The Gross Provincial Product he says was five or eight or ten per cent per year and the warning signals are out and to him he says, so what, so the warning signals are out, that does not matter to him. The fact that there is an economic recession in the Western World, and perhaps for all we know in the entire world, that is of secondary importance to him. What matters is the fact that the things are not plowing ahead with grave and delightful abandon as they used to in the good old days when the money will be slashed in to some grand German entrepreneur who had arrived here with the seat out of his pants and get off an airplane with a set of plans under his arm and set up a steel mill at Octagon, the first wing of a great five wing complex. And then the next day there would be some other grand fellow come in here with a prescription for eye glasses and there would be a huge new optical plant going up somewhere else in the Province.

These are the sort of things that count, Mr. Chairman. These are the sort of things that the honourable minister is interested in. He does not care, he said, about plans and about studies and about projections and about whether the fiscal management of the Province is being properly handled. He does not care about the Provincial debt. He says the Provincial

debt was a problem when we were talking about it when we were outside government but now that we are in there he says that the provincial debt is doubled. Well then, that is true. It has or will be. Well, what is the crux of that matter, Sir, is the fact that the financial markets of this world have absolutely no hesitation at all in recognizing the needs of this Province and in providing the funds that are necessary because reasonable, sensible projections and perspectives are given to the financial houses. They examine them in terms of the real capacity of the Province to pay and they advance us the funds on these grounds. There is not ad hoc, mad, slash money into idiocies that we had during these good old days.

Now, on my opening remarks yesterday or Friday, I did not get into any of this stuff. I did not think that honourable gentlemen were interested in talking about things that happened prior to 1971. I certainly would not want to be the one to start it and I did not, but if the honourable people across the way feel that it is going to serve some advantage to start talking about the steel mill in Octagon that cost \$13 million, It was not built anywhere near tidewater they had a \$30 a ton freight disadvantage on bringing scrap in, whose maximum capacity was such at an economic level to be some hundreds of tons less than the amount of scrap that was available even at that disadvantage. So, no matter how efficient it became it still could not possibly make money despite the three studies that were done by the three different companies that were involved.

If he feels that it would have been in the best advantage of the Province to have kept it going and to pour another \$5 million or \$10 million or \$15 million or \$20 million in there just to save the 120 jobs, 180 jobs that were in there, well then that is the economic development that the member is interested in. Now, that is the sort of thing that he understands, not sensible business feelings, but political slap it out, slash it out, let tomorrow worry about itself and keep things going. Well, quite honestly, Sir, as long as I am in

this particular portfolio and as long as this particular administration is in office, that sort of thing will not happen. I would be most happy to stand up here and announce today that there is tremendous new industry going to start somewhere and employ "yea" many million, "yea" many hundred people, but what I would be more concerned about is whether or not this is going to be of lasting advantage to the Province of Newfoundland. The simplest thing in the world would be to start up an industry tomorrow, slap in great subsidies, give them forgiveness of the S.S.A. tax, thrown in infrastructure ad nauseam, throw in all sorts of subsidies for power rates, guarantee everybody there that they would have an income for "yea" many years, but this is not economic development. This is economic madness. That is the sort of thing that we saw here for too many years. That is the sort of thing that lost us so much respect in the economic circles of the world and the fiscal circles of the world. He talked about what exactly has happened here and he is absolutely right when he says that there is not great new, aluminum industry started.

I can say, Sir, quite honestly that there was no great, new, aluminum industry even promised, But we have said and will continue to say is that if a power rate can be brought to the Province that is reasonable, that an aluminum industry can live with, and if we in turn can live with the product of that aluminum industry in terms of jobs as balanced against the ecological and social disruption that that industry might cause, then it shall be weighed in that context. Then if we decide that this is what the Province needs, then this is what the Province will have, But it will not be an aluminum industry stuck up in the middle of Bay D'Espoir or Fortune Bay or Conception Bay or any other part of the Province simply for the sake of political expediency. That sort of thing is of absolutely no interest to me and is of absolutely no interest to this administration and I would much rather do the necessary housekeeping to keep the supervision of those industries that are now in operation on a reasonable level and to

encourage perhaps some smaller operations, as we have done, and when and if an occasion arises such as he discusses, such as an aluminum or a ferroalloy or what have you, then it would be weighed on its merits.

Now, he says, what have we done in this department during the year or so since it has been really organized and restructured. Well, let us look at the Marystown Shipyard Limited. The first thing we did was regain management control of the yard. It was controlled by a firm in Israel who had absolutely no interest at all and they were paying no attention to the future of the yard. They could not lose - a very, very small dot on the huge corporate structure of that multinational corporation, and we gained

control of the management of the yard. We then obtained \$31 million worth of contracts for the yard, to enable that yard to show a profit - for the first time in 1972-1973, an operating profit, Sir. Certainly it did not show sufficient profit to be able to handle a large deficit that had been cast upon it by the previous mismanagement and maladministration of the yard.

AN HON. MEMBER: It showed a profit.

MR. DOODY: It showed an operating profit for the first time in 1972-1973, that yard in Marystown. We then proceeded to expand that yard at a cost of \$1.6 million. We got something like \$300,000, a little over \$300,000 in a DREE grant. The other \$1.3 million are being financed from the cash flow of the yard. And we increased employment down there for over one hundred workers. Now, Sir, that may not be a huge, great economic miracle, not a huge industrial development, but it is good sound business sense. We have got a shipyard in Marystown now that is self-sufficient, that is employing over 500 people, that is able to show a profit on operation. And we have also, incidentally, restructured the finances, so some of their debt has been converted into equity but that may be a bit too complex for my critics across the way. In any event the Marystown Shipyard Limited is just an example of some of the things that we have applied ourselves to, to try to get organized in a businesslike and sensible management system.

Now Burgeo Fish Industries - everybody who stood up over across the way had to have a few slices at poor old Burgeo. Poor old Burgeo! When this administration took office, before we took office I remember the strike situation in Burgeo. Father against son, families split down the middle, an old established business, a respected business that generations of people had built up had gone afoul of a union which, with the best intentions in the world, had moved into the community. The administration then in office seemed completely incapable of dealing with the situation. I remember the then Premier arrived in Burgeo and presented them with a \$25 cheque and then left again shortly afterwards. That was the contribution to solving the problem in Burgeo, Mr. Chairman.

This administration bought the whole kit and caboodle down there, admittedly for probably more money than the actual value of it in terms of economic worth. In terms of social worths to a community, Sir, in terms of the viability of a fishing community in the Province of Newfoundland, in terms of a town that as exemplified if ever a town ever has the lifestyle, the traditions, the decent things about Newfoundland - we saved that town and it cost us something over \$2 million, well closer to \$3 million by the time we finish buying ships to put in there. We put that place back in operation, Sir. And government tried to run it.

Now I have heard honourable gentlemen across the way say that government should take this over, and over should take that over, and government should run this, and government should run that. And my experience, Sir, is that government running anything is very often a disaster and at best it is just a makeshift system until such time as you can get business people in to run a business. So we brought National Sea Products in to manage and run that plant. And despite the problems in the industry, despite the uneconomical condition of that plant, despite the inefficiencies, the built in inefficiencies of that plant, under National Sea Products that plant operated at a level substantially above earlier years, substantially above the years before we took it over.

AN HON. MEMBER: Inaudible.

MR. DOODY: Now, Sir, we went and we brought in an outside firm, and once again I am going to be sneered at for this, because we had the audacity to bring in some experts to examine the plant, which incidentally had been done before we bought it, we also brought in another firm of engineers afterwards and had them examine the plant, and they advised us that under optimum conditions we could hope to get perhaps three, maybe more, maybe four or five years of uneconomical and inefficient operation from the now existing plant in Burgeo.

We talked to National Sea Products and we asked them if they would consider joining us in a venture to put up a new plant in Burgeo, a plant that would give the people down there an opportunity to look

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forward to many years of economic stability, an opportunity to look forward to the kind of social life that every family has the right to look forward to, the opportunity to be able to build into the future. And they said that they would. And the reason we approached National Sea Products on it, and not this company or that company or the other company, is that because National Sea had already had on an island out in Burgeo Harbour an operation called Natlake Limited which was a herring reduction and a food herring plant. And we felt because of the low ebb of the herring business in that area for the past few years that their operation, combined with what we had in mind, could very well be the salvation

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of the town of Burgeo. And they agreed and so we asked them to do an engineering study and bring in a cost estimate. Now, Sir, this they did and, lo and behold! It was something in excess of \$6 million and so we applied to DREE for assistance. A new company was formed called Burgeo Leasing Limited - and this is off the top of my head. The detail is in here. I can get it for you if you need it - We formed a new company called Burgeo Leasing Limited because that was necessary for DREE assistance, because the original Natlake Company had been built with DREE assistance.

Now, we made the application to DREE and Mr. Jamieson being the good Newfoundlander that he was, that he is, and I have given him full credit despite the remarks of gentlemen opposite, I have given him due credit in all my remarks to date for what he has done and what he has attempted to do for the economic betterment of this Province and I have nothing but the highest regard for the gentleman and will continue to have. I could even forgive him his mistake for being a Liberal. I say that we went to Mr. Jamieson and we presented him with the situation and he went to the maximum available under his act and offered us pretty close to a fifty per cent grant. That worked out very well with the pay back schedule as arranged, or as looked at by the feasibility study, by the projections which looked like we would need a \$3 million debt situation.

So, we went ahead to the indepth studies and they brought us up to the horrifying reality that now we were looking not at a \$6.3 million or \$6.4 million operation, Sir, but something in the vicinity of \$9 million, \$9.1 million. We had to go back to DREE again and ask them to reconsider and see if they could up their piece of the ante, because for the Province of Newfoundland to put in \$6 million simply meant that the operation down there could never pay for itself. Well, while this thing was being considered, we had the trawler strike. The trawler stike is now over and I would hope that Mr. Jamieson and his people in Ottawa

will soon have an opportunity to look constructively at the proposition we have before them with regard to the Burgeo plant and I feel reasonably certain that everything that can possibly be done will be done by them, as it will be done by this Province. But at no time, and this is the point that has to be made, at no time did I or any other member of this administration tell the people in Burgeo that we would give them a new fish plant. Always, at every time, during my visits to Burgeo and during the people from Burgeo's visits here to our offices, here in the Building, at all times it was stressed that the new plant in Burgeo was contingent on DREE assistance because after all, Sir, what better reason could there be for DREE's existence than to put money into an operation like that Burgeo fish plant?

If ever there was a situation where DREE could justify its existence it is the Burgeo situation where a grant can be made and written off, because you got to look at the Burgeo situation in context. It is not even the same as putting a fish plant in St. John's or in Conception Harbour or even in Hermitage because everything has got to be brought in to Burgeo by boat. They even got to bring in the sand, the aggregate, everything that has got to go in there. It would cost considerably more than it would cost to build a plant in other places. So, please, Sir, I want to impress upon this House that at no time did we tell the people in Burgeo that we would, irregardless of anything, build a new plant, a \$9 million plant in Burgeo. What we have told them is that we would use our best offices, we would do everything that we possibly could in conjunction with National Sea. We have demonstrated that, Sir. National Sea, their presence is now in Burgeo and National Sea have undertaken to provide production to bring in capacity into that plant at a level that could be only obtained from new, modern, stern trawlers and they have even undertaken to transfer catch to solve our somewhat obsolete side trawlers because the big sterns cannot get into the old obsolete plant in Burgeo.

This is the sort of co-operation that we have been getting. The

people in Burgeo know that. George Coley knows that. He is in constant communication with and the union leader down there. Art Seaman, the plant manager, the mayor, these people know and it is a shame to have somebody like the honourable Member from Bell Island or the honourable Member from Hermitage or whomever, try to make political hay out of that situation in Burgeo because, mark my words, Sir, if we do not get an operation in Burgeo, if we do not get a fish plant in Burgeo, there will be no Burgeo. There is no other reason for Burgeo's existence and we cannot afford to phase out a viable town of 4,000 or 5,000 people.

