

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD:  
2:00 p.m. - 6:00 p.m.  
MONDAY, APRIL 3, 1978

The House met at 2:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

PRESENTING PETITIONS:

MR. SPEAKER: The hon. member for Fogo.

CAPTAIN WINSOR: I beg to present a petition, signed by sixty-seven voters of Frederickton, in Fogo district. And the prayer of the petition is, "We, the undersigned people of Frederickton, do strongly protest the stand the government has taken regarding the registration of these small, one and two men cabins that are built and will be built in the interior and along the coast which cost a large sum of money to register. These cabins are the means of providing men to earn their livelihood."

I get the gist of the petition, Mr. Speaker, and in supporting it I can understand the concern of a great number of people, not only in Fogo district but in other districts in the Province.

Now to register a number of these cabins, and I think the minister pointed out when I directed a question to him some time ago, whether the new regulations were involved, the cabins which fishermen use for fishing purposes. For, as an example, fishermen can have a cabin on an island outside of their community for lobster fishing where they would have to stay overnight and then when the lobster fishing season is over of course they move on to where they occupy the codfishery. And of course they also have small cabins there.

But the minister I think pointed out that the new regulation did not apply to those such cabins, so we take his word for it. But the cabins that are built or constructed or just put there—I do not think they grow there—but certainly it does not take long to construct a small one and two man cabin in the interior, and here again they have sometimes more than one. They have one for rabbit catching and many, many miles away they have another one for

CAPTAIN WINSOR: big game hunting.

The cost involved, Mr. Speaker, can be burdensome to a great number of those people. And I do not think they object to some control over Crown lands. I do not think that is their motive here at all. But the problem is, of course, with the high rate of \$25 registration, and then to have to get that piece of land where that cabin is surveyed - now this is the problem, getting the surveyor in many miles in the country to survey that piece of land where there is a cabin is going to cost a great sum of money and I am very much afraid that a great number of those hunters and fishermen are not going to be able to afford to do it.

So along those lines, Mr. Speaker, I would submit that perhaps the Department of Agriculture, Forestry, whichever department is responsible for the licencing of those cabins, take another look at it and if the occupants cannot get the land surveyed what is the sense of bringing in a regulation where perhaps the minister may be conscious of the fact that it is going to be difficult to get those cabins surveyed, apart from the cost.

So, Mr. Speaker, it is a matter of concern to those people or otherwise they certainly would not send in a petition objecting to it. I support the petition, Mr. Speaker, and ask to have it placed on the table of the House and referred to the department to which it relates.

MR. SPEAKER: The hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, I would like to support this petition presented by the hon. member for Fogo (Captain Winsor). The point about this entire legislation, Mr. Speaker, is that it goes against a tradition in Newfoundland, a tradition among the people, particularly fishermen and loggers and hunters in particular, who for years went into the interior of this Province and put up camps or cabins, whatever you want to call them, and it is a long time tradition with them. And now this legislation requiring them to get the land surveyed, and some of these cabins are a long distance from the homes of the people

MR. LUSH: concerned and it does, I think, put an unnecessary expense on these people.

You know, here we are in a province with more land per capita than any other land mass I suppose in North America and here we brought out this unnecessary legislation

Mr. Lush:

to put our people through this difficulty, to stop them from in effect of having a camp or a cabin for their livelihood. But, Mr. Speaker, in later years as well that many of these people have been putting cabins up for recreation purposes. These people cannot afford to go South and bathe in the warmer waters of better climes, so they have built cabins so they can take their family eight or nine miles away from home to get out and have a little swim, and enjoy the sunshine, and again we are preventing these people from living a lifestyle according to their means. And again I quote with the tremendous amount of land that we have available for us per capita in this Province to put these people through this unnecessary measure, I think it certainly is not necessary, and I believe that the government could have come up with a more humane means, and I am not at all knocking the legislation which requires or with the intent of trying to map out the land in this Province. There is nothing wrong with that at all, and I think that we need to have our land mapped out to find out who got claims to what land, and to know exactly where all the land is in relationship to the people occupying it. There is nothing wrong with that at all. But I think the procedure is an undesirable one, and one that is going to put our people through expense, and through much inconvenience, so I whole-heartedly support the petition presented by the hon. member for Fogo (Capt. E. Winsor).

MR. SPEAKER: The hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, I would like to raise a few points in supporting this petition so ably presented. Sir, I think the whole approach is wrong. Mr. Speaker, under the new legislation when Crown land has been granted for lease in Newfoundland now it will cost the recipient of that land \$25 per year, but that is in form of rent paid on the land. Now under this regulation, the threat to the people who are making application is that they have to pay \$25 in order to register their application. And the minister admitted in the

Mr. Flight: before the Easter break that even if that land were rejected, and we are having applications for cabins and Crown land in Newfoundland rejected every day, then that \$25 is not refundable. And I do not think that is in keeping with justice at all, Mr. Speaker. What we are saying to our people is that you are going to pay \$25 for the right to apply, and even if your application is rejected you have to pay, the \$25 is not refundable. And I believe the minister should reconsider that aspect of the regulation, and if indeed the land is rejected by Crown Lands, which it might well be, then that \$25 would be refunded. And I doubt, Mr. Speaker, if there is any real reason to have \$25 submitted with the application. It is time enough to charge the \$25, which is possibly a ridiculous high figure anyway, when the land indeed have been approved, the application has been approved.

Now, Mr. Speaker, the other thing that goes against the grain in a sense is that I do not recognize or I do not agree with the government's right to impose this regulation. What they are saying is that if you have not applied in one year then we will sue you, we will bring you into court and lay charges against you. And, Mr. Speaker, the fact is the minister knows, I do not believe the minister deliberately misled the House, but the minister indicated recently that the time for processing Crown land applications is now down to six months. That is just not so, Mr. Speaker. I am actively, personally working on applications for Crown land in excess of sixteen months, and the thing still has not cleared Crown lands.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: So I do not recognize the government's right to sue a person of this Province if he goes over a deadline of one year when the government themselves take sixteen to twenty-four months to clear an application.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: It just does not make sense. And, Mr. Speaker, what is sauce for the goose is sauce for the gander. If we as an administration need twenty-four months to clear title to either

Mr. Flight: accept or reject an application, than certainly the applicant should have the same consideration.

So, Mr. Speaker, I would ask the minister to withdraw the \$25 insofar as it applies to the application, Mr. Speaker. It is ridiculous to think that people on islands, fishermen's cabins, hunters, trappers, would be expected to pay \$25. I think the minister should withdraw that. And I would further request, based on

MR. FLIGHT: the fact that it is still taking sixteen to twenty-four months or longer to have Crown land approved, I would ask that he would consider an extension, withdraw the clause that says "if the application has not been made by March 31st," which has now passed that he would consider an extension to give the people in this Province at least the same time that the government requires to process an application.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: Hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, pursuant to Section 178.22 of the Criminal Code of Canada, I table the annual report thereunder to His Honour the Lieutenant Governor.

NOTICES OF MOTION

MR. SPEAKER: Hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, on behalf of my colleague, the hon. the Minister of Rehabilitation and Recreation, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act Respecting the Rehabilitation of Disabled Persons."

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. SPEAKER: Hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I table the answer to Question No. 36 on the Order Paper of Monday March 20, 1978 asked by the hon. the member for LaPoile.

ORAL QUESTIONS

MR. SPEAKER: Hon. Leader of the Opposition.

MR. W. ROWE: I would like to ask the Government House Leader, Mr. Speaker, is the Premier of the Province in the Province at the moment?

MR. HICKMAN: Mr. Speaker, the Premier of the Province's plane touched down at approximately two minutes of two of the clock today at Torbay Airport which is in the Province of Newfoundland.

MR. W. ROWE: So he is no longer Acting Premier. Well, can we expect the hon. House to be graced by the Premier's presence, Mr. Speaker, this afternoon?



MR. W. ROWE: A number of us had some questions to put to him.

MR. HICKMAN: I am sure, Mr. Speaker, that the hon. the Premier is hastening toward this House with the utmost dispatch, quickness and speed and accuracy -

MR. NEARY: And well tanned.

MR. HICKMAN: -and will come straight to this House as soon as he gets within the confines of this ancient and honourable structure.

MR. SPEAKER: A supplementary. The hon. Leader of the Opposition.

MR. W. ROWE: Is the hon. minister and his colleagues aware of the fact that Your Honour and my colleague were in Halifax yesterday and managed to get in to meet the House at its opening today? Why cannot the Premier of the Province be here, Mr. Speaker?

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: That is the question that I put to the hon. House Leader: Why cannot the Premier of the Province be in the Province when the House of Assembly opens after ten days holidays down South?

MR. HICKMAN: Mr. Speaker, this is purely hearsay, and I am sure the hon. gentleman being a member of the bar will realize the difficulty and the risk of answering questions based on hearsay evidence, but my understanding was that yesterday most of the affairs of state of this Province were resolved in the Lord Nelson Hotel by the hon. the Premier, the hon. the member for LaPoile (Mr. Neary), and the referee was Mr. Speaker. Today, as they all hastened to get on the plane, EPA decided to take them on, because there were not many seats, in the order of the depth of their suntans and the Premier had to come in on the last one. My understanding is that he could not get on the plane with the two hon. gentlemen but rather he came in on a plane that was supposed to land at two minutes to two. Now that is pure hearsay. I cannot -

MR. W. ROWE: Mr. Speaker, one final question. Would the House Leader speaking for his side of the House consent to delay the

MR. W. ROWE: Question Period for one half hour or so?

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: No, no!

MR. W. ROWE: There are some very important questions affecting everybody in this Province which I would like to put to the Premier.

The Province

MR. W. N. ROWE: is in turmoil, the government is disintegrating, and I would like to see what the Premier has to say about it, Mr. Speaker.

MR. NEARY: Hear, hear!

MR. W. N. ROWE: It is very important.

MR. SPEAKER: The hon. the Minister of Justice.

MR. HICKMAN: Mr. Speaker, on behalf of the government that is well manned and fit for the voyage ahead, we cannot consent to this.

MR. NOLAN: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary by the hon. member for Conception Bay South.

MR. NOLAN: The question, supplementary, to the House Leader opposite and the Deputy Premier: Would the Minister of Justice be good enough to tell us whether he has the resignation of the Premier in his pocket or any other resignations, and if so would he table them now?

MR. NEARY: Hear, hear!

MR. SPEAKER: The hon. the Minister of Justice.

MR. HICKMAN: That question is frivolous, vexatious, contrary to all the rules, and for the record the only people who want the Premier to resign are the hon. gentlemen opposite because they will never win an election as long as he is Leader.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for LaPoile followed by the hon. member for Baie Verte - White Bay.

MR. NEARY: Mr. Speaker, I would suggest that the real reason the flight did not get in yesterday was not the weather, it was that the pilot had heard that there were a number of ministers down at the airport waiting to greet the Premier with their resignations.

MR. W. N. ROWE: Wanted to stop the bloodshed.

MR. NEARY: Mr. Speaker, I would like to direct a question to the Minister of Justice, Sir.

MR. NEARY: In view of the fact that the Auditor General pointed out in his annual report that Affiliated Marine Metals had been paid \$143,866 without any count of the number of cars that were collected - in other words, the money paid out illegally - would the minister indicate to the House if any police investigation or any action of any kind has been taken to investigate this serious matter that was brought to light by the Auditor General in his report this year?

MR. SPEAKER: The hon. the Minister of Finance.

MR. HICKMAN: Firstly, may I say that there is no allegation in the Auditor General's report of illegality, or, put it another way, of criminality, and it is only in these cases that the police would be called in to make an investigation. And to my knowledge they have not been called in in this case. I cannot recall off the top of my head who of my hon. colleagues is responsible for that particular facet of government, but in any event I am not in a position to give the details of whatever the name of the company is.

MR. NEARY: A supplementary question, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Mr. Speaker, in view of the fact that the President of Affiliated Marine Metals, the company that collected the car wrecks and received the rip-off of the dollar that is put on the vehicle licence in this Province, in view of the fact that the president of that company is now an employee of the government negotiating the sale of these cars, has the Attorney General and the Minister of Finance taken any action to investigate this situation to see if this particular gentleman is in a conflict of interest situation?

MR. W. N. ROWE: Hear, hear! Good question.