There has to be a solution. The Newfoundland Steel Plant, we covered that. The refinery, there is the other refinery, the Newfoundland and Labrador Development Corporation and so on. So anyway, Sir, I was accused of filibustering earlier. I am not going to do it now. Just let me mention some of the small operations that have been helped and moved and gotten along. You know, Pelcon, when we talked about it, a small operation, it is going to be something big, I hope. It may not be. But the fact that we have tried to do it does not mean that we are promising a huge, great new industry. What we are saying to the public is that this thing has been started. J. C. Pratt, Jack Pratt has a fiberglass boat factory working in the old steel mill thing. Please God it will turn out to be a major industry. It may not. It may bomb. But are we going to be laughed at in two or three months time because this new fiberglass boat thing did not work? It is not costing the people of this Province anything. It is not costing the people of this Province anything for J. C. Pratt's operation. What it is costing them is the research that we did on it. It is costing the people the knowledge and the ability of the people in the department. It is costing the people of this Province the fact that we put at Pratt's disposal a building that was in there empty. That is the sort of thing that is costing. We did not rush in with a \$2 million or \$3 million grant and say, here boy, go see if it works. If it does not work what odds, we will give it to somebody else.

Northern Electric are putting up a component factory here in the town. They are going to put telephone sets together. There are forty people employed. Big deal? No! It is not a big deal. There is nothing very amazing about it. There is nothing very large or huge about it. A few years ago there would have been an announcement. Joe would have been in there and there would have been sods going everywhere. You would not have been able to see O'Leary Avenue for sods.

MR. NEARY: All O'Leary Avenue is private enterprise. What did you have to do with that?

MR. DOODY: We went to Norther Electric, and we asked them if they would establish a factory. We knew that they were diversifying. They were hauling their plant apart up in Montreal.

MR. NEARY: (Inaudible).

MR. CHAIRMAN: Order, please!

MR. DOODY: We knew that they had started a plant in Halifax. We went to see Fred Frampton and the gentleman who runs Mother Bell's Plant here in St. John's. What is his name down here in Newfoundland Telephone?

AN HON. MEMBER: Tony Brait.

MR. DOODY: Tony Brait.

And we told Tony Brait, and we said, why cannot we get a piece of this action that is now being moved into Halifax? He said, no reason in the world. We will get in touch with our principals. And, lo and behold! We now have a branch in Northern Electric here in the Province of Newfoundland.

We got a tin can factory starting out there in Donovans Industrial Park making soft drink cans. There are thirty or forty people employed. It is nothing very huge. It is nothing very substantial. There is no big announcement. If you made a big announcement, you would be ridiculed. If you do not make an announcement, you are doing nothing. That is the sort of mentality that these people have across the House.

Pyramid Mobile Homes, we are going to be abused for bringing them in here because there are only about fifteen or twenty people out there, or maybe less. The place has a potential of several hundred people out there if the federal government in Ottawa would change its fiscal policies and allow the people of the Province of Newfoundland to borrow the money that they need to buy these double width, 1,100 square feet homes. This is the sort of thing that has been on the go.

Tech Mining; The gentleman across the way has to tell us that Tech Mining was a great enterprise and that it was started by his administration. Never in the history of this House has such balderdash been thrown across the floor, Sir. Tech Mining is - my honourable friend here, Mr. Barry, the Minister of Mines and Energy, the people in his department, the people in my department worked long and hard, and this is one of the examples I would like to give this House about the difference in the previous approach to what they called economic development, and this one. When Tech Mining from Daniel's Harbour came in here and started to talk about opening up what was the old Leitch Gold Mine concession, and after that the Commodore, and now Tech, they had a shopping list that was that long of the things that they needed. Why would they not? I mean these people are business people. They want to get where they can get them and if they can get them free the happier their shareholders are. They wanted to get this concession and that concession, a tax holiday, S.S.A. had to be revoked, they had to be a subsidy for this. We had in our department a couple of gentlemen, and in the Hon. Minister of Mines and Energy's department one particular man whose name comes in mind, and we put these fellows to work with the projections of the ore deposits that were there, the length of time we thought the mine would last, compared it to the zinc prices in the market, Our fellows sat down and did their sums and came back with the arithmetic and said, these fellows do not really need anything, all they need is a concession, And we went back to them and said, this is it, Sir. You either start your mine under these conditions or you do not. And they said, thank you, Sir, we would love to start your mine. And it cost the people of this Province not one copper, and we got this mine going up there. And under the old system, I can see them now.

AN HON. MEMBER: A good system, boy.

MR. DOODY: Green Bay Mining is going to be laughed at too. I know that. They were open for four or five months, and they closed again. When the price of copper goes up, they will open again. But there

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are no huge, big investments of public funds being pumped in .
When the time came, the Green Bay Mining operation was uneconomical.
When it found that the market could not support the product, there
was a decision made in government. I am sorry gentlemen, we are
just going to have to close your mine.

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MR. NEARY: One million dollars later.

MR. DOODY: One million dollars later. And when the price of copper goes up again, hopefully Green Bay Mine will reopen.

AN HON. MEMBER: Inaudible.

MR. DOODY: Well, this Province will get its \$1 million back,

AN HON. MEMBER: Inaudible.

MR. DOODY: In the roll over through various systems.

AN HON. MEMBER: Inaudible.

MR. DOODY: Well, we are not going to go up and put the arm on the people in Green Bay and say, you give me back \$1,000 and you give me back \$2,000. It will come back to the Province.

MR. NEARY: Not the people in Green Bay.

MR. DOODY: The Gander concept.

MR. NEARY: The one with the con twist.

MR. DOODY: The Gander - no, there is no con - are you telling me that the people in Green Bay are con artists?

MR. NEARY: No, no.

MR. DOODY: Do you want to go on record as saying that Joe Bloomgarden and these people are con artists?

MR. NEARY: Inaudible.

MR. DOODY: These honourable, decent, hard working men who sank their own money in the expertise are con artists?

AN HON. MEMBER: Inaudible.

MR. DOODY: Stand up and say that so that it will go in the Hansard.

MR. NEARY: When you are finished I will deal with that.

MR. DOODY: You will deal with that, yes.

AN HON. MEMBER: Inaudible.

MR. DOODY: The Gander concept. We can go into that in some detail later.

AN HON. MEMBER: Inaudible.

MR. DOODY: Oh the Pelcon plant, you know, the underwater electric connectors things, Anyway, these are just the sort of thing.

Anyway, I was looking at Mr. Smallwood on television there with Broph this afternoon and he seemed happy enough. Mr. Smallwood

sat there with Doug Brophy and they discussed coming events and past events, and he seemed to be absolutely delighted with himself. He did not seem the least bit concerned about all his warning signals that the honourable member is throwing up. He seemed to be quite contented to let the matter take its course. Mr. Brophy asked him about a party they are going to have up there at Roaches Line tonight. Joe smiled a little bit and said that there might be a little party up there tonight. I thought it was absolutely delightful.

HON. MEMBERS: Inaudible.

MR. DOODY: Which one?

AN HON. MEMBER: Inaudible.

MR. DOODY: No, not invited.

AN HON. MEMBER: Inaudible.

MR. DOODY: Somebody even suggested that the word "Smallwood" means party splits. Is that true?

HON. MEMBERS: Inaudible.

MR. DOODY: Now the Gross National Product and the Gross Provincial Product and the fiscal management and the provincial debt and all that sort of thing - well, if the Hon. Leader of the Opposition or some of the people on the other - no, there are not very many others on the other side on the Opposition who can handle that sort of thing. But anyway, if somebody with some sense gets up and starts talking about that we will go into some detail in worrying about it with him.

Now the aluminum plant, we can get into that in a few minutes. Productivity, well he is going to get into that later on, he said, When he gets down to one of the subheads he is going to talk about productivity. So we will leave that until then.

The honourable member - I was hoping that the honourable Member for Hermitage was going to be here this afternoon because it was he who opened the debate for the Opposition side of the House today, and I trusted that he would be back this afternoon, Sir, so I may have an opportunity to respond to him. However, the first thing that we should talk about in this particular instance is first, the thing that he brought, or

what he said was just brought to the light of day, and that was the Bay D'Espoir Development report. He suggested that I had misled the House, and had suggested that I had told him that the report was not ready some months after it was indeed ready. I hope that he has had time to research that by now, because I did not press it at the time. I notice that a copy of the Hansard, the appropriate Hansard was passed to him. He studied it for a while, and passed it back. And I do hope in all sincerity, and in the interest of not only my reputation but of the decorum of the House that he does have the courtesy to say that he may have been mistaken. and that I did not indeed lie to the House. Well, that was the word he used anyway, inasmuch as I hate to do so.

Anyway the Bay D'Espoir Report - how anxious was he to get the Bay D'Espoir Report. Well, he asked for it once, Sir, to my knowledge in this House. He asked for a copy of the Bay D'Espoir Report. I told him that it was not ready at that particular time, but I would get it for him when it was. And when I say it was not ready, I mean that it was not finished. Our departmental people were not finished with it. The various people in other resource departments were not finished with it, in Mines and Energy, in Forestry and Agriculture, Rural Development, all the departments who are concerned with the development of a particular area. He never phoned me. He never phoned my department. He never called my deputy minister. To my knowledge he never called anybody. He never came once to ask for it. I had assumed that he lost interest in it. I mentioned it today in this debate. He asked me for a copy of it. I immediately produced it and gave it to him.

AN HON. MEMBER: Inaudible.

MR. DOODY: More than that I do not know. He also asked me if I were in a position to comment on some of the recommendations that were in that report. Well, Sir, I hesitate to do so, but I will. There is a short synopsis here called,

"The Evaluation of Development Opportunities, Bay D'Espoir," by the New Brunswick Research and Productivity Council. And quite honestly, Sir, I am not very happy with the report. I do not think it is a very good report. I do not think the New Brunswick Research and Productivity Council did a very good job on it. There are a whole lot of things here that are completely negative and I am not going to read them.

The two things that they did say that should be followed up and that there appear to be some future in are the forestry sector, despite the fact that the Spencer Lake Study, which I also tabled, indicated that there was no such forest reserved there for a sawmill. We did follow that up in spite of that and fortunately we were able to get two gentlemen, named Ed Ralph and a gentleman named Strickland involved in a Ralland Forest Products operation down there which I think was going to be of inestimable value to the Bay D'Espoir area, and it was one of the recommendations of the New Brunswick Research and Productivity Council.

They are talking not only in terms of a softwood operation but in terms of a hardwood operation a little bit further down the line. I think that the honourable member when he looks at the report will see that is part of the recommendations of the Ralland Forest Products Plant. They received co-operation from the Department of Regional and Economic Expansion. They received financial support from DREE, as I say, and from the Newfoundland and Labrador Development Corporation. And they received all sorts, well every possible co-operation in terms of manpower and assistance from the people in our department.

The other item from that report that leaps to mind that can be of advantage, and possibly of real advantage to the area, is the marble deposits down there. Now we interested a local firm in looking at these marble deposits, not only in the Bay D'Espoir area but there are two likely quarries out near Corner Brook, there is one or two up near Roddickton and there are one or two other quarry sites in the

Province, all with different shades and types of marble.

The Development Corporation together with our own department, commissioned a study on that immediately and they came up with some figures and we interested a group of local people in following it up. There was very little came of that although we chased after them. And now our people have given up hope of seeing our local group getting very much further with it and we have written letters to all the - this has been on some time ago now - we have written letters to all the major marble users that we know of in the Eastern United States and in Canada in the hope that we can get some of their people to look at the marble deposits down here in terms of a market study and in terms of a feasibility study. These are the two major items and these have been followed up on. There are other less tangible things.

They say that they are under utilized, unlimited potential for a recreation and tourist development and so on. Well, the Department of Rural Development has been asked to look into these items and hopefully that is now underway.