MR. SPEAKER: The hon. the Minister of Finance.

MR. HICKMAN: I most assuredly have not taken any steps to investigate. You do not investigate a matter unless there is a primary cause to investigate it. The hon. member for LaPoile (Mr. Neary)

MR. HICKMAN: has referred to a gentleman who allegedly is now employed with the government. What his duties are I do not know. He is certainly not working with the Department of Justice.

MR. SIMMONS: He does not know either.

MR. NOLAN: Is he out guarding the cars?

MR. HICKMAN: Well, if he is out guarding the cars there certainly would be no conflict of interest, Mr. Speaker. If that is what the gentleman is doing he is rendering a very essential public service, to protect -

MR. W. N. ROWE: They are his cars.

MR. HICKMAN: - cars that presumably have been purchased by the Government of Newfoundland.

MR. W. N. ROWE: Paying out public funds to guard his cars.

MR. NFARY: A supplementary question, Mr. Speaker.

MR. SPFAKER: A supplementary.

MR. NFARY: Mr. Speaker, is it not the duty of the Attorney General of this Province, the Minister of Justice, to see that these matters are investigated? In this particular case we were told by the Minister of Consumer Affairs that the president of this company, Affiliated Marine Metals, registered in the companies' offices of this Province and doing business with the government, and the president of that company is now an employee of the government; and at the same time he is an employee of the government negotiating for the sale of the car wrecks of which the government is withholding one hundred and sixty odd thousand dollars and the bank has the inventory. And the government is withholding one hundred and sixty thousand dollars belonging to this company. This gentleman is now an employee of the government negotiating the sale of these cars, trying to get his one hundred and sixty thousand dollars. Mr. Speaker, I ask the Attorney General and the Minister of Justice if that is not a conflict of interest situation?

MR. SPFAKER: The hon. the Minister of Justice.

MR. HICKMAN:

Mr. Speaker, if what the hon. gentleman from LaPoile (Mr. Neary) says is correct then it shows very clearly that the government is being very prudent and very careful in the protection of the taxpayers' money. I gather from what the hon. gentleman from LaPoile has said, this company alleges that it is owed one hundred and sixty thousand dollars by the government and that the government, either on the advice of the Department of Justice or Finance, or



MR. HICKMAN: - for government account, because I understand from what the hon. gentleman from LaPoile has said that the banks may have some lien, and if that is the case then I can assure you it is for government account and most assuredly not for the benefit of any individual.

SOME HON. MEMBERS: Hear, Hear!

MR. NEARY: Supplementary, Mr. Speaker.

MR. SPEAKER: Final supplementary.

MR. NEARY: There is no way, Mr. Speaker, the hon. minister of justice is going to get away with that foolish nonsense, Sir, that answer the hon. gentleman just gave the House -

MR. SPEAKER: Order, please! Order! The hon. gentleman will please proceed to the supplementary.

MR. NEARY: - which is misleading by the way, Mr. Speaker, is the hon. - I want to put the question to the minister again because I want to make sure that the house understands what the minister is saying, the Minister of Consumer Affairs confirmed in this House before the house rose for Easter that the president of Affiliated Marine Metals -

AN HON. MEMBER: The former president.

MR. NEARY: - the Minister of Transportation's buddy. No not the former - the president of Affiliated Marine Metals,

MR. MULLALLY -

AN HON. MEMBER: Is he still president?

MR. NEARY: - he is still president, still president of the company. He is an employee of the government and while he is an employee of the government, watching the car wrecks that he collected that he got the dollar for, his own car wrecks, he is negotiating the sale of these cars. Mr. Speaker, if there was ever a blatant example of conflict of interest that is it. He is not protecting the government's investment, he is trying to protect his own investment and the government has him on the payroll while he is



MR. HICKMAN: I am told this already by my colleagues. I know it is not true and I know it could not be true without government knowing as a whole, and I can assure this House that this is not so, so that takes care of that.

Secondly, my understanding is that once these wrecks were collected by this company, title to the property would vest in the Crown. And if this gentleman is trying -

MR. NEARY: No. The bank holds

MR. HICKMAN: If this - wait now! If the hon. gentleman would only listen. If title -

MR. NEARY: I am listening. The hon. gentleman is misleading the House, too.

MR. HICKMAN: I am not misleading the House. If title to these wrecks vested in the Crown when they were collected by that company as I suspect it did because - and the reason for it was that I have heard my colleague, the hon. the Minister of Consumer Affairs, telling the public that he is trying to negotiate a sale of the same in New Brunswick, which he could not do unless it was Crown property. If the gentleman in question who I understand used to be the president of that company -

MR. NEARY: The bank is trying to sell the wrecks.

MR. HICKMAN: - used to be the president of the company is trying to sell them for government account, that is very commendable.

MR. NEARY: Not true!

MR. HICKMAN: - If, on the other hand, the

MR. HICKMAN:

bank has a lien on the property in question. Then again, Mr. Speaker, that is the bank's problem and not the governments. The government, regrettably, is not able to come to the assistance of the bank in that matter, all of which is very proper and very much above board.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. member for Baie Verte - White Bay followed by the hon. gentleman for Trinity - Bay de Verde.

MR. RIDEOUT:

Mr. Speaker, I have a question for the Minister of Tourism and I ask him this question in view of the fact that he was Minister of Transportation for a couple of years carrying on negotiations with Ottawa on our behalf, for the upgrading of the Trans-Canada Highway. I wonder if the minister could tell the House whether or not the proposed deal that has been accepted by the Province, and I understand to be signed later on this week between Ottawa and Newfoundland, was that same deal offered the minister while he was negotiating with Ottawa on behalf of the Province?

SOME HON. MEMBERS:

Oh, oh!

MR. RIDEOUT:

Mr. Speaker, maybe I could redirect the question to the present Minister of Transportation and Communications who is now the Minister of Intergovernmental Affairs, also.

MR. NOLAN:

What is wrong with loose-lip over there?

MR. MCNEIL:

If he can be like that for the rest of the year it will be great.

MR. SPEAKER:

The hon. Minister of Transportation and Communications.

MR. DOODY:

Mr. Speaker, the Trans-Canada Highway agreement that appears to have created quite a bit of interest on the opposite side of the House was a matter of great concern and of very deep involvement by my predecessor. This government felt and still feels that it was entitled to a much better deal than a fifty/fifty deal because of the rail situation in this Province and because of the second-rate, to say the very kindest terms, of our road situation here.

The previous minister felt, and government concurred, that we should, in conjunction with the other three Atlantic Provinces, ask for a ninety/ten situation on the Trans-Canada Highway which was the situation under which the present Trans-Canada Highway in this Province was built.

Subsequently that position was reduced to a seventy-five/twenty-five. Ottawa still held firm on a fifty/fifty offer and refused to budge. The four Atlantic Provinces insisted that the seventy-five /twenty-five was the proper solution. The impasse continued until the three Maritime Provinces collapsed, caved in, gave up and decided that they would sign a fifty/fifty agreement.

The Province of Newfoundland was then placed in the rather unfortunate position of either accepting a fifty/fifty agreement or getting nothing. We felt that under certain conditions it would be in the best interest of the Province to accept the fifty-fifty deal. This agreement has been negotiated with the federal government now along these lines. In the agreement we have accepted the Sullivan Commission report. It says quite clearly in the agreement that this will not be prejudicial in any way and that any suggestions that the Sullivan Commission might make on surface

MR. DOODY: transportation will be dealt with in isolation in this from this Trans-Canada agreement. This was one of the main problems and main points of contention of my predecessor and one which we successfully managed to get included in the Province of Newfoundland's agreement with the Government of Canada.

We further managed to get a seventy-five/twenty-five front-end-loading for the first year and-a-half of the agreement and this, of course, will be very beneficial to the Province in the cash-flow situation and in our own local road building programme. So the programme that we will be signing with the Government of Canada, who unfortunately could not agree with the position of the Province in recognizing our position down here, will result in a net fifty/fifty deal over a period of three to four years. But hopefully, the Sullivan Commission Report will be such as to place us in a position whereby we can renegotiate at least part of that agreement.

Certainly there is no conflict there and the Province is hoping to sign the agreement toward the middle of this month, and hopefully we will be working on the Trans-Canada later on this Summer.

MR. SPEAKER: One supplementary followed by the hon. gentlemen from Trinity - Bay de Verde and Windsor - Buchans.

MR. SPEAKER: The hon. member for Baie Verte - White Bay.

MR. RIDEOUT: Mr. Speaker, it was a long flow of words for the minister to end up saying, "Yes, it was a fifty-fifty deal that we eventually agreed to."

Now, Mr. Speaker, I want to ask the minister whether in view of the fact we are getting seventy-five to twenty-five this year, fifty-fifty for the next two years, are we in fact in the fourth year of the agreement going to be ending up with the Province paying seventy-five per cent of the deal and the federal government twenty-five per cent, which balances out to be fifty-fifty over four years anyway? Is that the type of deal that the minister has signed, that his predecessor is so upset about?

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

MR. DOODY: I thought I had made that clear, that the original -

AN HON. MEMBER: Give it to them in baby talk.

MR. DOODY: - during the first year or during the first twelve months of the agreement it will be seventy-five / twenty-five, seventy-five per cent federal, twenty-five per cent provincial, and the second twelve month period it will be fifty - fifty, and the Province will be expected to pick up the seventy-five per cent share in the third twelve months.

Now at that time the Sullivan Commission's Report will have been received, studied, analyzed and looked at, and hopefully we will be in a position to renegotiate with the Government of Canada and come in with a more favourable and more reasonable agreement. But in the meantime, if the hon. gentlemen opposite feel that we should turn down this \$30 million that Ottawa is offering for the Trans-Canada Highway work then we will certainly pass that message along to the colleagues of my friends opposite and tell them that they are not in agreement with the generosity of the Government of Canada, but we will be only too happy to accept it.

MR. RIDEOUT: You are being blackmailed by Lang.

MR. RIDEOUT: A supplementary, Mr. Speaker.

MR. SPEAKER: I had indicated that I would recognize the hon. member for Trinity - Bay de Verde.

MR. F. ROWE: Mr. Speaker, in the absence of the Premier and in the absence of the Minister of Fisheries, I would like to direct a question to the Government House Leader. Could the Minister of Justice indicate whether or not the Minister of Fisheries has suggested strongly to the Premier that the Nordsee proposal be revised so that Nordsee would have forty-eight per cent of the shares, Ocean Harvesters forty-seven per cent, and the government five per cent of the shares? Has this matter been brought to the Premier's attention, or to Cabinet's by the Minister of Fisheries.

MR. SPEAKER: The Government House Leader.

MR. HICKMAN: Well, Mr. Speaker, I am not in a position to comment on anything that may or may not have been brought to the attention of the hon. the Premier, I would not know and I do not know -

MR. F. ROWE: You do not know the answers.

MR. HICKMAN: - because that would be a matter between him and his colleagues in Cabinet; and secondly, as to matters that come before Cabinet, the hon. gentleman, and this House, is fully aware that it would be totally improper and absolutely precluded and prohibited for me to indicate to the House what has or what has not come before Cabinet.

I can recall very vividly the rulings in this House when a colleague of mine, Mr. Earl, was chastised one time when he was in the Opposition for suggesting even that he knew what had come before Cabinet.

MR. SPEAKER: A supplementary, the hon. member for Trinity - Bay de Verde.

MR. F. ROWE: Okay, the minister is obviously filibustering. Mr. Speaker, a supplementary. Could the minister indicate whether or

MR. F. ROWE: not the question of the Nordsee merger has come before Cabinet, and whether any decision has been made with respect to it?

MR. SPEAKER: The hon. Government House Leader.

MR. HICKMAN: Mr. Speaker, on the Nordsee matter, my colleague, the hon. Minister of Fisheries, and I believe as well the hon. the Premier, has since this House opened in March, indicated to the House - and it may have been before the House opened - indicated publicly, the Premier did, on television that that had been dealt with by the government; that the Government of Newfoundland had indicated to the Government of Canada, and the appropriate ministers therein, the terms and conditions under which the government was prepared to support the application that had then been made to FERA, whatever it is, the Foreign Exchange Review Board, by Nordsee. Now what has transpired between FERA and the hon. Jack Horner, who is the minister primarily responsible for the administration of FERA, I do not know, and I am not in a position to indicate to this House because I just do not know. Government's position was articulated very clearly at that time as it related to that particular application.

Now hon. gentlemen have seen, as I have, press comments emanating from Ottawa which have indicated that the hon. Mr. Horner has suggested to Nordsee that they go back and revise their application. That is something I cannot answer, nor can any hon. gentleman here answer, because they simply do not know. It is a matter between the hon. Jack Horner, PC -

MR. F. ROWE: A supplementary, Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary.

MR. F. ROWE: I assume from that lengthy answer, Mr. Speaker, that the Premier's position on the Nordsee deal is identical to what it was originally. Could I ask the minister whether

Mr. F. Rowe:

the Premier's proposal or concept with respect to the Nordsee is consistent with the motion moved by the member for Harbour Grace (Mr. Young) in which they require 51 per cent of Nordsee investment in Ocean Harvesters?

MR. SPEAKER: The hon. Minister of Finance.

MR. HICKMAN: Is the position of the hon. Premier consistent with the views of the hon. gentleman from Harbour Grace (Mr. Young)? I do not know, Mr. Speaker, I cannot answer that. I do know this -

MR. F. ROWE: Do you try to get together at all?

MR. HICKMAN: I do know this that the resolution that has been placed on the Order Paper by the hon. the member for Harbour Grace (Mr. Young) very clearly articulates the views and ambitions of every fishermen, or certainly a vast majority of the fishermen living in that part of the Province from, let us say, I -

SOME HON. MEMBERS: Oh, oh!

MR. HICKMAN: The hon. gentleman from Port de Grave (Mr. Dawe) will correct me if I am wrong.

SOME HON. MEMBERS: Wrong.

MR. HICKMAN: I am wrong?

MR. F. ROWE: Wrong. Absolutely wrong.

MR. HICKMAN: I see. I am wrong. I am saying this, Mr. Speaker, relying again on a press report quoting Dr. Goodwin, who I believe is associated with a party that does not support the government.

MR. F. ROWE: Yes, he is some fisherman.

MR. DOODY: He is some catch over there.

MR. F. ROWE: Yes.

MR. HICKMAN: He is the leading Liberal, as I understand, in the Harbour Grace area, I would hope he is because he has been president of the association for so many years, and I assume that when Dr. Goodwin speaks, he speaks as a person very knowledgeable -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. HICKMAN: - of the views of the people of Harbour Grace.

SOME HON. MEMBERS: Oh, oh!



MR. SPEAKER: Order, please!

I do believe Dr. Goodwin's views might be somewhat peripheral.

MR. F. ROWE: A further supplementary.

MR. SPEAKER: A final supplementary then the hon. member for Windsor-Buchans.

MR. F. ROWE: Could the Minister of Justice, if we could ever get him to answer a question, Mr. Speaker, indicate to this House whether any ministers, the Minister of Intergovernmental Affairs, the President of the Council, anybody have made representation to FERA, and what the nature of these representations were?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, look, I apologize for taking the time of the House. Do I have to go back over all of this again? The hon. the Premier articulated publicly sometime ago that the position of the Government of Newfoundland with respect to the application of Nordsee to FERA. And as far as I know, but I cannot say this personally, you know, speaking from direct knowledge, that the hon. the Premier, having articulated the view of this government to the public, that this was made known to the Government of Canada. But if the hon. gentleman wants me to continue repeating it, and repeating it and repeating it it is with the greatest reluctance I will do it, but I do apologize for being forced to trespass upon the valuable time of this hon. House.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Minister for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, I have a question for the Minister of Industrial Development, with regards to the statement over the Easter break that \$6 million had been allocated for expansion or extension of the Western Memorial Hospital. And in his statement I think he indicated that that \$6 million would be forthcoming over a period of three years, \$2 million per year. Now the Minister of Health is not present, but the next day the Minister of Health -

AN HON. MEMBER: He fell out of bed.

MR. FLIGHT: - the next day the Minister of Health indicated that, and I quote, "That having heard the news, having heard the minister's statement that he almost fell out of bed. That in fact the figure was \$1.5 million, and that it was part of an ongoing programme." Would the Minister of Industrial Development -

MR. NEARY: Did he actually fall out of bed?

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: Would the Minister of Industrial Development clarify the situation, and does he stand on his statement that he made that there is \$6 million over a period of three years?

MR. SPEAKER: The hon. Minister of Industrial Development.

DR. T. FARRELL: Mr. Speaker, to clarify this statement - I do not know if the hon. minister fell out of bed or not. I have not seen him since.

SOME HON. MEMBERS: Oh, oh!

DR. FARRELL: The statement was to the effect that it was alterations to an existing building, Phase 6 of the Western Memorial Hospital which would be approximately \$1.8 million in this year, and if it is continued to its conclusion, which it should be - and it is not new structure, it is the old Christopher Fisher Hospital, it is just alterations - it would cost between \$5 or \$6 million over three years if there is money in the budget over the next couple of years.

MR. FLIGHT: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. FLIGHT: I want to try and get a straight answer here, Mr. Speaker, because the minister must be aware of the impact that his statement had in the Central Newfoundland area, in particular, possibly Burin, Clarenville, but certainly in Central Newfoundland area.

MR. FLIGHT: Will the Province, will the Government of Newfoundland, spend over the next three years \$6 million on the Western Memorial Hospital, or will it be \$1.5 million that the Minister of Health indicated after hearing the Minister of Industrial Relations statement? Just what is the figure? Is it the \$1.5 million that the Minister of Health is talking about and assuring the Province, or is it the \$6 million that the Minister of Industrial Development is quoting?

MR. SPEAKER: The hon. Minister of Industrial Development.

DR. FARRELL: I thought I explained it pretty completely. This year in the Budget there is \$1.8 million for alterations to the old Christopher Fisher wing of the present Western Memorial Hospital, which was part of the hospital system in Corner Brook prior to the new extension which went on the old Christopher Fisher, and phase six of that plan was alterations to the old Christopher Fisher wing which was a main part of their hospital system in Corner Brook up to that time.

Now this means we are now short in Corner Brook sixty beds, after opening up the new wing, sixty beds less than we had when both hospitals were open and these alterations are to replace these sixty beds, some administrative work, and there is \$1.8 million in the Budget this year, \$1.5 million to \$1.8 million, I am pretty sure it is \$1.8 million.

MR. FLIGHT: Mr. Speaker, one more supplementary.

MR. SPEAKER: The final supplementary.

MR. FLIGHT: There is more than the two minister involved in this particular situation because I am sure the minister is aware that the Premier indicated in answer to a question that there would be no funds spent for extension to the Western Memorial Hospital this year.

MR. SPEAKER: The hon. Minister of Industrial Development.

DR. FARRELL: Sir, the statement that was made time and time again here, there were no funds available for new construction. This is basically all money for alterations to the old wing of the Western Memorial Hospital.

ORDERS OF THE DAY:

On motion that the House resolve itself into Committee of the Whole on estimates, Mr. Speaker left the Chair.

MR. CHAIRMAN: Order, please! Estimates for Consolidated Fund Services, page three.

MR. NEARY: Mr. Chairman, is the hon. gentleman going to say a word or two on this heading?

MR. HICKMAN: In going through the past Hansards dealing with the Finance estimates and Consolidated Funds, it has been more a question from the opposition and that is what I -

MR. W.N. ROWE: Mr. Chairman, I will probably give the minister something which he not used to from his own colleagues, a little courtesy, a chance to make a few remarks if he wanted to.

Consolidated Fund Services, Sir, most of it is statutory in any event, and the House has little control over whether it goes through or not now, unless we wish to bring in a bill to change it by legislation. There are one or two things that occurred to me going down through the various subheads, Mr. Chairman, which I would like the Minister of Finance to deal with. I will not deal with them one at a time, if the minister would not mind taking a few notes, I will just ask the questions as they occur to me here now. There will be some supplementaries afterwards and some of my colleagues ~~may, want~~ to get into it. We only have an hour for this particular subhead in any event, and it is head of expenditure in any

MR. W.N. RONE: event so we will try to get through it quickly.

I would like the minister to briefly answer the following questions if he would, Mr. Chairman.

101-03-02 Treasury Bills, up by some \$2 million this year. Would he just give us a brief idea as to why Treasury Bills are up this year and generally speaking, that form of borrowing, how it is working out, and what impact it is having on the general borrowing of the Province? Just make a note of it, Treasury Bills and then I will -

MR. W. ROWE: Mr. Chairman, down in 101-20, Less: Related Revenue I would like the minister to give an account of what 02, Fisheries Loan, what exactly that is all about. Economic Development Loans; I would like him to tell the House, the Committee, why the Economic Development Loans are less than half of what they were under the revised estimates of 1977-1978, \$145,000 estimated this year as against \$335,000 last year. I would like him to indicate why the revenue from town councils is expected to be over \$2 million this year when the revised estimates for 1977-1978 was \$233,000.

MR. HICKMAN: I will not have time to answer all.

MR. W. ROWE: Well, Mr. Speaker -

MR. HICKMAN: I am not going to be able to answer all that.

MR. W. ROWE: Okay. Let it go at that, Mr. Chairman, for the time being.

MR. HICKMAN: Mr. Chairman, firstly if I may deal with the Treasury Bills and the Treasury Bills operation. This was, I will not say a new innovation but, well it started two or three years ago. The limit on the Treasury bill financing at that time was \$3 million. This is probably, Mr. Chairman, the best type of borrowing that the Province - and the cheapest type of borrowing, the most satisfactory type of borrowing that the Province can embark upon. The way it works is this; every Wednesday bids come in from the bonding houses and the chartered banks indicating how much interest they are prepared to pay on Treasury bills for ninety-one days and the best bidder is accepted and the monies are then used for several purposes, one being to rollover some of the outstanding Treasury bills and another is to pay for the general operation of the Province out of borrowed money. As I say the interest rate - if I can lay my hands on it and I did have it here this afternoon - here we are, the interest rate that has been applying to us has been very satisfactory indeed. Mr. Speaker, the interest rate, for instance, on the last bid, which was last Wednesday, was 7.25 per cent. We have under Treasury bills now a total amount of borrowings at \$62,364,660.

MR. NEARY: Where are you getting that kind of money for seven and a half per cent?

MR. HICKMAN: Seven and one half per cent? Well, I will read them out loud, given an opportunity. I guess I am not making it clear. There is a whole list of very reputable financial institutions in Canada and the United States who know that this Province—and this practice is not peculiar to the Province of Newfoundland—know that every Wednesday this Province has an auction of \$5 million worth of Treasury bills; in other words, we will borrow \$5 million so they all bid. They do not come in and take \$5 million, you know one person, one company. I will give you an idea of some of them. McLeod, Young, Weir & Company on the March 30th bid they took \$1,473,375 at 7.25 per cent; Wood Gundy the same, 7.25 per cent; Greenshields paid 7.20 per cent for \$1,960,000 and again on April 5th they took \$2,946,000; Dominion Securities, A.E. Ames, Equitable Life, Wood Gundy, Canadian Imperial Bank of Commerce paid 7.25 per cent for a \$98,000 note, Bank of Nova Scotia, 7.22 per cent and that -

MR. ROWE: How long are they for?

MR. HICKMAN: They are for ninety-one days.

MR. NEARY: Oh, I see.

MR. HICKMAN: And the thing is that this is very satisfactory borrowing because of the rollover provisions.

MR. NEARY: But then we end up on the long haul probably paying about eleven or twelve per cent.

MR. HICKMAN: No, no! This is the beauty of it, we continue paying 7.35 per cent because we continue to roll it over if necessary and a lot of

MR. HICKMAN: that money goes into rolling over of notes. It is the most satisfactory borrowing activity, I think, that this Province has ever embarked upon and -

MR. DOODY: Reinvest it.

MR. HICKMAN: Yes. And as the former Minister of Finance says, which so often happens, we take some of that money and reinvest it if we are not going to use it. It is almost a daily occurrence. There is what they call the government account in the Bank of Montreal which is more than one account, but the government ledger rather. For instance, we have invested, just to show you how prudent we are, we have invested right now total Canadian investments of \$82,731,065, as of March 29, 1978 and, Mr. Speaker, this is almost a day to day operation of the Department of Finance insofar as the treasury bills are concerned, and it is a very satisfactory way indeed to borrow money.