The Spencer Lake proposal for a fish plant was discussed at some length by the honourable Member from Hermitage. And he spoke about Mr. Lake's inability to get audience with the Premier and so on. That very well might be so. I do know that the Premier asked me at one point in time if I would undertake to discuss the matter with Mr. Lake and this I did. I can remember vividly a meeting, the best part of one morning down in my office and I do not have the date - Spencer Lake and his son Berch Lake, who is a very knowledgeable and capable young man, a man who impressed me very much, the other was Sandy Roche, the Deputy Minister of Industrial Development, Rupert Prince was then the Deputy Minister of Fisheries, I think, and Frank Spencer.

MR. WOODWARD: Who is the Minister of Fisheries now?

MR. DOODY: Deputy Minister of Fisheries?

MR. WOODWARD: No, who is the Minister of Fisheries?

MR. DOODY: The Deputy Minister of Fisheries, the Acting Deputy Minister is Mr. Dave Vardy. I do not think there is a permanent deputy since Mr. Prince -

AN HON. MEMBER: Inaudible.

MR. DOODY: There is an Acting Deputy, Mr. Vardy.

MR. MURPHY: Inaudible.

MR. DOODY: Yes, but we spent the best part of the morning discussing the fish plant operation down there and at that time it was agreed that a separate study would be done on the fish plant and a group called Maritime Consultants or Maritime something or other -

AN HON. MEMBER: Consultants.

MR. DOODY: Maritime Consultants Limited undertook to do that study and when the study was received by our department I undertook

to send copies of it to the federal government. Now this morning I did not have the exact date of the letter. We only had the reply from Mr. Leblanc. And on May 31, 1974 we sent a letter to the Hon. Donald Jamieson, and it says, "I am writing with respect to a proposal which was recently submitted to the Province by Mr. Spencer G. Lake, President of Maritime Consultants Limited. Mr. Lake has requested - not only do Mr. Lake want to establish a plant; he also took an opportunity to establish a consultant firm to do a study on the establishment of the plant - Mr. Lake has requested the government's assistance in establishing a fish processing plant to be located at St. Alban's, Newfoundland. And in support of this proposal Mr. Lake has prepared a feasibility study for such a fish plant, and he has suggested that this study documents the economic viability of the plant." And it goes on to list the various financial components and so on. "I will be very grateful if you would examine this proposal and the feasibility which is attached in order to evaluate the economic viability of the fish plant. Furthermore I would be grateful if you could provide me with some indication as to whether or not your department would be prepared to endorse federal financial support for the project. I am also writing the Hon. Jack Davis, Minister of the Environment." Now on the same date I wrote a letter which is much the same, on May 31, to Mr. Davis. The reply came back from Mr. Davis on June 14 saying that he had received the letter, and he is asking his officials to study it. And on September 4 I received a reply from Mr. Jamieson which he says -

AN HON. MEMBER: Inaudible.

MR. DOODY: May 31.

AN HON. MEMBER: Inaudible.

MR. DOODY: September 4. But in December I got a reply from Mr. Leblanc, Mr. Romeo Lablanc which I read this morning which indicated that the Federal Department of the Environment felt that there would be no point in pursuing the matter since they felt that a fish plant would not be feasible for that part of the Bay.

Now this sort of thing, Sir, could have gone through this morning or Friday afternoon.

AN HON. MEMBER: Inaudible.

MR. DOODY: I did not want to, because these people are sincerely interested, just as we are in getting industry established, getting job opportunities in that part of the Province, and indeed in every part of the Province. But when the honourable member asked for the information I felt it obligatory to present it to the House.

Now - let me see -

AN HON. MEMBER: Inaudible.

MR. DOODY: I would suggest that was probably - I would suggest that it was probably two or three months prior to that now. And I do not have -

AM NEARY: Prior to that letter.

MR. DOODY: Prior to that letter, yes. I did not write that letter until I received that report. The report he has there is dated some time in May.

MR. NEARY: It was dated in January.

MR. DOODY: January. Well, it was in May after our various departments went through it and saw what they could do with it. So it was prior to January then that I had the meeting with these other people. So this has been an on-going process. Slow, unfortunately, but that is the way these things work. As I say, all this information could have been available to the Member if he had called me or come down to see me. We could have gone over it in detail. And I would be still too happy to do so, you know, if he wants to do that.

He talked about, he talked about - oh, yes, this is one that I would like to get cleared up now, This is the one for Sea Water Products Limited, the one for the Roberts proposal for Hermitage. The honourable Member for Hermitage was of the opinion that I had said that the DREE grant or the DREE offer - this is a very important distinction - many people think in terms of DREE grants. This is something like the Bible story of "Many are called but few are chosen". There are many DREE offers but there are few DREE grants. The people in the Roberts - the Roberts people in Hermitage many, it seems like many years ago, certainly it was before we came into office, when the first minister in our administration of Economic Development, I think it was Mr. Crosbie, he was involved in discussing it with them. Subsequently the Member for

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Fortune Bay was involved as the Minister of Economic Development, and beyond that myself. They came up with a plan that was originally, I think, based on an aquaculture concept for that area.

AN HON. MEMBER: Inaudible.

MR. DOODY: Aqua. They wanted to grow little animals to make fish food and also to grow trout and maybe lobsters and so on and whatever in commercial quantities.

This was examined in great detail, great length and it has been going on ever since. Now, we had been in constant communication during all that period of time with DREE on it, because the idea of getting such an operation, because these people, the Roberts people are people of no small ability. They are a very intelligent, very capable people that got a tremendous background both in terms of knowledge of the Province and in terms of educational background. They are in my estimation a very, very capable people and we felt that this could very well be the answer to a great many of the problems in that area. We never could get enough information either for the Development Corporation standpoint to make an offer or from DREE's standpoint to make an offer until, lo and behold! The federal election came along, the last federal election and DREE, just by coincidence, I am sure, managed to find a grant, an offer, make an offer of \$141,000.

Now, I found that to be an amazing coincidence because that is almost to the dollar of the same amount of the grant that was offered to the Booth Reid operation in Bide Arm. Lo and behold! Many knees started to knock. People started to shake because it seemed to be based on the same sort of promise. When the operation came to a head finally down in the Development Corporation, Frank Spencer, the President, sent a letter to Mr. Wallace M. Roberts which, with your permission, Mr. Chairman, I will read.

MR. NEARY: Table it.

MR. DOODY: No, I want to read it.

MR. NEARY: Inaudible.

MR. DOODY: Well, I will table it afterwards. April 25, 1973 - now, this is significant, the date of 1973; attention: Mr. Wallace M. Roberts.

"Dear Mr. Roberts: I acknowledge herewith your April 2, 1973 with reference to the establishment of a fish processing, smoking and pet food production plant in Hermitage, Newfoundland. I regret very much the delay in replying which has been occasioned by our conducting and analysis of your original submission." They hired an outside firm to study the proposal and I hope that there is a copy of the analysis

attached. If there is not, I will get one. "Based on the information contained in that original submission, we are prepared to perform a balance sheet for the first year of operation as well as a projected statement of profit and loss for the same period. Copies of these two statements are attached for your review. It is significant to note that after paying income taxes amounting to ⁰ - now, this is the first year of operation now and these people project - "It is significant to note that after paying income taxes amounting to \$336,354 you will still have a net profit of \$714,281 after your first year of operation." People in the Development Corporation said this is an economic miracle. "This reflects significant earning potential and if correct in its presentation, you should have no difficulty whatsoever in raising the required funds from a chartered bank or any other lending institution. One of the guidelines of the corporation is that other lending sources must first be exhausted before the corporation considers assistance. In an effort to gain further insight into your plans we have prepared a check list of questions, the answers to which we deem desirable, so that we may satisfy ourselves that the project is a viable one." Despite the fact that the performance showed \$714,000 profit after taxes, they still felt that they should have some questions answers which is not unreasonable. "In our opinion, it would be prudent for you as well to have these answers."

Now, the questions are as follows: " Will the company be a provincial or federal incorporation? What will be the authorized capital in the classes of shares? Where will the company be registered? Would you please provide us with a subscribed capital together with the names of the subscribers and the number of shares allotted to each subscriber? You should have a letter of intent from the vendor of land at Hermitage to see water and a proper deed and title to the property. In your statements you do not show any outlay of capital for the purchase of land. We will require a detailed description of

the building and assurances that the erection complies with building codes which would include federal, provincial and municipal regulations. You will have to obtain permission from the Clean Air, Water and Soil Authority that the building complies with their pollution regulations. It will be necessary, as well, to comply with federal fisheries regulations. We will require some further assurance that the size of the building is adequate for the requirements of production, administration, warehousing, transportation, etc. Assurance will have to be provided that the power and water supplies are available and adequate for the operation of the business. A two inch surface fresh water line will freeze during winter months. With respect to the building costs, we will require the following: cost of the building

delivered to the site verified by a quotation, erection costs verified by a quotation, sub-contractor costs, cost of water and sewage disposal, financial cost during construction, advances required during construction, the dates when the advances will be required, estimated time to complete construction. It is noted that the building is 40 feet by 220 feet for a total of 8,800 square feet and not 8,000 as shown in your so and so. We can assess the cost of equipment and on it goes. There are fifteen, twenty-four, thirty questions that they asked, and received answers to four of them. And then the discussions broke down. Sea Water Products came back and said that it is quite probable that the original concept was not quite as accurate as they had hoped it would be. They would drop it and go for phase two. Now, phase two is all detailed here also, and I could go on and on and on with that. It goes on, and there are more pro formas, studies of financial viability. And the whole sad story of the fact is that the obvious thing to have done would be to have matched DREE's grant of \$141,000 and let these people get into the difficulties which are so obviously outlined in these documents, and you would have had down in Hermitage the same sort of an unfortunate situation that you now have in Bide Arm. They are almost identical. It is just that the thing was under-studied and under-examined until these people who had got some knowledge in the thing got involved in it and started to assist.

Now my fondest hope is that -

MR. CHAIRMAN (Mr. Stagg): Order, please!

The minister has the same restrictions on time as any other member. Without leave, I must -

MR. DOODY: Oh, I have been going for forty-five minutes. I am sorry, Sir.

MR. CHAIRMAN (Mr. Stagg): Yes. The minister has been going for approximately forty-six minutes now.

MR. DOODY: Oh!

MR. CHAIRMAN (Mr. Stagg): Does the minister have leave to continue?

MR. DOODY: I do not think they will give me leave, Sir.

MR. NEARY: Well, Sir, the minister can carry on again later on, Sir.

MR. CHAIRMAN (Mr. Stagg): Order, please!

MR. HICKMAN: I will rise the committee. I move that the committee rise, report progress and ask leave to sit again.

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

SOME HON. MEMBERS: (Inaudible).

MR. SPEAKER: Order, please!

MR. CHAIRMAN (Mr. Stagg): Mr. Speaker, the Committee of Supply have considered the matters to them referred and have directed me to report having made progress and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of Supply reports that they have considered the matters to them referred and report having made progress and ask leave to sit again.

On motion report received and adopted.

On motion committee ordered to sit again, presently.

On motion that the House resolve itself in Committee of the Whole on said bill, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE:

MR. CHAIRMAN (Mr. Stagg): Order!

RESOLUTION:

That it is expedient to bring in a measure to authorize the raising from time to time by way of loan on the credit of the Province the sum of \$275 million and such additional sum or sums of money that may be required to repay, renew or refund securities issued under any act of the Province.

MR. CHAIRMAN (Mr. Stagg): Shall the Resolution carry?

MR. ROBERTS: Mr. Chairman, it will carry, I suspect, but perhaps the minister would at least do us the courtesy of introducing it.

MR. EARLE: I was about to rise, Mr. Chairman, just to explain the reason for this bill. It is a normal bill authorizing the borrowing of money for the current year. The amount stated in the bill is \$275 million,

and the question could well be asked because in the Budget Speech the amount necessary to be borrowed this year was \$203 million and this bill requests authority to borrow \$275 million.