If you go into the long-term market obviously you are into 10 per cent, 10.25 per cent, some provinces have gone away beyond that, some municipalities in Canada have gone even higher.

MR. NEARY: You just cannot keep rolling it over forever. At some point or other you have to face reality.

MR. HICKMAN: Yes, you can.

MR. NEARY: The former Minister of Finance has a smile on his face because he knows the question I am asking is a proper one; what happens in the long haul?

MR. HICKMAN: What happens is this, Mr. Chairman, that we have available at all times an amount up to \$65 million at an interest rate averaging about 7.25 per cent. And I suppose if the time ever came when our treasury bills were not very salable



MR. HICKMAN: products, we would say,  
"All right now, no trouble to get bids on them."

MR. NEARY: That is not the way we  
hear it.

MR. HICKMAN: No trouble to get bids on  
them at all, and the credit of this Province is good.  
Make no mistake about it, Mr.Chairman, it is good.

MR. NEARY: Yes, and Newfoundland is  
being looked upon today as a Banana Republic in the  
international business world.

MR. HICKMAN: Mr.Chairman, we are very  
proud of the fact that the lenders, particularly the  
Euro-dollar market right now are negotiating with us  
because they want us to borrow their money. And may I  
say there was a province that went into that market in  
December that apparently found it was not a satisfactory  
time to go in and this Province could have gone in at  
that time. I say that simply to indicate that the  
credit of this Province is exceptionally good, and the  
treasury bill process which is, as I say, not peculiar  
to this Province at all, has turned out to be a very  
satisfactory one and one that yields us a great deal of  
low interest money.

Now, Mr. Chairman, the  
Fisheries Loan. That is interest, by the way, on loans  
that have been made to fishing companies many, many years  
ago. If hon. gentlemen will bear with me while I am  
wending my way through my notes here -

MR. NOLAN: Page seventy-five.

MR. HICKMAN: It is not seventy-five.

MR. NEARY: Page three, boy.

MR. HICKMAN: Here, I have it.

I will give you a break-  
down, Mr. Chairman, of the monies that will be paid under

MR. HICKMAN: that subhead, Interest on Fisheries Loan. Bonavista Cold Storage Company Limited, \$17,062.50 on loan number one, this is interest, Bonavista Cold Storage Company Limited \$25,499.85 on loan number two. Fisheries Products Limited \$157,199, Gaultois Fisheries \$55,367.71 and T.J.Hardy Company Limited, \$4,233.35, Mifflin Fisheries \$3,240, Newfoundland Fur Farmers \$7,051.43.

MR. NEARY: Is that still functioning, Newfoundland Fur Farmers?

MR. HICKMAN: Well, they are still paying their interest.

Newfoundland Quick Freeze \$1,069.57 - at least, to put it this way, as far as I know they are paying their interest and it is shown here that they anticipate that they will pay this year.

MR. NEARY: As far as you know, but you are not sure.

MR. HICKMAN: - Quinlan Borthers \$2,625.60, and Wadman Enterprises \$510. That is

MR. HICKMAN: the interest paid on these fisheries loans, many of which go back many, many years, but to my knowledge they have been kept current and then when the estimates show that that amount of money will be received this year, that is a realistic amount.

MR. W. N. ROWE: Are there any in default?

MR. HICKMAN: Not that I am aware of, Mr. Chairman.

The other question asked by the hon. the Leader of the Opposition was with respect to the difference in the monies that we anticipate receiving this year from municipalities. That, Mr. Chairman, is a result of monies - if hon. gentlemen will bear with me while I find the page -

MR. NEARY: Well, we only have an hour so. Why do you not just get somebody in to give you a hand?

MR. HICKMAN: No, I do not need anyone to give me a hand. Well, maybe I do, and if I do I will ask somebody to come in and find it for me in my notes here because my notes are very extensive. Before we get on to the municipal one there is the economic development loans. These again will be interest payable this year by various companies - Atlantic Films \$7,000; Bowaters \$88,977.36; Island Produce \$2,679.41; Newfoundland Forest Products \$13,886.38 and Newfoundland Hardwoods \$32,874.99.

Now with respect to the town council loans, Mr. Chairman, the situation is this, that loans to town councils made by DREE through the Government of Newfoundland and then passed on to the town councils who undertook to repay them pursuant to the DREE loans, have finally been calculated. There are \$5,144,400 of which amount will have to be paid this year by the councils to the Government of Newfoundland for transmitting to the Government of Canada, \$1,749,100. In addition to this there are some other monies owing under the DREE loans - and this is not just town councils because there is some school board money in there too - if the hon. the Leader of the Opposition will recall when he was Minister of Community and Social Development that the first monies for DREE schools were partly grant and partly loan, and the school boards had to undertake to repay to the government, again for transmitting to the Government of

MR. HICKMAN: Canada, the loan part. The Government of Canada has now struck an amount to be paid annually on account of these loans in the total, as I indicated, of \$1,749,100. In addition to that there are some other particular DREE projects that went on in certain municipalities such as Arnold's Cove, Bishop's Falls, Hawkes Bay, Port au Choix, St. Lawrence and Stephenville which will also have to be repaid and which did not become payable until this fiscal year, and that is why we have the difference in the amount that will be payable this year than in previous years. We do not anticipate any difficulty there. The town councils, as I understand, negotiated with my colleague, the hon. the Minister of Municipal Affairs and Housing, and the school boards with the Minister of Education, and that related revenue will come in this year. And I guess it is just in and then out again to the Government of Canada.

MR. W. N. ROWE: Mr. Chairman, I thank the hon. minister for his full explanation. In other words, the day of reckoning has now arrived for some of the councils and school boards on the DREE loans and grants.

MR. HICKMAN: No. Dree loans' repayment started as far back as the late 1960s.

MR. W. N. ROWE: It will be very interesting now to see how one copes with that problem during the years ahead since it seems to be mounting up.

Mr. W. Rowe: Mr. Chairman, one other point of interest under the 101-20 subhead related revenue is 01-08, the Gull Island loan. Now presumably that amount of money is being paid to the government by Newfoundland and Labrador Hydro Corporation on a loan which the government made to Newfoundland and Labrador Hydro in respect of the premature development of the Gull Island power site; is that correct, Mr. Chairman?

MR. HICKMAN: Keep going for another minute or two until I get my notes on that.

MR. W. ROWE: Mr. Chairman, why does not the minister get someone in who knows what is going on.

MR. HICKMAN: Because he cannot. I know what is going on, -

MR. W. ROWE: Something as important, Mr. Chairman, as the Newfoundland and Labrador Hydro fiasco of -

MR. NEARY: Wasting the hour!

MR. W. ROWE: - \$110 million of public money, spent by this government on the abortive, premature startup of the Lower Churchill Gull Island Development in the weeks leading up to an election and during that election, Mr. Chairman, you would think the minister would at least have the grace to have some knowledge about it and try to put a good face on that scandalous and disgraceful situation which he is now responsible for, and was responsible for then as a member of this administration.

MR. HICKMAN: Be careful now.

MR. W. ROWE: The question I am asking, Sir, seems to be a fairly simple one even for the hon. Minister of Finance, is whether this \$7,830,000 is a repayment of interest or capital or a combination of both in respect of the \$110 million most of which went down the drain on that startup, that blasting off of a few firecrackers on either side of the Strait of Belle Isle in the weeks and months leading up to the election, and during the election itself, which you will recall, Sir, having taking part in that election yourself, that not long after that election the development of Gull Island closed down and

Mr. W. Rowe: and the money which was spent there, \$78 million or \$80 million we thought at the time, was of no avail to this Province. Now the Minister of Finance casually mentions during his Budget speech that the amount is apparently \$110 million of public funds.

MR. HICKMAN: Who casually mentioned it?

MR. W. ROWE: Now I would like the minister to let us know whether this is in respect of that fiasco, that financial fiasco, the largest financial fiasco, Sir, in the history of this Province -

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: - done with malice of forethought, -

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: - and in a deliberate attempt to win over public opinion in this Province during an election, and it now has cost this Province over \$100 million of public money.

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: Now, Sir, I would like to hear what the minister has to say about that because it is a very interesting item to see in the Consolidated Funds Services, an item which says that \$7,800,000 is going to be paid to the government as revenue from some source or other, Now I can only assume it is Newfoundland and Labrador Hydro, which means that the revenues of that particular corporation are being drained by that amount, \$7,800,000, this year, last year and for every year for the foreseeable future at the same time that that corporation is forced to go before the Public Utilities Board and ask for massive increases in electrical rates so that people on fixed incomes, pensions, and low incomes, Sir, are forced to pay more for their electricity when they can ill-afford to do so, all because of this blatant piece of deception on the part of this administration two or three years ago.

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: I would like to hear the minister have a word or two to say about that, Sir.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: The hon. Minister of Finance.

MR. HICKMAN: Mr. Chairman, there are two or three things.

Let me first make one thing abundantly clear.

MR. W. ROWE: Yes, Mr. Nixon.

MR. HICKMAN: The monies that are payable by Newfoundland Hydro to the Government of Newfoundland on account of the interest on the Gull Island loan do not show up in Gull Island's application for rate increase before the Board of Commissioners of Public Utilities, and if it did, it was excluded by the Board of Commissioners of Public Utilities as being an expense that should be taken into consideration in looking at the power rates to be charged by the Newfoundland Hydro.

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: That is not so, Mr. Chairman.

MR. HICKMAN: That is so, Mr. Chairman.

AN HON. MEMBER: How can you separate them?

MR. HICKMAN: Obviously, Mr. Chairman, the hon. gentlemen opposite have not read the decision of Mr. Clarence W. Powell and his Board, and it was excluded. So before hon. gentlemen get too excited about it, there was a loan made by the Government of Newfoundland to Gull Island for \$78,300,000 at an interest rate of 10 per cent.

MR. HICKMAN:

Gull Island Power Corporation have an obligation, or Newfoundland Hydro, to repay annually that ten per cent interest. And they are not taking it out of rates or monies that they earn from the sale of power to Newfoundland Light and Power Company Limited, they are borrowing it. And they will continue to borrow it until the government's fiscal advisers say that it is now in the best interest of the Government of Newfoundland to convert that into a straight loan for the Province. At the present time this a far more satisfactory way in which to proceed.

Now it is not correct to say, by any stretch of the imagination, that that \$78,300,000, or even one nickel thereof, has been money misspent; not only is it not money misspent, but it is money that will inure to the benefit of the people of this Province when Gull Island goes as it must go. And there is very little doubt in my mind that when the Gull Island development is financed, and if and when we can enter into an agreement that is satisfactory to the people of this Province with the Government of Canada, that the Province's investment, that their feasibility studies, very necessary feasibility studies done in the Straits of Bell Isle, that work done on the right of way and the surveys of the right of way, that all of that work is part of the project, part of the project financing, and the Government of Newfoundland will certainly and most assuredly, in my opinion, be in their right to ask that that be credited as part of the project financing. So it is not money wasted. There is absolutely nothing that has been done, paid for out of that \$78 million, that sometime, if we can ever get a satisfactory agreement, will not be beneficial to the project and, Mr. Speaker, I repeat that no way, in absolutely no conceivable way, that the money that is payable by Gull Island for the interest on this loan to the Government of Newfoundland, in no conceivable way does that reflect in any hydro rates presently charged by Hydro to the consumers distributor,



MR. HICKMAN: Newfoundland Light and Power Company Limited, and this was done at the time as being the preferable way of financing that work that was being done on Gull Island because we were told it was not in the Province's interest to take a major equity investment in the Hydro organization at this time and indeed there was an opinion expressed that it would be contrary to the present legislation. And also it gives the Province the kind of flexibility that it needs so that the Province can repay or convert the loan to equity, or, and hon. gentlemen will realize what at that time, two years ago, appeared to be somewhat unlikely, may now become very realistic and that is the right or the desirability of converting this money into equity. Because if we can reach a satisfactory agreement with the Government of Canada for the development of the Lower Churchill, one suggestion that has been made by the Government of Canada is that there be an equity position by both governments.

We have to be very, very careful on that, Mr. Speaker, because we have to be sure that the equity does not carry with it the right of the other investor, namely the Government of Canada, to dividends from the operation of Gull Island.

MR. NEARY: You are going way off again or a tangent.

MR. HICKMAN: No. No. I am not. I am getting back to this, and I repeat again, I am going -

MR. NEARY: (Inaudible)

MR. HICKMAN: Look, the hon. gentleman, these are very, very valuable figures in my opinion that the Committee should have. And the hon. the Leader of the Opposition has made the statement that the \$78.3 million was not an expenditure in the best interest of the Gull Island development and I say, Mr. Chairman, that it was a very appropriate and prudent expenditure because it is one that if we get into an equity position with the Government of Canada, that we can justifiably say, "There is our equity right now. We have got \$78.3 million in there," if

MR. RICKMAN: that is the way we should do it, but we do have that flexibility, and it is a flexibility that we could only have, Mr. Chairman, by following that route.

MR. CHAIRMAN: The hon. the Leader of the Opposition.

MR. W. N. FOWE: One final little comment on this, Sir, and then my hon. friend and colleague, the Opposition House Leader, would like to have a word or two to say about this subject. We is also a little exercised, as I am, about this blatant misuse of public funds, Sir. We will not go into it in any detail now, Sir, because the Minister of Mines and Energy will have allocated a lot more time for his department. The Minister of Mines and Energy can give his version, a papered over version of the facts in this case as well, Sir. Just let me go on record as saying, Mr. Chairman, that the Minister of Finance knows or should have known that there was misuse of public funds in this particular case. Now he as an intelligent man, a professional man, can stand up in this House and say that at a time when there was an election called, an election underway, \$78 million at that time, which has now apparently escalated to \$110 million - \$100 million of public funds could be spent on a project, Sir, at a time when the government of this Province had no idea any more than a child as to where the remaining \$2½ billion of financing was going to come from, Mr. Chairman, at a time when the government and Newfoundland Hydro had no markets whatsoever for the hydro which was supposed to be developed in the Gull Island site and, Mr. Chairman, at a time when the government had no way, Sir, of getting the hydro, even if they did have markets, to those markets outside of the Province of Quebec - Mr. Chairman, how the Minister of Finance can credibly stand up in this House and pretend to the people in this House and to the public and to the press, Sir, that \$100 million of government money, public money spent in those circumstances of no markets, no financing arranged in any way, shape or form and no way to get it to the markets even if there had been markets, Mr. Chairman,

MR. W. N. ROWE:                   how he can say that that was money well-spent on behalf of this Province boggles everybody's imagination in this hon. House, Sir. Even his own colleagues do not believe it and they are embarrassed by the spectacle of their minister standing up and trying to persuade this House or the press or the public that this \$100 million was in fact well-spent. It was money down the drain, Sir, or a substantial portion thereof, and I say here now that enough money was wasted on that premature, partisan political supposed start-up of the Gull Island development, Sir, enough money was wasted, public funds, to start and complete all the necessary hospital construction that should be going ahead this year in this Province and for the next two or three years. I make that statement, Sir, and I know that that statement cannot be contradicted by any concrete evidence of any kind. And this is the kind of position that this government has got us into today where we have to lay on \$2 for each individual service for a child who goes to a dentist and an increase in the sales tax and an increase in the cost of electricity to consumers and a \$3 ward fee for people going to hospital through no desire or fault of their own, all because, Sir, of the mismanagement of the public funds of this Province, of which the Gull Island premature political start-up, so-called, is one of the most blatant example. One hundred million dollars or a substantial portion thereof of public money down the drain, which has caused this government to be in the straits it is today, Sir.

MR. NEARY:                         Mr. Chairman.

MR. HICKMAN:                     May I answer the hon. gentleman and then I will -

MR. NEARY:                         Well I can put a few more questions to the minister and then if the minister wants to he can answer them all at the same time.

MR. HICKMAN:                     Okay.

MR. NEARY:                         We only have one hour on this particular head, Sir, and over half of that is gone now.

MR. NEARY:

Well, before I swing back to the point raised by my hon. colleague, the Leader of the Opposition, I wonder if the hon. the Minister of Finance could make a few notes on other questions. First of all, could the minister make a note to let the House know what the total debt of the Province is at the present time, the total debt of the Province. I would suspect that it is somewhere in the vicinity of \$2.6 billion. And if hon. members will recall, when the former

MR. NEARY:

maligned Liberal Administration left office in 1972 on January 18, 1972 the total debt of the Province was less than \$800 million, it was somewhere around \$700 million. In less than six years the present administration have more than trebled the debt of the Province. And we will find out in a moment when the Minister of Finance tells the House what the total debt is of this Province at the present time. And would the minister also tell the House that when the government go to the bond market for a loan, to float a bond issue, they have to present to the people in the United States, to the Security, I presume, to the Security Commission -

MR. W. ROWE: SEC.

MR. NEARY: SEC in the United States, they have to present a prospectus outlining the various activities, economic and otherwise, that are going on in the Province. And I have looked over these prospectuses for the last several years and I note in the prospectus that the amount owing by the Linerboard mill, the total cost of the Linerboard mill has dropped and not increased. Despite the fact that millions and millions of dollars have been pumped into the Linerboard mill since it started operation, the cost now showing in the prospectus is less than it was three or four or five years ago. How can that happen? Is that not fraudulent, Mr. Chairman? Is that not a fraudulent statement? And if the government is caught making fraudulent statements under the Security people in Washington that they could be not only sued, I suppose, but they could be barred from going into the market again, ever again. I have three prospectuses here, Sir, and there are three separate totals of production, of the production of that mill and the cost has gone down even though this House has approved literally millions of dollars for the cost of operating that mill. It is now shown in the latest prospectus as being less than it has ever been and I do not know how this can happen. We find the same thing with the oil refinery. Could the minister tell the House if Provincial Refining

MR. NEARY: and if Newfoundland Refining are still functioning?

And if so, would the minister tell the House, if Provincial Refining is still functioning, who represents the government on that board of directors, and if any interest has ever been paid to the government and if not has the interest been added on to the capital cost and shown in that same prospectus that I am talking about? Did the minister get that question?

MR. W. ROWE: Yes. He is reading the resignation now.

MR. NEARY: \$30 million was the initial amount of money that was given to Provincial Refinery; \$30 million was paid out in cash over a period of three years to build the refinery.

MR. HICKMAN: Secured by a second mortgage.

MR. NEARY: Secured by a second mortgage. But I understand that it is now a total of \$47 million. The interest has been added to the capital cost of the refinery, is that not correct?

MR. HICKMAN: Yes.

MR. NEARY: That is correct. But is that shown in the prospectus?

MR. HICKMAN: I should not think that you would show that in a prospectus.

MR. NEARY: You would not show it in the prospectus.

MR. HICKMAN: I do not know.

MR. NEARY: Well, if you do not you are giving a false impression to the people who are investing their money. The total should not be \$30 million, it should be \$47 million because there is an outstanding amount of interest of \$17 million. The government has never collected one cent in interest. The Premier, I believe, is on that Provincial Refining and so is Mr. Crosbie. Mr. Crosbie should be kicked off because he is no longer a representative of this government. And are these two companies still functioning? They are registered in the Registry Office.

AN HON MEMBER: The minister fell out of bed.

MR. NEARY: The minister fell out of bed.

AN HON. MEMBER: No. He is back.

MR. NEARY: So, Mr. Speaker, I would like to find out if these prospectuses are scrutinized by the Attorney General and the Minister of Justice of this Province because if they are not, Sir, the day may not be too far away when they will be questioned in Washington by the Security people and it might turn out to be a source of embarrassment to this Province where false information has been put into the prospectus that could do this Province an awful lot of damage.

MR. NEARY: Mr. Chairman, those are two questions I would like to get the answer to; the total debt, and I would like to find out if we have a sinking fund now? And how much goes into that sinking fund this year to pay off that total debt that I am talking about?

Now, Mr. Chairman, I do not want to take too much time. There may be other members who want to get in on this. But I want to come back to what my hon. friend, the Leader of the Opposition, was talking about, the \$78.3 million that was paid out in connection with the setting off of a couple of firecrackers on either side of the Straits of Bell Isle before the '75 election.

Mr. Chairman, I am told, and the hon. gentleman in answer to my hon. friend a few moments ago told the House, and probably did it without knowledge of the facts, told the House that most of the work that was done will be beneficial to the Province if and when the development of the Lower Churchill takes place. That, Sir, is not so. I cannot call the hon. gentleman a liar. I am not allowed, Sir. But, Mr. Chairman, the hon. gentleman, deliberately or otherwise, gave the House incorrect information because most of the work done will not be beneficial to the Province if and when the development of the Lower Churchill takes place. Most of the money, as my hon. friend indicated, was wasted and squandered. And I will give the House an example, Mr. Chairman. Teshmont, the company that was overseeing the project, moved a lot of their employees, a lot of their staff, into St. John's around that time. Because they figured the project was going to last four or five or six years, and so they would need a big staff into Newfoundland, so they moved a lot of their staff in here, and houses had to be bought for these people. And the houses were bought, Sir, by the employees of Teshmont, on money advanced to them from Newfoundland Hydro at no interest, no interest, Mr. Chairman, or if



MR. NEARY: there was an interest, very low interest.

I am told no interest. And so a large number of houses were bought, these employees were moved into St. John's at public expense, they were given the money at public expense to buy the houses at no interest. But then after the project shut down, Sir, after a few months, the value of real estate had dropped in St. John's and these employees flew the coop, took off back to wherever they came from, the houses were then sold by Royal Trust at a loss. They were sold for less than the employees paid for them in the first place, they were sold at a loss. And then Newfoundland Hydro had to pick up the loss for the sale of these houses. So they got shafted twice and a large number of houses were involved, several hundreds of thousands of dollars were paid out by Newfoundland Hydro because of this foolish policy that was followed by Newfoundland Hydro, using this money that was passed over to them by the Province.

Well what is more serious than that,

Mr. Chairman, I am told that the contracts that were issued to the - or made between the various contractors that worked on the Lower Churchill, on the Gull Island project, that contracts were negotiated in such a sloppy manner, in such a careless way, that the contractors worked on and on and on and on charging up literally millions and millions and millions of dollars that was not contracted for in the original agreement.

Mr. Neary: Millions of dollars, Sir, not thousands, millions of dollars, and finally they had to be brought to a halt, they were just working on and on and on without any control at all. And in this way millions and millions of dollars of this \$100 million as my hon. friend referred to -

MR. HICKMAN: \$78.3 million.

MR. NEARY: - were paid out by Newfoundland Hydro, paid out unnecessarily. Can the minister tell us how this work is going to benefit the Province if and when the Lower Churchill Development takes place? The money is being squandered and wasted. Millions of dollars.

Look, Mr. Chairman, the only way to bring this to a head, let the minister get the contracts and table the original agreements in this House, and then tell us how much was paid out to these contractors in the final analysis. Will the minister table the contract in connection with the development of the Lower Churchill of that \$75 million? or \$78 million? Does the minister hear me?

MR. HICKMAN: I am listening. Yes.

MR. NEARY: Will the minister table the contracts? Will the minister table the original agreements with the contractor? With Teshmont and the various subcontractors -

MR. HICKMAN: "Bill," did you table these last year?

MR. DOODY: Pardon?

MR. HICKMAN: Where they tabled in the debate here last year on Gull Island?

MR. NEARY: No, they were not tabled,

MR. HICKMAN: The year before was it? Yes.

MR. NEARY: No, they were not tabled the year before either.

MR. HICKMAN: Yes, I think they were.

MR. NEARY: Mr. Chairman, I am asking the minister now if the minister will table the original agreements, and then the amounts that were paid in each case to the contractors. Now that is fair enough, Sir. If we are going to pass Consolidated Funds Services, then we have a right

Mr. Neary: to this information. And I believe we will find out, we will find that literally millions of dollars were paid out that the contractors were working without control. There was no control over them. And then there is the case of these houses that I just spoke about. And, Mr. Chairman, will the minister also make a note of ex-gratia payments, non-statutory which seems to be up by \$700,000. Give us a list of payments made under this subhead.

MR. HICKMAN: What is the number of that subhead?

MR. NEARY: That is a way down 105-12. Give us a list of the ex-gratia payments, non-statutory so we can take a look at that.

So with these few remarks, Mr. Chairman, I hope the minister can give us some satisfactory answers for a change.

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: What do you mean, for a change? Do not be saying nasty things like that.