I should explain that the reason for this is that we require a good leeway because we find that under present market conditions, and conditions that are likely to prevail throughout the coming year, we may have to borrow money in fairly large blocks, perhaps up to as much as \$100 million at a time when the market is favourable. Now if we do that and we come to the end of the current year next March and we are in a position of having borrowed the \$203 million necessary and the market is good at that time, before we can get another bill passed we may well be in a position of having to approach the market. This condition prevails right at the moment, actually.

Last year there was a balance of \$65 million carried over from the previous year. We are now in a position to approach two markets, namely the European Market and the American Market, and we would necessarily want to go for more than \$65 million, but under the restriction of The Borrowing Act we can only go for \$65 million at this time. Therefore, we are asking in the current year for a little more leeway so that we can, if necessary, when the time comes, borrow sufficient quantities of money.

I stated that the market appears to be in a very uncertain condition almost from week to week. We get offers and requests too from our various fiscal agents to approach the market at very short notice. For instance, up to a few days ago there was no discussion at all on going to the European Market, but all of a sudden things look favourable and our fiscal agents advise us that it is an opportune time to go to Europe. So with very little notice at all we do the necessary documentation and get the thing rolling. So this is the reason why this bill is requesting authorization of the House for \$275 million, whereas the actual borrowing as indicated in the Budget would be \$203 million.

MR. CHAIRMAN: The Leader of the Opposition.

MR. ROBERTS: Mr. Chairman, if the minister thinks that explanation will suffice he is living in a fool's paradise, an absolute cloud cuckoo world. It is either the most hypocritical statement I have ever heard a Minister of Finance make or it is the most insulting to this House.

Now, Sir, the minister has done the committee the courtesy to point out that the amount of money authorized by this resolution is \$275 million, which is \$72 million, or in round terms about thirty to thirty-five per cent more than the government are asking authority from the House to expend this year - \$203 million, actually the figure \$203 million is \$191,200,000 that is the total borrowings which the government need for this year, according to their own estimates. And for the minister to waltz in here and in his meek and mild manner attempt to pretend that there is somehow any justification for asking the committee for authority and the House in due course for authority to borrow \$275 million, is in essence hypocrisy, an essay in hypocrisy.

MR. CHAIRMAN: Order, please! The honourable member may phrase his statements differently. He may say the same things in other words but the word hypocrisy, hypocrites is one of these terms which is unparliamentary. I am sure the honourable member can find other words to express himself.

MR. ROBERTS: Your Honour ruled that hypocrisy is unparliamentary.

MR. CHAIRMAN: That is correct.

MR. ROBERTS: Okay. I thank Your Honour. I only wish it were unpractised as well as unparliamentary, Sir, because I cannot find the word to describe what the minister is doing. I accept the fact that it is unparliamentary to use that term, unless what the minister is doing is perfectly obvious. That is assuming he understand what he is up to, Sir, what this bill represents.

Now, Sir, let us just look at a little quite relevant history. In 1966, the Smallwood Administration, and I was not part of that administration although I sat in the back benches and supported it, the minister

was a part of it, that administration brought to this House and this House passed, I do not know whether they did it with support from the Opposition or not, in any event, the House by a majority passed it, maybe even unanimously, a bill which enabled the government to borrow without further reference to the House. The ministry at the time made a case in support of that. Being a good case or a bad case is a matter for every individual to judge, but they made a case. The case was essentially the one which the Minister of Finance has just trotted out again in justification of his response. We get these weak and wishy-washy and quite misleading terms that oh, well we have to be ready to pounce on the market.

Now, Sir, some of the honourable gentlemen who sit opposite, including some who formerly sat in high places and may now sit in an even higher place, objected quite strenuously to this legislation. They said it was wrong for this House to give up to the government control of borrowing. The House never gave up control of expenditure. The government have authority to spend no money, Sir, except that which is authorized by the supply bills, be it the main supply bill or be it a supplementary supply bill, one of them retroactive, the other prospective, But they said that this Tory Government would never come to this House and ask for authority, and we had legislation put through with our support, Financial Administration it was called, or it is called, saying that no money could be borrowed on the credit of this Province unless he has first received approval from this House. It is a very sound principle and one which we support. It represented a change from the Smallwood administration principle. There is nothing wrong with change. This is a change which was, I think, needed, and now Sir, in less than two years we have seen a retreat from that principle comparable only to Napoleon's retreat from Moscow and with results which would be as disastrous.

The government are coming before the House and asking authority to spend a sum of money of which they intend to borrow, about \$203 million.

That is what the estimates call for. The minister is calling for a sum of money, authority to borrow a sum of money, not to exceed \$275 million. That is \$72 million for a little walking-around money. He has presented no case in support of it. He says, oh well, we might be ready to go to the market. Well, Sir, I say to the minister that the American market has never been worse shape than it is today. I say to him that the Province's bond rating is in grave danger of falling because of the ministry's handling. The minister says, not true. I will abide by the event. I say there is grave danger that the rating services are going to reduce the bond rating of this Province. I am not particularly proud of that. I am not particularly happy. I expect when the Minister of Fisheries leaps into the fray, as I hope he will shortly because when the Minister of Finance gets into trouble the Minister of Fisheries has to get on the white horse and gallop to try to rescue him, he will probably accuse me in the hoariest and oldest of devices of being unpatriotic, of somehow threatening the credit of this Province.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Yes, well the junior Member from Harbour Main goes tsk, tsk, tsk, tsk, tsk, tsk. I would like to see Hansard reproduce that. It is all very well for him to go tsk, tsk, tsk. It is t,s,k, for the benefit of Hansard.

Sir, the Minister of Finance, the Minister of Finance, Sir, has put up no case at all for this money and I ask him now - it is in Committee, we can speak again and again and again because that is the rule of Committee, Sir, as long as we are relevant and as long as there is no needless repetition - I ask him again if he will tell this Committee why they need this money. I think -

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Now, does the minister wish to say something or has he let his case stand? He has said all he is allowed to say. I am sorry, did the minister say something?

MR. DOODY: He will speak later.

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MR. ROBERTS: The minister will speak later. Yes, Sir. I predict Sir, that the minister will speak much later, much later. Now, Mr. Chairman, the matter is quite simple. If this bill were for the amount of \$203 million, my colleagues on this side, we would be quite prepared to let it go, to have no more debate on it and to say that that is the amount the ministry estimate they will need according to the estimates and that

we are quite prepared. We have ample opportunity to discuss it on the budget. We do not have ample opportunity on the debate on the estimates, but that is another story and fair and well and good. But, Sir, the minister is asking for \$275 million. He is asking for a shopping licence to go and to borrow on the credit of this Province \$72 million for which he has no approved expenditure. And all he says is, well the market might turn good. We might be able to nip down to New York or nip into Europe and get a few millions or perhaps go over to Arabia and have an Arabian Night and the result of the Arabian Night would be a cheque payable to Her Majesty in right of Newfoundland for \$70 millions or however many dinars or rupees or whatever it is they are using for money these days, or gallons of oil. That is what the minister puts up, and he goes flinging around \$70 million, Sir, in a Province whose total debt, whose total direct debt -

MR. NEARY: What is it \$1.7 billion?

MR. ROBERTS: No, the total direct debt as opposed to the actual debt is under \$600 million. He wants a shopping licence for an amount that is more than ten per cent to the total direct debt of this Province as of March 31, 1975. I trust the minister. I think he does the best he can with the limited abilities he has. But I do not trust him enough to give him the authority to go off and sign notes for \$70 million for which he has got no stated expenditure purpose in mind. He talks about the market. I say, Sir, that that is nonsense. There is ample time for the administration to come back to this House and maybe they should be required to come back to this House. Give them authority to borrow \$100 millions now, and let us have a debate on it, and let us have another debate later in the year. The House meets quite regularly. We meet every Fall for sort of our Fall run through. We had the Redistribution Bill this year. The minister has no case. The minister knows he has no case. It is a bald-faced attempt for the government to get their hands on \$70 million. And they will go

ahead and spend it. And then they will come into the House retroactively getting approval. And the minister, who will not be a minister at that time, gives us his benign little blessing, his beneficent approach. He says, oh well, it was all done. But this House will have given up control. Sir, for my part, I am not prepared to accept it. If the minister had made a case, I would be prepared to take it and deal with it on its merits. But I have been told within the past day or so that the Province is in trouble in the bond markets again. We now have a B rating, I understand, in one of the rating services. And I understand it is becoming -

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: Ah, there goes - terrible stuff. Now I am being unpatriotic because I am daring to put forward what I believe to be the truth. The minister used to talk, used to be very vague about control by the House of expenditure and about debating the purposes for which the public debt was to be used. But now he comes waltzing in - \$70 million in mad money, \$70 million, not a cent or two or three, not a few thousand or even a few hundred thousand. He wants \$70 million.

AN HON. MEMBER: Why \$70 million, why not \$100 million?

MR. ROBERTS: Well, they may make it \$100 million. It is just sheer luck that the girl typed up \$275 million when she was typing this bill and not \$375 million. They have made no case in support of it, Sir. Maybe they can. Maybe when the one man over there who knows what is happening, the Minister of Fisheries, speaks he can tell us. I will listen with interest to him. The Minister of Finance, Sir, has not presented any case at all. They used to talk about the debt. They used to talk about the debt. The Minister of Fisheries, when he was Minister of Finance, used to get very pious and very noble about taking about page five of his budget speech in, I think, May, 1972, May 31, 1972. One of the most difficult tasks that awaited our attention as a new administration

was establishing completely and accurately the financial position of this Province. That is what they used to say. Now they want \$70 million or \$72 million and authority to borrow it. And they will spend it and then come back to the House too late, too late for the House to control it. The money would have been spent and our credit will have been pledged. It went on, in the six year period from 1965-1966 to 1971-1972, it appears the former Liberal Administration completely discarded any semblance of financial sanity. The total debt of this Province, direct and guaranteed, less sinking funds, rose from what was already a national high of \$674 per person to the present figure of \$1,955 per person. The total debt outstanding of this Province, direct and indirect, has increased from \$332,153,000 to the staggering total of \$1,035,930,000, an increase of \$703,777,000 or 212 per cent. So that is

before the Tories took over, Sir. Since then, Sir, the debt has gone steadily up. The direct debt has gone from \$377 millions net to nearly \$600 millions, to \$596 millions. And now the minister wants to add \$275 million to that. Fair enough! Fair enough, if he tells us what it is for. The rate of increase of the debt of this Province has never been higher than it is in the Tory years, and I venture to say we have got less to show for it.

The Tories used to talk about the increase in the public debt and how it was such a terrible thing. And I have no objection to borrowing on the credit of this Province, if we are going to use that money for a good purpose. But, Sir, the Tories have driven the debt from \$377 million to \$596 million in just three years. And if you want to take to the end of this year, Sir, according to their own figures, it will be \$800 millions. It will be more than doubled in four years, the net direct debt of this Province, it will have more than doubled in four years. The indirect debt is rising comparably. The figures in the budget, the total direct and indirect debt are of the order of \$2,035,000,000, and that is not taking into account the Lower Churchill which will all be on the direct debt of this Province, the way this administration are doing it.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: I heard the gentleman say not true. (A) That is unparliamentary. So I would ask him to withdraw it.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Now I do not care if the honourable gentleman for Bonavista South is sitting in his seat or not. I heard him say, not true. Now the honourable gentleman has already had to withdraw one statement he made in this House today.

AN HON. MEMBER: That was not unparliamentary.

MR. ROBERTS: Mr. Chairman, is it parliamentary? Well I ask Your Honour for a ruling. If it is parliamentary then I am prepared to abide by the rule and prepared to use it. But if it is -

AN HON. MEMBER: point of order.

MR. ROBERTS: I have not raised a point of order. I am asking for a ruling.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: And if Mr. Chairman wants to hear argument, he will.

I just merely ask. I said the honourable gentleman for Bonavista South had made a -

AN HON. MEMBER: (Inaudible)

MR. ROBERTS: I do not need a point of order, I am raising a point. Does Your Honour wish to make a ruling on it?