May I work backwards?

MR. NEARY: From port to starboard.

MR. HICKMAN: That is right. I know.

AN HON. MEMBER: In baby talk, too.

MR. HICKMAN: Ex-gratia payments for 1978-1979; this subhead includes payments, and part payments of pensions to individuals who for particular reasons could not be pensioned in accordance with existing legislation. This year's estimate also includes the amounts which will fall due pursuant to the Hart report, that is the big one, and payment to widows who are ineligible for survivor's pension under the pension legislation which did not provide for same.

The increase primarily, Mr. Chairman, of \$700,000 arises out of the implementation of the Hart report on the Waterford strike. That was \$500,000 for survivors benefits, fifty widows at \$2,000 per annum for two years retroactive, and \$200,000 to other people going to pension in the Waterford.

The ex-gratia payments which have been the practice for a long time relate mostly to widows, as I recall it, and pensioners who - well, let me give you an example, I can recall in the 1960s when we implemented a lot of ex-gratia payments for widows of police officers

Mr. Hickman:       who under their legislation at that time, it is changed now, but in the late 1960s, and up until the late 1960s no provisions for survivor benefits to people who were getting pensions under the Constabulary Pensions Act, and that would be the fire department and the penitentiary. And on several occasions - and it still happens - representation is made to government on behalf of a widow who has no entitlement under the legislation that her late husband went to pension on. And the advice that we follow is that rather than try to do it by legislation that it be done by way of ex-gratia payment that cannot be considered as a precedent so that each case can be decided on its merits.

MR. HICKMAN: Now, Mr. Chairman, the total indebtedness of the Province, as of the time of the bringing down of the Budget, or will be, rather, at the end of the '78 fiscal year, is \$2,402,000,000, as shown in exhibit five of the public sector debt, and that includes the debts not just of the Province, Mr. Chairman, but the Crown corporations, utilities, housing, the municipal debt, school board debt and other Crown corporations. The total Provincial direct debt is \$1,669,000,000, the indirect debt is \$965,000,000 for a total of \$2,402,001,000.

The hon. gentleman from LaPoile (Mr. Neary) asked that I indicate what the amount is in the sinking fund. Now that varies from one bond issue to another and where one borrows. For instance, in the Canadian market, as I understand it, there is no sinking fund at all. In the American market, they insist on a sinking fund and sets forth when you start building up the sinking fund, generally about six years after the loan has been made, and there technically one is supposed to put the money into a separate account. What happens is the Province borrows on securities to that amount and places it in the sinking fund.

In the European market the situation is quite different. They do not have in the Euro-dollar market a sinking fund concept at all. They set forth at the beginning of, I think it is the sixth year with most of our issues, we must start repaying the loan if it is a fifteen year, let us say, Euro-dollar or Deutschemark loan, beginning with the sixth year there is a payment made on account of principle.

MR. NEARY: There is only a sinking fund -

MR. HICKMAN: In the US market, yes.

MR. NEARY: No sinking fund for Canadian -

MR. HICKMAN: As far as I know the Canadian fund, most of which we get from Canada Pension.

MR. NEARY: True.

MR. HICKMAN: Right.

MR. DOODY: It is a redemption. You buy back so many bonds.

MR. HICKMAN: That is right. There is a phrase for it that escapes my memory now, but that is what I am saying; you buy back so many per year, starting generally in the sixth year. This reduces your interest on account of the balance of the loan and it is amortized in such a way between, say, the sixth and the fifteenth year that at the end of the last year, or the last year of the term of the bond, it is paid off.

Mr. Chairman, so that there can be no mistake about the procedure and policy that is followed by this government when borrowing in the various money markets of the world and particularly in the US money market, which is one with, I suspect, the most stringent regulations, the procedure that is followed is that the prospectus is prepared by this Province in consultation with its fiscal agents; the prospectus is then filed with the Province's fiscal agents in the US, that is Merrill Lynch and Associates, and it is then subjected to the SEC for very careful scrutiny. If the SEC have any doubts about, or want a further amplification - not so much doubt - about the amplification of the information contained in the prospectus, they go back, as I understand it, to our agents who in turn ask us for clarification and eventually the SEC approve the prospectus.

As a further protection to the investor, once the bond issue is ready to be floated and our fiscal agents advise us that this is a good time to go into the market, the Minister of Finance is obliged to go to New York and appear before a meeting that is known as a due diligence meeting, in the trade they call it a due dilly meeting. And before that due dilly meeting are representatives in this large auditorium of all of the companies that are going to purchase our bonds, highly trained actuaries, chartered accountants, people skilled in the investment market representing Prudential Life, whatever company it might be, and there the Minister of Finance is obligated to briefly review the prospectus and then he has to await questions from the floor.

MR. HICKMAN: And he, with the help of his advisers, will then try and answer any of these questions that are put to us with respect to the future of the Province.

When the rating is being completed by the bonding houses many items have to be taken into account, many items are the subject matter of scrutiny by those who attend the due diligence meeting. Number one, and I find that this is

MR. HICKMAN:

becoming increasingly important in the eyes of the American investor in particular, is the economic prospects for the future of Newfoundland and our resource potential.

AN HON. MEMBER:

I would think so.

MR. HICKMAN:

The American investors:

have a very strong affinity to this Province and our rating, despite most difficult times-and anyone would be a fool if he or she would not admit that during the 1970s that this has been a difficult and expensive time for everyone to do business-but during all of that time we had managed to maintain the rating that was inherited by this administration.

MR. NEARY:

What is it like at this time? Is it being questioned?

MR. HICKMAN:

It is not being questioned, Mr.

Chairman. There is no doubt in my mind, and the two rating agencies - that is Moodys Incorporated and Standard and Poors - have continued to give us the same ratings we have had in the past. The Moody rating is Baa and Standard and Poor is an A rating. Now an A for Standard and Poor may be the equivalent of a Baa rating with Moody's. A second thing they look at is the debt burden of the Province and the servicing costs, and the third thing they look at, Mr. Speaker, or the fourth thing or whatever you want to call it, another item, is the Federal revenue sharing programs and that is very very significant in my opinion -

MR. NEARY:

That is the only thing that saves

us -

MR. HICKMAN:

- very very significant in my opinion

for any government, any provincial government or municipal government in Canada presently going into the Bond Markets of the United States that they believe that as being part of this Confederacy that the economy of Canada and the obligations expressed or implied of the government of Canada towards the provinces is very relevant in deciding on a rating and the ability of the



MR. HICKMAN: Province to borrow.  
Another item, Mr. Chairman,  
which is very very relevant, and may I go back to what  
the hon. gentleman - I have a note here that I do not think  
people are aware of because of it is not of too much vintage.  
There has been a lot of talk in this House, we have read it from  
time to time in the financial magazines of Canada in particu-  
lar when they publish ratings of the provinces, that our  
rating has been lower than that of the other Canadian provinces.

MR. NEARY: The worst in Canada.

MR. HICKMAN: And hon. gentleman will be  
proud, and this committee will be proud to note that even though  
these facts, and they are facts, have appeared and have continued  
to appear since I do not know when it was before, I suspect, most  
hon. gentleman were in politics; certainly when I first became a  
member of this hon. House my recollection is that the Moody rating  
was Baa, the same as we have now despite all of that -

AN HON. MEMBER: Baa I

MR. HICKMAN: Baa I. Even through this  
publicity Standard and Poor have rated us on a par with the  
Province of New Brunswick and that should be good news to the  
people of this Province -

MR. NEARY: Has New Brunswick changed recently?

MR. HICKMAN: Not that I am aware of, Mr. Chairman.  
I hate to disappoint the hon. gentleman from LaPoile, but

MR. NEARY: In trouble in the United States market.

MR. HICKMAN: - our credit has not changed, and  
I repeat, the credit rating of this Province has not changed for  
a long, long time; the same credit rating in Moody's and in Standard  
and Poor is that which prevailed when the Moores administration  
came to office, and we have during the last six years, maybe the last  
ten years, suffered from an inflation factor that no one could have  
dreamt of or conceived when that rating was given the Province of  
Newfoundland sometime prior to that by these two rating agencies.

MR. HICKMAN:

Mr. Chairman, again -

MR. NEARY:

Get on with it.

MR. HICKMAN:

I am trying the hon. gentleman has asked and the Committee have a right to know as to the format that is followed by the rating agencies and by the SEC and by the borrowers or the lenders, rather, in the United States market to whom we turn to get our money. And, Mr. Chairman, I repeat that the information that is filed by this Province, by its fiscal

MR. HICKMAN: agents on behalf of the Province after the most careful scrutiny by the Department of Finance, by the Department of Justice, by the Rowe something law firm in New York and by Merrill-Lynch and submitted to the SEC, absolutely factual, and even then the SEC have, and very properly, a procedure that has to be followed which allows them to double check thoroughly and to their satisfaction every fact set forth in our prospectus.

Another note, Mr. Chairman, because I would not want this Committee in any way to think that there is anything untoward happening which has in anyway affected the credit rating of this Province during the past several years, and I will give a note I have here that even though the agencies have rated the Province of Newfoundland at a credit rating below that of Quebec - Quebec has a rating of Aa - Newfoundland's bonds are presently trading at a much better price than Quebec's, and this, Mr. Speaker, is just as important -

MR. NEARY: We have no separatists down here.

MR. HICKMAN: - as the rating, Mr. Chairman, that is imposed upon us by Moodys and Standard and Poor, because it shows - and the people who buy our bonds they obviously before they buy them - nobody in the United States, the insurance companies or those who administer trust funds -

MR. NEARY: They are paying (inaudible) separatists.

MR. HICKMAN: - they do not go out, Mr. Chairman, and buy the bonds of the Province of Newfoundland without first consulting their fiscal advisors, whoever they may be. And the fact that they are prepared to come in and pay a good price for Newfoundland -

MR. NEARY: You are abusing the one hour, you know that. You are abusing the one hour.

MR. HICKMAN: Mr. Chairman, look, the hon. gentleman gets up and he makes statements about the Province's credit rating is not what it should be, and I say, Mr. Chairman, that if it takes twenty hours I have an obligation as Minister of Finance to insure this Committee that the credit rating of this Province is indeed still the

MR. HICKMAN: same as it has been for a long, long time. I would like to see it higher - no question about it, I would like, everyone would like to see the credit rating higher.

MR. NEARY: The minister is giving the House information. Now we are over in Quebec. Quebec is paying the price for separatism.

MR. HICKMAN: Mr. Chairman, you know, the hon. gentleman hates like the dickens to get information that sort of diffuses his argument and destroys it.

AN HON. MEMBER: Hear, hear!

MR. CHAIRMAN: Order, please! I do have to inform the Committee that the time given for this heading has now expired.

On motion, subheads 105-03-07 and 105-03-12 without amendment, carried.

Finance: Heading 4, page 17.

MR. CHAIRMAN: Does 401-01 carry?

The hon. member for LaPoile.

MR. NEARY: Mr. Chairman, is the hon. gentleman going to give the House - the hon. gentleman had an opportunity, Sir. I am just waiting for my colleague, the gentleman who is shadowing the minister, to return to his seat before we get off the minister's salary, Sir, but there is a number -

MR. W. N. ROWE: What are we into?

MR. NEARY: We are into Finance.

MR. W. N. ROWE: Oh, I see.

MR. NEARY: There are a number of things, Sir, a number of questions that I put to the minister under the last sub-head that I am going to put to the minister again now, and they have to do with the oil refinery. And the minister did not give me the answer - stalled for time, dragged out his answer, dragged red herrings into the House and killed the balance of the hour that was left, and the minister abused his privilege. After agreeing to one hour on consolidated fund services, the minister did not answer all the questions. And Sir, the

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MR. NEARY:

big question that I have to put to  
the Minister of Finance in connection with the oil refinery

MR. NEARY: has to do with Newfoundland Refinery and Provincial Refinery. I asked the minister under Consolidated Revenue, and I am going to ask the minister again, because the money was paid out by the Department of Finance originally, back in 1970 or 1971 I think it was, \$30 million was paid out and some of it was paid out when this administration took office. \$25 million was paid out when the oil refinery started and the balance was paid out over a period of two or three years for a total of \$30 million. There has been an interest accumulated on that loan of \$17 million for a total now of \$47 million. But, Mr. Chairman, I understand all this but what I asked the minister was, who now represents the government on these two Crown corporations, Newfoundland Refinery and Provincial Refining? Newfoundland Refining and Provincial Refining, who represents the government on these two Crown corporations? That is the question I put to the minister and the minister did not give me an answer and apparently is not prepared to give me an answer.