MR. CHAIRMAN: If the honourable member is going to ask for a ruling he must raise a point of order.

MR. ROBERTS: Oh, then I will make a point of order in that case.

Let us have one.

MR. CHAIRMAN: And we will have a debate on it.

MR. MORGAN: To that point of order, Mr. Chairman. The honourable gentleman, the Leader of the Opposition was making statements about the financial condition of the Province which I disagreed with. And the information he was giving this House of Assembly, in my opinion, was not correct.

AN HON. MEMBER: It is untrue.

MR. CROSBIE: Mr. Chairman, on that point of order. It is so obvious. You can say that something is not true, but you cannot say that so and so is a liar. Now there is a world of difference between those two things. The honourable gentleman might be saying something that is not true, and that is certainly not unparliamentary to say that. To say that he is a liar, of course, is entirely different. That means that he is deliberately stating an untruth. So it is certainly parliamentary.

MR. CHAIRMAN: I refer to Section 155, Subsection 1(3), the charge of uttering a deliberate falsehood is unparliamentary. This would come under the classification of a difference of opinion between two honourable members. The indirect way of getting around the unparliamentary remark is traditionally to mean to say that a statement is not true which is basically to say that the matter is in dispute. And this is how I interpret the honourable member's statement.

MR. ROBERTS: Fine, I thank Your Honour. And now that we know what the rules are we can go on.

Well, I with - well, let me put it this way, Sir. The total direct and indirect debt of the Province at March 31, 1974 I am told was

\$1.270 billion, one billion two hundred and seventy millions.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: I am sorry.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: All right, then let the honourable gentleman talk a little more quietly please.

The total debt of the Province, I am adding together the direct and the indirect figures. Add to that the shares of CFLCo, \$160 millions, add on this requested figure of \$275 millions, and you come to \$1,705,000,000. And that is not counting any indirect liabilities we may assume this year, including the \$75 million or \$80 million we are going to put into the Bay D'Espoir expansion and the purchase of thermal generating facilities and so forth, and including anything that is

not included in the \$203 million authorized by the budget.

AN HONOURABLE MEMBER: \$1,700,000,000.

MR. ROBERTS: \$1,700,000,000. It was just over a billion. It was \$1,035,000,000 when the Tories took office just three fiscal years ago.

So, all I say, Mr. Chairman, is that I am going to vote against this bill. I could go on at any length if Your Honour would permit and depending on what is said by other honourable gentlemen as they make their contributions to the debate. I may be tempted into making a further comment. The fact remains, Sir, that the actions of the administration now are not in keeping with what they said they would do. We used to hear that they would never borrow money without prior approval of the House, that we would have a bill each year. I did not bother looking up the Hansards, but I can imagine the ringing phrases now, Sir, with which we were told that the new Financial Administration Act set up a procedure that every year the House would be consulted before a nickle was borrowed. We have seen what that is worth, Sir.

Here is the bill now growing out of that procedure, \$203 million which they have accounted for in the estimates, none of which has been formally authorized by this House, not one red cent of which has been authorized except the expenditures on interim supply. And that is no authority to borrow money. That is \$203 million. Then the minister comes in and asks not for \$203 million but for \$72 million in addition to the \$203 million for a total of \$274 million. He gives no reason for it. The market may be good.

Sir, I say to the minister that this time next year he will not have borrowed \$275 million on ordinary borrowings. He may have borrowed some money from the Government of Canada with respect to the Lower Churchill Development. He may have borrowed some money from Arabia - who knows? - with respect to the Lower Churchill Development but he will not have borrowed \$275 million on the direct debt of this Province.

So, I am going to ask the minister, Mr. Chairman, if he would -

he cannot amend this bill. Any of us can amend the bill. Any of us can amend the resolution in committee. I will move an amendment. The amendment is that the words two hundred and seventy-five be struck where they appear in the resolution and be replaced with two hundred and five. That is in order, Your Honour, I would think. I cannot move an increase in the expenditure. God knows that would be the furthest thing from my mind, but I will make it two hundred and five. That gives them \$1,808,800 more than they tell us in the estimates they are going to need to spend out of borrowed money this year.

We will make it \$205 million. If the administration are true to the principle which they earlier espoused they will support this amendment, they will accept it, they will make it into law. Then I say to the ministry that if they should be so fortunate as to be able to come back, as to raise this \$205 million which is authorized and then have the offering of additional money, be it \$20 million or \$30 million or \$70 million or \$170 million, then -

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: No. I mean, that is not breaking our - \$205 million, that is only \$1.8 million more than the estimates. I think that is fair enough. We will round it off because nobody is going to offer to lend them \$3,212,000. It will be a \$5 million loan or \$10 million loan. Let us make it \$205 million. Then if the administration should have a windfall, if some rich sheik should ring them up and say, boys, we had a very good year in oil and we have been looking around where we would like to put our money and we have decided we are going to put it into Newfoundland, Would you fellows like to borrow a little? Then in comes the deputy minister or somebody, the minister, carrying these glad tidings, these tidings of great joy. The minister says, by crickety we have used up all our authority. We borrowed the \$205 million the House authorized.

Then I say to the minister, call the House together quickly. We can meet very quickly. We will put a bill through. Let them explain what the money is needed for. I think the minister, Sir, has been less than candid with this House. I wonder if the minister could deal with

the fact -

MR. CHAIRMAN: Order, please!

That a person has been less than candid or that you can expect no candor from the honourable member, again is unparliamentary.

MR. ROBERTS: I am sorry, Sir. I am grateful for Your Honour's ruling and I say what the minister said is not true.

MR. CHAIRMAN: Order, please!

Does the honourable Member from Hermitage have something to contribute here? The citation is in Beauchesne. Any honourable member can see it.

MR. SIMONS: I request the citation, Mr. Chairman. You gave one earlier and I thought perhaps this is the practice. I would like to know where you found it. Less than candid is not parliamentary. Could I have a citation?

MR. CHAIRMAN: Section (155) of Beauchesne.

MR. SIMMONS: Thank you.

MR. ROBERTS: Are we carrying on? I thank Your Honour and what I say is what the minister has said is not true. The minister - somebody wants to object to that?

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: No, I was not sure. You never know whether the Member for St. Georges is objecting or just bringing his usual good humor to bear upon the debate. If he wanted to object, it is only right. The Member for St. Georges has brought his usual good humor and wit to bear. I am sorry?

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: Yes, Sir, I must say, humor like the honourable gentleman's can be wasted just as wit is wasted on him.

Now, Sir, the point to be made is that the minister has made statements which are not true. He has not told us the full reason why the government asked for this extra money. I wonder if the minister could tell us whether the banks have cut down the line of credit of the Province, whether the government are being squeezed somewhat for cash? I wonder if the minister would tell us what the government's rating is in the bond market now, the bonds that we sell? I believe there are two standard rating services. One is called Standard and Poor's and the other is Moody's. What are the ratings of the government's bonds and is this matter under review now? I understand from what I consider to be good authority, but certainly is not the government, that the matter is under review and that the government are apprehensive, that indications have been given that perhaps the Province's bond rating could be reduced. I wonder if the minister could tell us why he is talking of going to the American market now when it is an established fact that the New York market, which after all is the American market for our purposes, has never been in worse shape for

bonds, the bond market in New York. It has never been in worse shape. The interest rates have gone up. Large companies have decided to withhold their approach to the market and here the minister is talking not just of \$200 millions in large part from the United States markets, but an extra \$70 millions in case something should happen.

MR. EVANS: Inaudible.

MR. ROBERTS: The honourable Member from Burgeo and LaPoile, Sir, I hope will enter the debate and give us the benefit of his financial wizardry. As a matter of fact, Sir, I am inclined to believe that it may well have been the Member from Burgeo, I am inclined to believe, Mr. Chairman, it may well have been the Member from Burgeo who drafted this bill and that makes it comprehensible. I could understand that. I could understand that quite clearly.

Now, Sir, the point to be made; quite simply, this is a bill to ask or a resolution to ask for authority to borrow \$275 million. Two hundred and three million dollars of it is accounted for by the estimates and presumably will be approved by the Committee in due course and by the House in due course. Seventy-two million dollars of it is not accounted for at all. It is the largest blank cheque that any government ever asked for in the history of Newfoundland, the largest blank cheque. The only evidence the minister leaves in support of it is the bald statement that the markets may be good. The minister may just jet off to Araby and waltz some sheik around and convince him to lash out \$100 millions or \$200 millions for us. Well, I say, not likely, not likely. Not even the minister's colleagues could achieve that.

So, I move what I think is a perfectly reasonable amendment. We will round it off at \$205 million. That is a little more than the estimates. Estimates are only estimates. If the ministry need more authority than that, then let them come back to the House. Are they afraid of the House? I do not see why. They have a great majority to their backs. Are they afraid of the truth? They should not be.

Are they afraid of exposing why they need this extra money? It is unheard of. We had one mistake. The earlier legislation, honourable gentlemen opposite tell us, and I accept their words, was a mistake. They used to be so vocal about it. Oh, never again will it happen. The House will control borrowing. Earlier this session they forced through legislation to give them an open cheque and now they come back and ask for a blank cheque for \$70 millions, name of the payee to be filled in, name of the drawer, the borrower, us, signed. It is not good enough, Sir. I am surprised at the minister. I know that Cabinet solidarity carried a man a long way, but I am surprised that it carries the minister into such troubled waters. I had expected better of him.

I would ask him as well if he would tell us the true debt of the Province, direct, indirect, guaranteed and crown corporations as of, say, the 31st of March, a current date. I would ask him to indicate what increases we are expecting in our indirect debt this year. This only refers to direct debt, Your Honour. This resolution talks only about a relation to the raising of loans by the Province which means the minister himself signs his John Henry. We are not talking in this about guaranteed debts, debts that may be incurred by corporations, the Hydro Corporation, the Newfoundland Industrial Development Corporation, the Municipal Loan Financing Corporation,

all the debts of the school board for which we are morally responsible even if we are not legally responsible. What do the people of this Province owe? What is it costing us for interest?

In 1971-1972 the main estimate for debt servicing charges was \$34 million. Call it \$35 million. It was \$34,503,000. In 1975-1976, the debt service charges, the interest included, \$82 million which includes, I may add a repayment, probably the first repayment of the loan on the first refinery, the one that the honourable gentleman thought would never pay off. I understand in the estimates there is \$6 million marked as coming back now from first payment on that debt, the debt of the \$30 million that the government loaned the first refinery, the loan that made it possible.

So, here we are, \$82 million, or really call it \$88 million if you did not count in that payment back from the first refinery, from the refinery now at - probably the only refinery the way this honourable crowd are going at it. The annual increase is staggering. The debt service charges are more than double what they were in the Liberal years. What has the government to show for it? Now, the minister comes in and asks for a blank check, Sir. He has no right to that. Every member of this House will oppose him if that member has a tender concern for control by the public, by the House, by the elected representatives of the people of the debt of this Province. The minister, Sir, should not have his blank check for \$72 million. He does not need it. He does not require it. It could be hurtful to this Province. I, for one, shall oppose it, Sir.

I posed a few questions. The Minister of Fisheries who knows it all, I hope, will come into the debate and will tell us all about it. I shall listen attentively to what he has to say. I hope he will deal with the facts and not his usual performance of tirade and invective. But, let him deal with the facts. If he wants to be tiradical and invectful, let him be and then perhaps in due course he will let the Minister of Finance get a few humble words in.

I wish the honourable Minister of Fisheries would let some

of his colleagues speak. He is beginning in our minds to raise a doubt that his colleagues do not know what they are talking about. That is why the Minister of Fisheries, who does know what he is talking about, has to leap into the debate. So, I will now ask the - I am quite willing - I have made my point. I will now ask the honourable gentleman to say whatever he wishes to say, and I will listen with great care and then perhaps a few other honourable members will jump in. But, I say again, the Minister of Finance should not have that blank check. He has made no case for it. It is a frightful thing, it is a monstrous thing for which he is asking. I shall oppose it, Sir.