MR. HICKMAN: Yes. I was prepared to give you an answer.

MR. NEARY: Now, Mr. Chairman, the question is once we find out who represents the government on these two Crown corporations, then I would like to put another question to the minister. So could the minister indicate to me now who represents the government on either one or both of these Crown corporations?

MR. HICKMAN: I have that note because the hon. gentleman asked me the other day. I am speaking from memory now, but when the agreement - the Committee will recall that in 1975, I think it was, or 1974, when Mr. John C. Crosbie was still Minister of

MR. HICKMAN: Finance, he and I went to London on two occasions and negotiated to get this Province relieved of its general guarantee of the Come by Chance refinery. I think that that was, and I say this modestly, the most salutary thing that has been done in the financial history of this Province.

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: Because if we had not been relieved of that general obligation that had been given - I have forgotten the year, I think it was 1971 - to give the refinery going -

MR. NEARY: Mr. Chairman -

MR. HICKMAN: Wait now, let me finish.

MR. NEARY: - I yielded to give the hon. gentleman a chance to give me the names of the people.

MR. HICKMAN: Yes, well the hon. gentleman -

MR. NOLAN: Give him the names, boy, that is what we are asking for.

MR. HICKMAN: Mr. Chairman, I repeat, I must finish what I am saying here in order to remind the Committee of the way the Provincial Refining was set up. When we were relieved of the obligation, of any obligation for the general indebtedness of Newfoundland Refining, the Province not having any further interest in Provincial Refining and Provincial Holdings, and Provincial Building, and the companies no longer belonging to us because we had been relieved of the obligation, we were kicked off; to my knowledge there is no one from the Government of Newfoundland on Provincial Refining.

Newfoundland Refining, which is a Shaheen company, again I am not aware

MR. HICKMAN: that either administration, either the former administration or this administration had a representative on their board. I can recall that the former administration tried to negotiate someone getting on that board, but my recollection is that Mr. Shaheen steadfastly resisted.

MR. NEARY: All right, Mr. Chairman, I have the answer I was looking for. The hon. gentleman can now take his seat. The hon. gentleman told the House that the government does not have a representative on Newfoundland Refinery -

MR. HICKMAN: As far as I know.

MR. NEARY: - or Provincial Refinery, as far as the hon. gentleman knows. The hon. gentleman is Attorney General and Minister of Justice and Minister of Finance in this Province, and the hon. gentleman cannot give me a definite answer as to whether or not the Government of this Province have representatives on these two Crown corporations, is that correct? The minister cannot tell me for sure. Can the minister tell me?

MR. HICKMAN: I am certain in my own mind -

MR. NEARY: Can the minister tell me?

Mr. Chairman, I am asking the minister to tell me definitely, to assure this House. The minister told this House to his knowledge the government does not have representatives on either one of these board of directors, is that correct?

MR. HICKMAN: I said, to my knowledge.

MR. NEARY: Mr. Speaker, I am asking the gentleman to give the House the information.

MR. RIDEOUT: Let him send for it if he does not have it.

MR. NEARY: The hon. gentleman should get somebody in who knows.



MR. HICKMAN: Hold on, now! I knew I was right! The shares were sold in Provincial Refining and Provincial Building to the Shaheen Company. I knew I was right! We do not have anyone on that company.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Chairman, the hon. gentleman again, Sir, said that the shares were sold to Newfoundland Refining, is that correct?

MR. HICKMAN: The shares in Provincial Building and Provincial Refining, these were the two Crown corporations that were incorporated in the 1960's by the Government of Newfoundland, that when the Government of Newfoundland was relieved of its general obligation to guarantee all the indebtedness of the Newfoundland Refining and the Come by Chance operation, which was about 1974 or 1975, the shares were then sold for \$1 to the Shaheen company and as we

MR. HICKMAN:

had no further interest in these companies, and it was never intended that we would have an interest in the companies, the shareholders are the nominees of Mr. Shaheen and therefore we would not have the right to have any one on the board after that date.

MR. NEARY: Mr. Chairman, I hope that that information has gone in. I hope that that information was picked up by Hansard.

MR. HICKMAN: I am sure it is.

MR. NEARY: Mr. Chairman, I hope that that information has been picked up by Hansard and gone into the public record, Sir, because the statement that the hon. gentleman made again is misleading to this House, Sir, grossly misleading. The hon. gentleman told us that the reason the government had representatives on these Board of Directors in the first place was to protect the government investments, to make sure the debts were paid, to make sure the creditors were paid. Is that correct?

MR. HICKMAN: Because of the contingent liability of the Government of Newfoundland for the general unsecured indebtedness of the refinery, Nothing to do with the mortgage, we had our security on that, a second mortgage, that \$47 million. But when the Moore's Administration came into office, lo and behold! the hon. gentleman will recall a letter of 1971, I think it was, to the ECDG from the Government of Newfoundland saying that apart altogether from the money that we have advanced we will guarantee any indebtedness of Newfoundland Refining. That was an horrendous thing for the Province to face and it was a contingent liability that would have to be shown up as being part of the Province, and we negotiated a release from that and having obtained a release from our obligation then of course we would naturally have no further interest in these two companies that have been set up for the purpose of building the Newfoundland refinery.

MR. NEARY: Mr. Chairman, would the minister tell the House

MR. NEARY: If the situation is this, that the government had representatives on the Board of Directors of both of these companies for money being paid out, to make sure the money was paid out, the creditors were paid but also to protect the Province's investment. Is this correct?

MR. HICKMAN: You are all mixed up, 'Steve.' You are all mixed up.

MR. NEARY: I am all mixed up.

MR. HICKMAN: Yes. Do you want me to go all over it again?

MR. NEARY: Beg your pardon!

MR. HICKMAN: And the hon. gentleman, you know -

MR. NEARY: What I am getting at - let me put the question straight to the minister. What I am getting at is during this time when the government had representatives on Provincial Refining there was interest owing to the Province on the \$30 million that was paid out. The minister shakes his head. Well, I can tell the minister that there is \$17 million interest owed to the Province, and this was owing while the Moore's Administration, while the Moore's Administration had two members of their government on the Board of Directors of Provincial Refinery. One gentleman, by the way, in case the hon. Minister of Municipal Affairs is not aware, one gentleman was Mr. Frank D. Moores. Mr. Frank D. Moores was on the Board of Directors of Provincial Refinery and still is, because the company is still listed in the registry office.

MR. HICKMAN: That does not mean he is on the board.

MR. NEARY: Mr. Chairman, I got the share list only last week from the registry office. Mr. F. Duff Moores, Mr. Frank D. Moores is a member of the Board of Directors of Provincial Refinery and the other gentleman who is on the Board of Directors of Provincial Refinery is Mr. John C. Crosbie.

MR. HICKMAN: When was their last share list filed?

MR. NEARY: Mr. Chairman, Mr. John C. Crosbie was on in his capacity - The company has never been stricken from the registry.

MR. HICKMAN: The hon. gentleman is talking about misleading the House. Could the hon. gentleman tell the house the date the last share list was filed?

MR. NEARY: Mr. Chairman, the hon. gentleman -

MR. HICKMAN: Because if he does not I will find out and I will table it in the House very quickly.

MR. NEARY: Mr. Chairman, the hon. gentleman can table it. I can tell the hon. gentleman that the share list of Provincial Refinery has never been stricken from the company's record. It is still registered.

MR. HICKMAN: Do not be cute. Do not be cute. You are caught now.

MR. NEARY: No, Sir, I am not being cute.

MR. HICKMAN: Oh yes, you are. Come on now, tell us?

MR. NEARY: Mr. Chairman, I am just merely trying to find out, Sir, if the government's investment was protected or not. Now, Mr. Chairman, I would like to have the Minister of Municipal Affairs, Sir, silenced. If he wants to chew on something, if he wants something in his gob, have him go out to his own common room and do it and not insult Your Honour by being over there with his mouth going up and down chewing gum or candy or something in this hon. House like a cow chewing its cud, Sir.

MR. DINN: A point of order.

MR. CHAIRMAN: A point of order has been raised.

MR. DINN: I am over here reading a document, Mr. Chairman, a public document.

MR. NEARY: Oh, Mr. Chairman, that is not a point of order. The hon. gentleman cannot even speak, Sir. The hon. gentleman is so discourteous to the Chair with something in his gob all day long.

MR. NEARY: I wish the hon. gentleman would get something sticky enough that would keep his gob closed.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, we are discussing some very serious matters here, Sir, in connection with the provincial business.

So, Mr. Chairman, I can only presume because the company is still registered and the Premier and the former Minister of Finance is on that Board of Directors, and Mr. Crosbie was on in his capacity as Minister of Finance, should have been kicked off if the company is still functioning, and the present Minister of Finance or the former minister should have been put on or the present minister put on.

Now, Mr. Chairman, it is not really the interest on the money that I am getting at, although I would like to have an explanation of why no interest was ever paid back, and the total amount now owing to the government is \$47 million and not \$30 million or not \$45 million as the former Minister of Finance has referred to so often saying it is \$30 million. The total owing to the government is \$47 million because I checked this with the Auditor General during the Easter recess, and I got the schedule of payout, and I got the schedule of interest that is owing, when it was owed, and the company is in default. Okay. That is fine, Sir. Be that as it may.

But, Mr. Chairman, the most serious thing that I want to get at is before the House rose for Easter I put a few questions to the Minister of Finance, the Minister of Justice in connection with the \$50,000 that was put up by my hon. friend the former Minister of Finance to join with the Japs who I said at the time were the enemies of the Province. And the Minister of Justice got up and gave me some kind of a wishy-washy statement of how this was done to make sure that the creditors, both secured and non-secured, would receive any payments if the oil refinery was taken over by a new operator. That is basically what the minister said. And I argued with the minister, it was during the Oral Question Period, so I could not do anything except ask a few more supplementary questions of the minister, and I asked the minister if it was so that this was done

Mr. Neary: behind the Premier's back, and the Premier got a little red-faced, and he was probably a little redder than he is at the present time, and I happened to see him last night in Halifax and he is pretty red at the present time, red as a beet after coming back from the South. So the minister indicated that this was all proper, there was nothing to worry about. All the government was doing, the former Minister of Finance, was not on a personal vendetta against Mr. Shaheen, there was no venom involved in this, it was all done right and properly, and the government of this Province were joining with the Japs, who were the enemies of the Province, joining with the Japs and trying to get an attachment against certain of the Shaheen companies. Is that correct?

MR. DOODY: That is not correct- we are the enemies of the Japs.

MR. NEARY: The Japs are -

MR. DOODY: I thought there was a Peace Treaty signed in the late 1940s.

MR. NEARY: Mr. Chairman, there may have been a Peace Treaty signed in the late 1940s, Sir, but hon. gentlemen should take things a little more seriously. It was the Japs that put the oil refinery into bankruptcy.

MR. DOODY: It was the Japanese (inaudible) \$300,000,000.

MR. NEARY: Mr. Chairman, it was the Japs, sir, who put the oil refinery prematurely, aided and abetted by this Government, into bankruptcy. I have a document I am going to read to this honourable House shortly that will explode the Minister's of Justice arguments and the answers that the hon. gentleman gave -

MR. HICKMAN: That was the letter you read the other day from the lawyer to Mr. - what was his name? - Gough.

AN HON. MEMBER: No, those are Carey's chickens.

MR. HICKMAN: Carey, right.

MR. NEARY: Mr. Chairman, when the Minister of Justice made these statements, Sir - and I think it is about time, Mr. Chairman, that somebody in this Province learned a little bit about law. Certainly, the hon. gentleman knows nothing about law.

MR. HICKMAN:

No, but I am listening.

MR. NEARY:

My hon. friend, the Minister of Transportation, who with the Minister of Justice gave the Japs, joined with the Japs in trying to shaft Mr. Shaheen, when in actual fact what they should have been doing, they should have been trying to recover money and debentures from the Japs

MR. NEARY: that had been paid out in late 1976 I think it was, in '75 and '76.