AN HONOURABLE MEMBER: Crosbie, the comedian.

MR. CROSBIE: Mr. Chairman, I have seldom - I do not know if I ever before heard a speech in this House that was a more calculated attempt to injure the Province than what we just heard. Some of the remarks that were made by the honourable gentleman opposite - I am surprised, really I am dumbfounded at the position he has taken. Now, Mr. Chairman, no one is asking the House here for a blank check. It ill behooves the honourable gentleman to even bring that point up because under the last administration one did not have to ask for a check at all, blank or otherwise because the government did not have to ask the House of Assembly at all for any permission to borrow at all.

The reason, Mr. Chairman, why this bill is before honourable members of this House is because the Financial Administration Act was amended at the request of the present government so that the House has to be asked permission for the government to borrow any money whatsoever.

Now, last year a bill was passed authorizing the government to borrow a certain amount of money. This bill terminates last year's piece of legislation and asks the House to renew that mandate again, and it asks the House to give the government authority to borrow \$275 million. We could ask for authority to borrow \$250 million or \$225 million or \$203 million or whatever amount. We ask the House to authorize what we think is the best for the Province and the government to have authorized. That amount is

\$275 million. There is a vast difference, Mr. Chairman, between being authorized to borrow money and actually borrowing it. That amount of money might be borrowed if the House passes this legislation in the next twelve months or it might not be borrowed. There might be \$150 million of it borrowed or \$200 million of it borrowed or there might not be. You might find you can get along with less money, all depending on your cash flow position. Or the government might find, Mr. Chairman, that the financial markets are such that it is to our advantage to take up the whole amount of \$275 million before the next session of the House next March or April or May. So what we are asking the House to do is give us authority to borrow \$275 million. The Minister of Finance may borrow that in the next twelve months or he might not. But if he has not got this authority he cannot borrow it. Why do we ask for authority to borrow more than \$203 million? For the simple reason, Mr. Chairman, that if this Province is to have the kinds of facilities that the people want, and if we are to spend money on social and economic and other services, that involves the Province in spending more than the revenue it takes in. Then the Province has got to borrow money, and the Province has been doing that now for the last twenty-three years and still has to continue to do it or we will have no roads programme and we will have no hospital construction programme and we will have no industrial development assistance to anyone, or we will have no money to spend on our share of marine service centres or community stages or other facilities. That is why we have to ask the House for consent to borrow this money.

Now up to two years ago, Mr. Chairman, the government of the day did not have to ask the House to authorize any borrowing. That government could go out and try to borrow \$1 billion or \$500 million or \$100 million or \$50 million and never had to ask the House for its consent at all. We had to ask the House for consent.

Now if members of the House have no confidence in the government

being able to exercise this authority it asks for, well it is their right and privilege to vote against the bill because, of course, no one expects that the Opposition, you know, are going to trust the government to do anything. But if the Minister of Finance and the government is to carry out the programme that is being set out in the Budget Speech and in the estimates before the House, we have to have authority to borrow. And if, Mr. Speaker, and if an opportunity arises, and it can arise in a few days, you might get an opportunity to borrow on several markets and we have not got the necessary authority because we did not have the limits set high enough, this Province could lose an opportunity to borrow money very, very easily. You have to be as flexible as you can. That is why we ask for \$275 million, which may or may not be borrowed.

The amount authorized last year has not all been borrowed, Mr. Chairman. The amount that was authorized on the loan bill last year has not all been borrowed. There would still be a bit left under that, but that is being repealed. The government cannot spend any money not authorized by the House of Assembly. The House has to authorize it, if not in the estimates, in supplementary supply. If \$275 million was borrowed tomorrow it could not be spent without the authority of the House, either post or ex facto. So there is nothing sinister being attempted.

But what really amazed me, Mr. Chairman, was to hear the Leader of the Opposition - and his statement will be reported, and his statements will probably, if reported, be picked up on the financial wires and so on - make statements like this, that the Province is in trouble in the bond markets and there is not a word of truth in that, not a syllable of truth, but the fact that the Leader of the Opposition says the Province is in trouble in the financial markets is going to commence trouble in the financial markets because people are going to see that reported on the wire and say, what is this, the Province of Newfoundland is in trouble in the financial markets! Who knows what

harm that will do us?

I mean that is the most irresponsible statement ever made in this House. A Province that has to borrow as we have \$203 million to carry on this programme and for the Lower Churchill and the rest of the things that we hope to have go ahead in the Province, to have the Leader of the Opposition, who is supposed to be responsible, get up and make a statement like that on which he does not back the statement up at all! He does not back it up. He cannot back it up. The Province is not in any trouble in the bond markets. The Province has been successful in raising the money it needed last year and there is no reason to think we will not be this year, unless this kind of thing is kept up.

I mean, why would the Leader of the Opposition make a statement like that? If it was true you would think that he would come to the government first and say, Premier or Minister of Finance, I hear you are in trouble in the bond markets, would you tell me whether that is true or not?

Is it true you are in trouble? Perhaps I can be of some help. I do not want to see the Province go down the spout. Is there anything we can do to help? That is the kind of tactic that the Leader of the Opposition you would expect should adopt. Not to get up in the House without saying one word or making one suggestion to the Premier or the Minister of Finance or anyone on this side, not asking and checking, is the Province in any trouble in the bond markets? To get up and make a statement like that. That is calculated to do injury to this Province.

MR. ROBERTS: Your Honour -

MR. CROSBIE: Well, all right, not deliberately. The effect of it is, if not deliberately - the honourable gentleman presumably is not being deliberate - the effect of that statement is and could cause us trouble. And then there were other statements made -

MR. SIMMONS: Point of order, Mr. Chairman.

AN HON. MEMBER: (Inaudible)

MR. SIMMONS: The minister may talk -

MR. CROSBIE: Send a messenger boy in.

MR. SIMMONS: I got lots of time, teddy bear.

Mr. Chairman, while the minister can talk, he has twice in the last few minutes said that the Leader of the Opposition had done something which was calculated. Now calculation is a pretty deliberate thing. And he is saying, Mr. Chairman, as far as I hear, that the Leader of the Opposition got up and made a calculated attempt to do certain things. Now this is assigning motives to him. It is unparliamentary, and I request that he be instructed to withdraw that comment without any qualification, the charge that it has been calculated. That he should withdraw that without qualification.

MR. CROSBIE: Mr. Chairman, the honourable gentleman is not listening too closely, I guess. I said whether or not it was calculated, and I will accept the Leader of the Opposition's statement that it is not. If he makes such a statement the effect of such a statement will damage this Province, and there is no other effect it can have. And

if the Leader of the Opposition generally thought that -

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: - I am giving my opinion. I am speaking for myself - generally thought that the Province was in financial trouble like that he should make inquiries from the government first and not make a statement like that. Now that was one statement that the effect of which will be harmful. There is no question about that. Then he suggested that there was some trouble with our bond rating. The bond rating of the Province, Mr. Chairman, has not changed. It is BAA where it is rated down in the United States of America, and it is still there. And about a year ago we tried to encourage the financial agencies to upgrade our ratings, and they were consulted, and they studied the problems. They were down here and visited, and they were visited in New York and our rating has remained the same. In one particular case, I think, it was improved. But it is still not A. And the reason, I think this was discussed in the House last year, the reason we do not have an A rating is they feel that the Province has not got a sufficient industrial base yet, but that we got the potential. And that is why we have a BAA rating. And there is not one suggestion in this world that our rating is going to be touched or reduced or anything else by the rating agencies in the United States of America. And for the honourable gentleman just to come up out of the air - the honourable gentleman never asked the government privately, is it true that your ratings are under review? - I mean if these statements are accepted as fact by anyone, it would be of absolutely incalculable trouble to this Province.

MR. ROBERTS: But they are under review.

MR. CROSBIE: They are not under review any more than ratings would be under review or constantly under review by the rating agencies. There is no special review going on. They were reviewed about a year ago at our request.

MR. ROBERTS: They are under review now.

MR. CROSBIE: Every rating in the country is under review constantly. That is the business of the rating agencies.

MR. ROBERTS: (Inaudible).

MR. CROSBIE: Moodys and the rest of them. That was another statement, calculated or not, which can do a lot of harm. For the Leader of the Opposition to suggest that the banks are cutting down the credit when the opposite is exactly true, as the Minister of Finance, I guess, will say when he gets up, the bank is about to double our line of credit because of the cash flow we are going to need for this year. We have not had one minute's trouble with the bank or banks since this administration has been in office. And whatever credits the Province has asked for have been gladly supplied by the Bank of Montreal and other banks, including the Bank of Nova Scotia. So that is completely false. The bank is not cutting down on our line of credit. As a matter of fact at the request of the Province it is doubling the line of credit because of the fact that we need more cash flow this year and so on and so forth, whatever those reasons are. So that statement is completely incorrect.

MR. ROBERTS: (Inaudible).

MR. CROSBIE: Well, it was not put - if it were put as a question, well then, you know, even asking the question publicly suggests that this might be so.

MR. ROBERTS: Oh!

MR. CROSBIE: As I pointed out, Mr. Chairman, anybody not wanting to harm -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: You know, if you are wanting to assist the Province you would not ask those questions -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: publicly without first checking.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Then the honourable gentleman suggested that the U.S. Bond Market was never in worse shape. That is not correct. That is not true. That is not so.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: It is not true.

AN HON. MEMBER: It is true.

MR. CROSBIE: To say that it was never in worse shape. It has been in worse shape on many occasions in the past.

AN HON. MEMBER: DREE.

MR. CROSBIE: The market changes from day to day and from week to week. To say it was never in worse shape is not correct. The U.S. Bond Market, they just did a tremendous amount of corporate refinancing down there. And at the present time, as I understand it, because the United States Government has a lot of borrowing to do the market is weakened down there. That is not to say that we cannot borrow down there.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: I would say when the interest adjustment, and when the interest tax went on down there they are taxed.

MR. ROBERTS: Inaudible.

MR. CROSBIE: Yes.

MR. ROBERTS: Inaudible.

MR. CROSBIE: It was far worse.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: That was far worse.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: The honourable gentleman asked the question, what do the people of the Province owe? That is explained in the most recent budget speech that covers all our situation as of March 31, 1975 direct and indirect. It is all set out in the budget speech. It is all set out in the budget document. The people of the Province know what they owe. The amount of interest to be paid is shown in the estimates of the Department of Finance. And if you are going to borrow every year, Mr. Chairman, you certainly got to pay your interest or nobody is going to lend you the money. So what is it all about? What is all this fuss the Leader of the Opposition is getting on with?

AN HON. MEMBER: Inaudible.

MR. CROSBIE: There is only one real issue that he is putting forward and I do not know why he went into these other matters or tried to get on like that. And that is that the government are asking for more money than we now - for the right to borrow more money than it appears at present we will need to borrow this year. And it is asking for that authority so that we can act quickly if any opportunities come up and we have reached the limit, to give the government some flexibility, direct borrowing of the Province. And when the honourable gentleman says that this is the largest blank cheque ever asked for in Newfoundland that is just so far from the truth, that it is so remote from the truth that how he could say it with a straight face without collapsing in a laughing fit is beyond me. Because the biggest blank cheque the government ever had was the period when they never had to ask the House of Assembly to approve borrowing at all. And that was the position for five years, five years.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: He did not have to come to this House.

MR. CHAIRMAN: In a couple of cases this afternoon honourable members have played with the truth. The word "true" and so on, true, not true etc. And the honourable minister's statement that the Leader of the Opposition could barely restrain his laughter would imply to the Chair that there is an allegation that he was saying something which was not true to the knowledge of the honourable member and think that that would

be unparliamentary.

SOME HON. MEMBER: Inaudible.

MR. CROSBIE: All I said, Mr. Chairman, that I wondered how he could restrain laughter.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: You know, if it is unparliamentary, whatever you say is all right with me. I agree.

So, Mr. Chairman, I am surprised, amazed at some of these statements of the Leader of the Opposition. The members of the House of Assembly - the House of Assembly simply had to decide, do they want to give the government the right to borrow what we requested? Or do they want to reduce it as the honourable member suggested by \$70 million or whatever his amendment is?

AN HON. MEMBER: Inaudible.

MR. CROSBIE: We feel, the government feels that we need this authority in the best interest of the people of Newfoundland for us to have it, for us to have this flexibility. And whether or not this will be borrowed will be known from time to time, It will be reported on at the next session. Under the terms of the act we have to report what borrowings are done. There is nothing sinister or harmful about it. And we therefore ask the members of the House of Assembly to approve the resolution as it stands before the House.

MR. CHAIRMAN: The Hon. Member for Bell Island.

MR. NEARY: Mr. Chairman, I support the amendment, Sir, made by my colleague the Leader of the Opposition that the amount of \$275 million be reduced to \$205 million.

AN HON. MEMBER: Inaudible.

MR. NEARY: No, \$205 million, The Leader of the Opposition wanted to round out the figures.

Now, Sir, honourable members will remember that on March 12, 1975 less than one month ago the Minister of Finance came into this House and told us that the required

borrowing for the government for the fiscal year ended the end of March, 1976 would be \$203 million less than one month ago. Now, why the sudden change of heart, Sir? Why did they suddenly change their minds? Was it a miscalculation? Did somebody make a mistake down in the minister's office? Did some of these B.Comm.'s underestimate the amount that the government needed to carry them over for this fiscal year? Why did they have to ask for an extra \$75 million.

Now, the minister has given us a feeble excuse for asking for a blank check to borrow an extra \$75 million. But, Sir, I am afraid, like the Leader of the Opposition, that we would want to be awfully naive and stund and gullible on this side of the House to accept that explanation, because I do not think that is the real explanation, Mr. Chairman.

The Minister of Fisheries tried to smooth the whole thing over by saying that all the government, the administration, needs is \$275 million to carry on the public services and to meet all the demands that are being made on government by the people. If the people are going to get these services, we need the money. Nobody is challenging that, Mr. Chairman. Nobody challenged that. But, when they came into this honourable House less than one month ago they asked for \$203 million to meet all these demands and to carry on all these services. So, the Minister of Fisheries on that point was completely irrelevant. We were not challenging the fact that the administration - my colleague, the Leader of the Opposition was not challenging the Minister of Finance on the point that they should have this \$203 million to meet the demands that are being placed on government by the people and to provide the services, the essential services. That was not challenged.

Yet the Minister of Fisheries made a big fuss about it and a big issue out of it, leaving the impression that if the government did not get this \$275 million that the people would not get the services, the people's demands would not be met. Well, we were told only less than a month ago that all the government needed was \$203 million to meet all this year's commitments and do the same job that they were expected to do in this fiscal year. Now the minister wants an extra \$75 million.

What for? Is he going to put it in the bank? Going to collect the interest on it? There is no guarantee that the minister can get it.

As my colleague pointed out, Sir, if they did need an extra \$75 million within a matter of a few hours, Mr. Chairman, this House could be brought together. Most of the members of this honourable House, Sir, live within almost walking distance of Confederation Building. Certainly if the market changed, if the market improved, and the minister wanted to go and borrow the \$75 million, within a matter of hours, Sir, the House could be called together and certainly the marketing conditions are not going to change that quickly although the reports from the New York stock exchange last week were pretty grim. We were told that the bottom had fallen almost completely out of the bond market in New York five days in a row, five days, Sir. The situation was deteriorating and getting worse.

The Minister of Fisheries this morning passed the remark to my colleague, the Member for Fogo and myself when we were talking about this bill that the bond market was never worse.

AN HONOURABLE MEMBER: Who said that?

MR. NEARY: The Minister of Fisheries standing right here this morning.

MR. ROBERTS: He said one thing here and one thing there a few minutes ago.

MR. NEARY: Because I passed the remark to him. I said, did you hear about the bond market in the United States, in New York. He said, yes. He said, it is pretty bad. The situation is pretty bad.

Well, Sir, if it is pretty bad they will have a difficult enough time borrowing the \$203 million, will they not? let alone giving them a blank check to go off and borrow another \$75 million. Mr. Chairman, it is hard to take. It is hard for a fellow like myself who has been in this House for so long, it is hard for me to take, Sir, the arguments of the Minister of Fisheries who when on this side of the House, Sir, heading up the Liberal Reform Group,

scourged Joey Smallwood and the previous Liberal Administration, accused the Liberal Administration of bringing the Province to the brink of bankruptcy, she is going belly up.

AN HON. MEMBER: Discrediting the Province.

MR. NEARY: You know, Mr. Chairman, the questions that my colleague, the Leader of the Opposition, put to the Minister of Finance today were very mild, very, very mild, Sir. If you want to go back in Hansard and find out what the Minister of Fisheries said when he was over here, the attacks that were made on Mr. Smallwood and the previous administration about government going out with a blank cheque to borrow without authorization from this honourable House.

MR. CROSBIE: The first time you mentioned Mr. Smallwood in months, what is going on?

MR. NEARY: It was absolutely fantastic, Sir, the vicious onslaught, the broadsides, the attacks that were made by the Minister of Fisheries who just stood there, now completely reversed his thinking, now over on the government side trying to defend his policy of lifting the responsibility for borrowing out of the hands of the elected representatives of the people. It is incredible. You know if you did not hear it you would not believe it. You talk about hypocrisy, Sir, hypocrisy of the worst kind.

MR. CHAIRMAN: Order, please! It appears that this section (155) is going to be used a fair amount in this debate. Most editions of Beauchesne fall open naturally to page 130 and 131 which deals with unparliamentary remarks and unparliamentary phrases. Hypocrisy, hypocrites and words of that type fall within the general prohibition of unparliamentary remarks. Maybe the honourable member might proceed in more temperate language.

MR. NEARY: Well, Mr. Chairman, it is inconsistent, to say the least, and shows the insincerity, Sir, the insincerity on the part of people who would make such statements.

Mr. Chairman, I know there are honourable members sitting on the

government benches who did not sit in this honourable House in those days who think that this is the first time that this matter has been debated in this honourable House. Well, I can tell him it is not the first time and it probably will not be the last, but it is certainly not the first, nor the second or third or the fourth or fifth. It was raised time and time and time and time again by the Minister of Fisheries when he stood over here leading the Liberal Reform Group. Tore the government to shreds, crucified Mr. Smallwood and the administration for going out and borrowing, and that is why that honourable crowd are where they are today, Sir, that was part of the con job, the snow job that was done on the Newfoundland people, borrowing without the approval of the Legislature.

Now we find the Minister of Fisheries playing the very peculiar and strange role of defending that policy. Now it is good. Now it is all right to do it. You know, Mr. Chairman, I will tell you something else, I will tell you something else, Sir, that the Minister of Fisheries was in the administration that brought the bill into this House, Sir, to lift the borrowing out of the hands of the House of Assembly.

MR. ROBERTS: So was the Minister of Finance, as he now is.

MR. NEARY: So was the Minister of Finance in that administration. I do not know but the Minister of Justice was also a member of that administration and then came over here and said, no, put the borrowing back in the hands of the people.

MR. BARRY: That is where it is now.

MR. NEARY: No, it is not now, Sir.

MR. ROBERTS: Until this bill goes through -

MR. NEARY: Once this bill goes through that is -

MR. ROBERTS: That is the end of it.

MR. NEARY: That is the end of it, that is the end of it. So the minister has now made the complete circle, he is right back now where he started. Sir, I am not going to vote to allow the Minister of Finance to go out and borrow another \$75 million unless the minister is prepared to stand in

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his place in this honourable House man fashion and tell us what that money is going to be used for. I do not accept the fact that the market conditions, the bond market is going to improve so greatly over the next few months and so suddenly and so swiftly that the minister can go out and borrow \$75 million and put it in the bank. How naive

and stund and gullible does the minister think I am or we are on this side of the House?

MR. ROBERTS: The minister may tell you he believes that.

MR. NEARY: The minister may believe it, but he may be the only one because I am sure the people of this Province will not believe it. Let the minister stand up man fashion and tell us, tell the House and tell the people why the government needs that extra \$75 million. Is it to take care of the demands that are being made by the various groups that are negotiating with the government? Is it to meet some of the debt of the Province? Are any of the bonds being recalled? Is our credit deteriorating, as the Leader of the Opposition asked?

I, Mr. Chairman, do not know. I certainly would not want to be accused of doing anything to discredit the credit of this poor old Province, but, Sir, last year and earlier this year there were reports that the government were in trouble in the international and the national financial world, especially in the international financial world. These reports did not come from any ordinary person on the street. They came from a very reliable source.

AN HONOURABLE MEMBER: Your broker.

MR. NEARY: Not my broker, Sir, but I have some good contacts too, as well as the Minister of Industrial Development.

AN HONOURABLE MEMBER: John C. Doyle.

MR. NEARY: Well, Mr. Doyle knows more about the bond market than half the crowd on that side of the House put together, all of them put together.

MR. ROBERTS: He does not know more than the junior Member for Harbour Main.

MR. NEARY: No, the junior Member for Harbour Main learned it down in Duff's Supermarket with his arms down to his elbows in a bucket of beef, pickle, "Old Pickle Barrel". But, Sir, this is a very, very serious matter, a very serious matter and the Minister of Finance owes the House an explanation. Otherwise, Sir, members, especially the Member for St. John's South and St. John's North and St. John's East who by some accident are not in their honourable seats in this House today, Sir - maybe they knew this bill was coming in and they do not agree with it and they do not want to fall out with the administration and get rapped on the knuckles

again as they did at their last caucus meeting and were silenced.

The Member for Bonavista South, the freedom fighter, has been silenced. He is only allowed to attack Ottawa now, trying to buck his way into the cabinet, brown - no, you cannot say brown-nosed, I suppose, can you, Sir? No.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, well, I will not say it, Sir, if you are not allowed to say it. The honourable member is obviously doing everything he can to get into the cabinet. He will not get up and criticize this although maybe in his heart he does not agree with it.

There are a number of honourable members on the government benches who do not agree, do not subscribe to this principle. I would say, Sir, that this is a very, very dangerous thing that the minister is asking for, a very dangerous precedent. We should not allow it. If we are truly representatives of the people of this Province we would not allow it to happen. Why did they get this figure of \$72 million, an extra \$72 million? What did they do? Did they pluck the figure out of the air? Did they put a bunch of numbers in a hat and just draw out a number? Did they spin a wheel and say \$72 million? Did they play bingo, get numbers called out? How did they arrive at this figure, Sir? There must be some reason for it, some justification for it? Why not \$20 million, \$30 million, \$50 million? Why \$72 million? Why so definite? Why can the minister be so definite and say, we need an extra \$72 million? It looks awfully suspicious to me, Sir, and I am not prepared to vote for it unless the minister can get up and sell the House on the idea that this is a good move, that it is in the best interests of the Province.

The bond market is not going to change that quickly, Sir. If the minister wants an extra \$72 million or \$75 million, the minister knows that all he has to do is hoist the flag on Confederation Building and over night we can have the House back in session. The bond market is not going to change that quick. If they offer \$75 million to the Province today, it will be there tomorrow. It will probably be there the next day at the same interest rate. It is not going to change that fast. When they say, here, grab it, you do not have to grab it right away.

You got a few hours to think about it. It would be an awful way to do business if you did not. So I would like for the Minister of Finance to level with this honourable House. Tell us what is behind this. What is this \$72 million going to be used for? Is it going to be spent in this fiscal year? Is it going to be held in reserve? I know I heard the minister say, well it may not be borrowed at all. Well, maybe not. I have very grave doubts about that.

We are going to have an election this year, Sir. If we are going to have an election, and I have the strangest feeling we are -

AN HON. MEMBER: Joey is announcing his candidacy.

MR. NEARY: Maybe \$72 million will only be peanuts to what they will lash out. Maybe this is what they need it for, Mr. Chairman. Maybe. Maybe it is a slush fund.

MR. MORGAN: Slush fund?

MR. NEARY: Yes, it could be a slush fund.

MR. DOODY: Inaudible.

MR. NEARY: Yes, I guarantee you. I remember the minister making a statement to me, all he needed was one term, Sir, one term is all he needed. That is all he will get anyway, one term.

MR. DOODY: That is yet to be seen, my son.

MR. ROBERTS: "Doody" dood it. "Doody" did it.

MR. NEARY: But, Sir, this explanation by the minister is not good enough. It is not good enough. The House deserves, Sir, better than that. The House deserves a full explanation of what this money is going to be used for. And we are not challenging the fact that the \$203 million is needed to provide essential services. We are not arguing about that. Nobody mentioned it except the Minister of Fisheries when he stood in his place and tried to drag in a red herring into the debate. It is a very, very serious matter, Sir, a very serious matter. I would like for the Minister of Finance to tell us the real reason why this \$72 million is so necessary, why the minister thinks we could not get the House together rather quickly. I say we can. I have not heard anybody on so far that has taken

part in this debate, and there has only been two on the government benches, say that we could not get the House together overnight. Unless they are all going to be scattered around the Province campaigning. The ministers will not be in their offices in Confederation Building.

All you need is fourteen members of this honourable House to make a quorum. You could send out the word at midnight tonight, Sir, and at eight o'clock tomorrow morning this House could be in session. I do not know but you could send out the word tonight at twelve o'clock and at two o'clock you could have the House in session. They got the Churchill Falls jet and they got the King Air and they got the helicopters. They can dispatch them all over the Province and collect the members and the ministers and bring them in. This is too important a matter, Sir, for the minister just to brush aside and say, oh, we need an extra \$72 million now because the bond markets may improve and we want to jump quick. We want in there boots and all and grab that \$72 million, as fast as we can. Sir, that to me seems to be a very, very weak reason for giving the minister a blank cheque to get this \$72 million and I am not in favour of it and I am going to vote for the amendment that was made by my colleague, the Leader of the Opposition.

MR. CHAIRMAN: The Minister of Finance.

MR. ROBERTS: Your Honour, a point of order, That is not closing the debate, is it? Okay. Are you going to rise at six?

MR. EARLE: Well, Mr. Chairman, it is difficult in probably the quarter of an hour left before six to try to answer some of the completely irrational and ridiculous statements which have been made from the other side. I do not, as Minister of Finance, resent irrational and ridiculous statement. In fact I have come to expect nothing else from the members on the other side. But when one has to listen to the fact that this government through asking the House to authorize \$275 million is now asking for a blank cheque is so utterly ridiculous and foolish that it staggers the imagination. The very fact that I am bringing in this bill today to ask the authority of the House to borrow anything at all,

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whether it is \$100 million or \$75 million or \$275 million, is a fact that we are asking for the control of this House over our borrowing .

Now the case in point is

that it happens to be \$75 million approximately over what is stated in the budget. I have tried to give the honourable members on the other side of the House the reason for this, but apparently they will not listen to the real reason for it. I stated already previously when I stood up that in the current year there were \$65 million approximately left over which was not borrowed and it could well be that in the next year, at this time, there might be \$65 million or \$100 million or \$150 million not borrowed, but the authority, if this bill is passed, would be there to borrow it if we need it.

The honourable gentlemen on the other side have made statements about the market, how bad it is and all this sort of thing. In my opinion, it is a great indicator of the faith which our financial advisors have in this Province that they advise us to go to the market at all under these conditions. Here we are; I have before me here the latest prospectus which have gone out dated March 26. This is headed by our chief financial advisors in the States, the head of our syndicate, Merrill Lynch, Pierce, Fenner and Smith together with Burns Brothers and Timmins and Greenshields and Company Incorporated. Now, these names are not unknown in the financial world. Merrill Lynch is about the largest in the business in the whole world, internationally and otherwise, in the States certainly, but I think completely in the whole world they are probably the largest dealers in bonds in the whole world. These are the people from which we get advice as to when and how we should approach the market and it is from people such as this that we get our advice to go to the market. They have been telling us recently, in spite of the reports in the press and everywhere else that the market is weak at the present time, that it is an opportune time for us to go to market.

It therefore indicates that they feel that the market must have a great deal of faith in Newfoundland. I wish that some of the members on the other side would sit in my chair for a time as temporary residents to see the number of people that we have coming in to us from various bond houses in Canada, in the United States and in Europe, anxious to

handle Newfoundland bonds and anxious to promote the sale of them. There certainly is a steady throng of these people coming through and there is no indication on anybody's part that there is a lack of faith in the ability of this Province to meet its obligations. Otherwise, why would they go to the expense and trouble of coming here to try to sell us their services.

The most dastardly part of the remarks from the Opposition, and this I can hardly credit from a bunch of intelligent men, is to throw out a hint, innuendo and double meaning remarks that the credit of this Province is in jeopardy. Of course the credit rating of the Province is under examination. It is under examination -

MR. SIMMONS: On a point of order, Mr. Chairman. On a point of order, Mr. Chairman. As I understand it, we are supposed to be addressing ourselves to the amendment now, the business of the question of whether the amount ought to be reduced from \$275 million to \$205 million. I would suggest, Mr. Chairman, that the minister's comments are irrelevant.

MR. EARLE: That is no point of order, Mr. Chairman.

MR. SIMMONS: Mr. Chairman, I am still speaking to the point of order. I would suggest that the only question is the advisability of cutting back the amount from \$275 million to \$205 million, and I believe the minister ought to address himself to the need for \$275 million as opposed to \$205 million in his view. I say he is being very irrelevant right now to the amendment.

MR. CROSBIE: Mr. Chairman, the honourable gentleman is becoming quite an expert on parliamentary procedures. We can see that. The honourable Minister of Finance is explaining why \$275 million is needed rather than \$205 million. He is speaking against the amendment and surely he can present the reasons why we do not want any change in the bill. That is what the amendment is all about. The Opposition wants it reduced and we want it to stay the same.

MR. CHAIRMAN: Order, please! Well, the debate on an amendment such as this has to be wide ranging and it is rather difficult for

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any honourable member to prescribe the rules of debate that are going to accompany discussion of this type of amendment. I see nothing irrelevant in the remarks of the honourable minister and he is directing himself directly to the question.

MR. EARLE: Thank you, Mr. Chairman. I was just saying at that time that of course the rating of the Province is under examination. It is under the examination practically every day for the twelve months of the year.

The rating people, Moodys and Poors and these people, look at us constantly and it is a regular routine drill that when we put a bond issue on the market and issue a prospectus our people, our agents in New York and in the bond markets, they clear this. They go to the Moody and Poor and these fellows and show us their prospectus and get their opinion on it. Therefore, if there is any comment, it would come immediately. But, it is dastardly, it is a terrific disservice to the Province to suggest by statements of this sort that we are in trouble. We are not in trouble. We are not in any way in trouble. The former Minister of Finance already cleared the point for me.

An even worse statement than that for anybody to make is that our local line of credit with the banks and so on was in jeopardy or was in the process of being reduced. That is not so. As a matter of fact, it is about to be doubled. There is no resistance whatsoever from the local banks. In fact, I think the gentlemen on the other side need a lesson in financing, because this whole thing is so completely crazy they are not even understanding it. The reasons we go for a greater line of credit for this year is that the short term money markets, the interest rates, have been quite low and it is sometimes a great advantage to us to borrow to the limit at short term interest rates rather than go immediately to a bond market. We might be able to borrow for the time being at six or seven per cent where we might have to pay nine-and-a-half or ten per cent interest on long term bonds. This is being weighed in the balance all the time, back and forth, according to our immediate needs.

Therefore what this whole thing says in effect is that in the present difficult money markets there is the greatest need of flexibility. As I said earlier we may very well borrow \$275 million, and we may not borrow \$275 million. But, as has happened in the past year, we may very well find ourselves at the end of the year in need of a quick decision to borrow that money. Now it is all very well to talk about calling the House together. I could have come to the House a week or so ago when we saw the situation and said, okay, we are now about to approach a couple of markets. We have not got sufficient margin there.

So, why does the House not authorize another \$150 million temporarily, or something of that sort.

Well, knowing that the estimates were before the House and that our expenditures for the coming year were being shown to the House, it was the essence of nonsense to take the trouble to come to the House with a temporary bill of this nature when within a matter of a few weeks we would be coming for the complete amount. This is pure waste of time because the fact is that whether we borrow the \$275 million or not that has nothing whatever to do with the expenditure of that \$275 million. Expenditures of the House are authorized by the House.

I think the record of this government's expenditures over and above the authorized amount through special warrant has been somewhat that bears very close scrutiny as compared with the previous government. Our needs have only been for real and genuine emergencies and have been in very modest amounts compared to the total budget, and it is most unlikely that sums of money of this sort will be spent. But we must, we have to have the flexibility in case the need is there. I do not know. The honourable members on the other side speak about the present conditions of the market. The market is fluctuating almost week by week.

I could not tell whether it will be easier or more difficult in six weeks or six months time to borrow money. I do not know. We can only take the advice of our financial advisors as we go along. All I can say is that the best advice we have from some of the largest people in the world at the present time is to go to the market. Now, if we find when we go to the market and we launch a bond issue that the interest rates are exorbitant - this is the key factor which governs our borrowing - if we find that to go to the market, the interest rates for which we can float a loan are completely exorbitant, we will withdraw. We would not float the issue.

But, all things being equal and interest rates being right, and this is the type of advice that we are getting we will go to the market. An indication of the credit of the Province, I think, was very

clearly demonstrated early this winter when we went to the Canadian market on one of the largest issues, I think the largest issue we ever had in Canada. That went completely in one morning. It did not take a full day to float that bond issue. That was a pretty clear indication that people are anxious to buy Newfoundland bonds.

On top of that, I repeat that we have a steady stream of people coming to us asking if they can dispose of our bonds and handle them.

I have had people from all over the world in the last month or two.

AN HON. MEMBER: Inaudible.

MR. EARLE: I have had them from all over the place, from Europe and everywhere else suggesting various ways that we can raise money.

AN HON. MEMBER: Inaudible.

MR. EARLE: But we have what we think are the most reputable and best constituted syndicate of advisers that we can possibly get in Canada and in the United States. And I am afraid, Mr. Chairman, that when it comes to money matters and going to the market, the right time to go and want to borrow, that I would take their advice over and above anything that any member of the Opposition can suggest. It goes without saying that the whole thing is so ridiculous to raise this question. I thought this would go through without any comment whatever because all we are doing in asking for this bill to be passed is to ask for the controls of the House of Assembly on our borrowing to the extent of \$275 million.

AN HON. MEMBER: Inaudible.

MR. EARLE: That is what I am asking for and that is what I am suggesting we go for.

MR. NEARY: Mr. Chairman -

AN HON. MEMBER: Mr. Chairman -

MR. NEARY: Mr. Chairman, I had Your Honour's attention.

MR. CHAIRMAN: The Member for Bell Island.

MR. NEARY: Does the Minister want to adjourn the House or what?

AN HON. MEMBER: Inaudible.

MR. NEARY: Well, I will move the adjournment of the debate.

HON. MEMBERS: Inaudible.

MR. CHAIRMAN: It is noted that the Honourable Member for Bell Island adjourned the debate.

AN HON. MEMBER: The Committee, Mr. Chairman.

MR. CHAIRMAN: The member had the floor.

AN HON. MEMBER: Inaudible.

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

MR. CHAIRMAN (STAGG): Mr. Speaker, the Committee of Supply have considered the matters to them referred and have directed me to report progress and ask leave to sit again.

On motion report received and adopted, Committee ordered to sit again on tomorrow.

MR. CROSBIE: I move that the remaining Orders of the Day do stand deferred and that the House at its rising do adjourn until tomorrow, Tuesday, April 8, at 3:00 P.M.

On motion the House at its rising adjourned until tomorrow, Tuesday, April 8, at 3:00 P.M.

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