Mr. Chairman, under the bankruptcy laws in Canada - is the Minister of Justice listening to what I am saying?

MR. HICKMAN: Yes, I am listening, carefully.

MR. NEARY: Under the bankruptcy laws of Canada, and the minister should know this, that any transaction that takes place three months prior to the bankruptcy has to be made null and void. Is that not correct?

MR. HICKMAN: Yes, that is right.

MR. NEARY: The minister says that is right. Well, I will show the minister three examples of where there were transactions took place, where debentures and money were paid to the Japs in less than three months before the bankruptcy and nothing was done about it and the government did not lift a finger, except the Minister of Finance paid \$50,000 to try to get an attachment against Mr. Shaheen when they should have been trying to get their money back from the Japs.

Mr. Chairman, I am going to table this letter, though I am going to read it for the benefit of the House just to show how the House was given misleading information by the Minister of Finance, and the Minister of Justice. It is addressed to me.

"Dear Mr. Neary, This firm represents John Shaheen personally and those of his companies in the United States which are presently engaged in a litigation concerning the bankruptcy of Newfoundland Refining Company Limited and Provincial Refining Company Limited.

"I have been handed a copy of a portion of the transcript of questions and answers in the House of Assembly in Newfoundland on March 7, 1978 and I find that some of the hon. members of the Assembly are being badly misled as to the true state of the facts, especially with respect to the relationships



MR. NEARY: between Attaka, the unsecured creditors in Newfoundland, and Clarkson, the trustee in bankruptcy. Mr. Neary referred to Attaka as being the enemies of the Province and he questioned why the Newfoundland Government was putting up \$50,000 and the Japanese \$250,000 to take legal action against Mr. Shaheen.

"First let me say that the said legal action by Clarkson against Mr. Shaheen was instituted last July and already a considerable amount of funds provided by the Province and the Japanese have been wasted in the preparation of a great book "of exhibits" including accounting entries going back as far as 1972 in an effort to get an attachment against the assets of Mr. Shaheen and certain of his companies.

"After the matter was thoroughly briefed and argued to the United States District Court in which the case is pending, the court held that the New York Attachment Statute which was amended effective September 1st., 1977 neither before nor after such amendment provided a statutory basis for the attachment sought by Clarkson. Similarly Clarkson's efforts to obtain an attachment under the Fraudulent Conveyances Act, based upon the statutes of Elizabeth, did not provide a legal basis for the attachment sought.

"In the concluding part of the opinion, the Court went on to state -" I will not read that part but I will just go on to say, I will go on to the most pertinent part, "Later, Mr. Kickman, in referring to Clarkson as trustee in bankruptcy stated that the trustee has an absolute obligation to try and recover as much money as possible from the bankrupt estate, which money is distributed in keeping with the bankruptcy law. The trustee in bankruptcy has absolute obligation to make sure that every dollar that he has spent during the operation of the bankrupt company, is accounted for, to see whether or not there are monies due and owing to the bankrupt estate, because if there are, then where it is beneficial

MR. NEARY: to all unsecured creditors, in this case both to the Japs and to the Newfoundland companies in residence of Newfoundland, is that if money is recovered then it would be after the payment to the secured creditors distributed to the unsecured creditors on a pro rata basis.

"These statements in their context clearly show that the Government of the Province has not kept fully informed." Listen to this, Mr. Chairman. A lawyer down in New York representing a firm, Sir, of Manning and Carey, and Carey is a brother of the Governor of the State of New York -

MR. DOODY: Oh, he is demoted. He was the governor the last time.

MR. NEARY: No, he is a brother of the governor. Well, if I said he is the governor I made a mistake.

MR. DOODY: Oh, another little mistake.

MR. NEARY: Mr. Chairman, just listen, "These statements in their context clearly show that the Government of the Province have not been kept fully informed as to what has happened, both prior to and subsequent to the filing by Attaka of the petition for bankruptcy of Newfoundland Refining and Provincial Refining on February 13th., 1976." And just listen to this.

MR. DOODY: I have another letter from Jimmy Carter, he is the President.

MR. NEARY: Mr. Chairman, just listen to this. "Under section 73 -"

MR. NEARY: Does the hon. gentleman think this is funny? Well, just wait until I am finished.

MR. PECKTOBB: Ah, my son, I am sick and tired of listening to you.

MR. NEARY: The hon. gentleman will be sick before I am finished, not tired.

"Under Section 73 of the Canadian Bankruptcy Act all payments made to, every obligation incurred by and every charge made upon the property of an insolvent person within three months of the bankruptcy in favour of any creditor with a view to giving such creditor a preference over the other creditors is deemed void as against the trustee and where such payment, obligation or charge has the effect of giving any creditor a preference over other creditors it is presumed prima facie, to have been made with a view to giving such creditor a preference over other creditors. While it is not clear from the Bankruptcy Act whether three months date from the filing of the petition or the date of the issuance of the receiving order, I shall assume for the purposes of this discussion that it is the latter date." And then the letter goes on, Sir, to prove that on December 12, 1975, for instance, Ataka forced NRC to pay \$21,700,000 to Ataka for past debts and on December 12, 1975 Ataka and Sumitomo Bank caused PRC to pay \$500,000 to Sanco which was not even owed to Sanco, and then on December 15th Ataka again caused \$25 million in debentures to be paid over to Ataka and on December 15th Ataka and the bank caused PRC to get another \$500,000 again to Sanco which was not even owed. And so, Mr. Chairman - I may not have time to finish this letter because I only have one minute left - I am going to table it. I will listen to the minister's reply and I want to come back and finish the letter.

MR. HICKMAN: No, finish it.

MR. NEARY: Well, if the minister is satisfied I will just -

MR. CHAIRMAN: Does the hon. member have leave? Agreed.

MR. NEARY: Anyway, Mr. Chairman, I am going to table the letter and I will not abuse the leave, I just will end up the two or three last paragraphs of the letter: "From the foregoing it can be seen that at least \$29 million of the funds of Provincial Refining Company and Newfoundland Refining Company were paid to Ataka or its associates, the Sumitomo Bank and Sanco -

MR. DOODY: That is a coffee.

MR. NEARY: - and charges amounting to over \$31 million"- The hon. gentleman thinks this is funny and, Mr. Chairman, this is fraudulent, this is a breach of the law. The Attorney General and the Minister of Justice and the Minister of Finance should have taken action, which they have not done, on behalf of the Province.

MR. HICKMAN: Against whom?

MR. NEARY: Against the Japs. Just a second now, Sir, I am coming to that. Let me go back. Let me start that paragraph again.

MR. HICKMAN: You stopped at \$31 million. Start at \$29 million again.

MR. NEARY: "From the foregoing it can be seen that at least \$29 million of the funds of PRC and NRC were paid to Ataka or its associates, the Sumitomo Bank and Sanco and charges amounting to over \$31 million were placed on PRC assets and later realized upon in whole or in part, all of which were preferences in favour of Ataka et al over other unsecured creditors and all of which are prima facie void under the Bankruptcy Act, Section 73 as against a trustee in bankruptcy." Now that is indefensible, Sir.

MR. HICKMAN: Will you table the letter?

MR. NEARY: Yes, I am going to table the letter, Sir. In the face of this, Mr. Chairman, "Clarkson, so far as we are aware," so the letter says, "has taken no action whatsoever to obtain the return of all these monies so that they could be paid pro rata to the -

AN HON. MEMBER: That is not true.

MR. NEADY:

It is true, Sir - "to the unsecured creditors, as Mr. Hickman indicated the trustee had the duty to do." Mr. Chairman, make sure all the hon. members understand what I am saying here. "In the face of this," so this lawyer is saying, who is one of the most reputable lawyers in the United States, "In the face of this," the information given in the letter, "Clarkson, so far as we are aware, have taken no action whatsoever to obtain the return of all of these monies so that they could be paid pro rata to the unsecured creditors as Mr. Hickman indicated the trustee has the duty to do. This non-action by a trustee in bankruptcy would not be permitted under the United States Bankruptcy Act and I am sure it is equally as abhorrent to the prevailing rules under the Bankruptcy Act of Canada."

MR. NEARY: "It would seem these voidable preferences should have been attacked before any other actions were taken by the trustee." And the actions referred to are the \$50,000 put up by the former Minister of Finance, aided and abetted by the Minister of Justice, to try and get an attachment against Mr. Shaheen's companies when in actual fact what the government should have been doing was trying to get the trustee to get back the money that had been paid out to Ataka when they were given preferential treatment within that three month period. It was paid out illegally, nothing was done about it, no action was taken, and the Minister of Justice and the Attorney General of this Province, who is now Minister of Finance, should have done something about it and should now do something about it.

I am going to table the letter, Sir, so that the minister can go through it. And for the information of members of the House, I did not have the time to read all the information but it would be very worthwhile for members to get a copy of the letter and read it. And I hope the press will get a copy of the letter and read it just to show how negligent this government, and the minister has been in his responsibilities to the taxpayers and the people of this Province.

MR. CHAIRMAN: The hon. Minister of Finance.

MR. HICKMAN: Mr. Chairman, I thank the hon. gentleman for his lecture on the Bankruptcy Law of Canada, none of which applies to the matter before the Committee.

Number one - before I deal with that now, when the hon. gentleman was up he was asking, "Who was on the Board of Provincial Refining? Who were the members of Provincial Building? I will tell you who," he said, "F. Duff Moores, and John C. Crosbie." So I said to the hon. gentleman, "You are always accusing everyone else of misleading the Committee, give them all the information. Tell the Committee what share list in the companies registry shows these two gentlemen as being,

MR. HICKMAN: members of the Board of Provincial Refinery?"

And he would not answer.

AN HON. MEMBER: He is gone now.

MR. HICKMAN: He skirted, went around and around and now he is gone. So I asked if someone would telephone down to the Registrar of Companies and Securities and ask when the last share list for Provincial Building Company Limited and Provincial Refining Limited were filed, and lo and behold, what did I discover? You will never guess. 1974, four years ago, which proves exactly what I was saying when I was speaking from memory, that when this administration in 1974, or whenever it was, I think it was '74, finally negotiated and got the agreement and the concurrence of Kleinwort and Jenson, ECCO, Shaheen could be relieved of the general guarantee for the operation of Newfoundland Refining. We had no further interest in these two companies, the shares were sold to Mr. Shaheen and there has been no representative of the Government of Newfoundland, nor is there an entitlement of the representative of the Government of Newfoundland, to be on the board of either of these companies and the share list, the last one that was filed was filed in 1974.

Now, Mr. Chairman, let us deal with the matter that the hon. gentleman from LaPoile (Mr. Neary) has been raising, and that is an action that is presently before one of the courts in New York, the United States District Court for the Southern district of New York. It is an action taken by the Clarkson Company Limited as trustee in bankruptcy, appointed by the Supreme Court of the Province of Newfoundland, of the properties of Newfoundland Refining Company Limited and Provincial Refining Company Limited.

Now Newfoundland Refining Company Limited, hon. gentlemen will recall, is a Shaheen company, and my recollection is ~~was~~ incorporated long before Come By Chance started. Provincial Refining Company Limited was one of three companies incorporated at the time the Come By Chance project was starting, one was for -

MR. HICKMAN: anyway it was part and parcel of the building of the plant.

The defendants are John M. Shaheen, Roy M. Furmark, Alban W. Smith, Philip Gandart, Peter L. Karras, Paul W. Rochelle, William J. Sherridan, and John Doe, which is a peculiar procedure they have in the United States, that if they are not sure of all of the defendants, that there may be others they have not caught them, then they throw in John Doe as a great net to catch them all.

In any event I was away and I came back and I heard a statement that was attributed to the hon. gentleman from LaPoile (Mr. Neary) that the Government of Newfoundland had, in conjunction with the trustee in bankruptcy, taken an action against Mr. Shaheen and his associates in New York, and that we had lost, we were hurled out of



MR. HICKMAN:

court, thrown out of court. Well you know the Committee obviously must hear the facts and must hear what the situation is, because there has been, this was an action, as I indicated, commenced in the New York Court, by the trustee in bankruptcy against the Shaheen interest, and there has been all sorts of press reports and I do not fault the hon. gentleman for LaPoile (Mr. Neary) because there was a press report that emanated from New York and it was carried in one of the Toronto papers. They had no reason to believe that it sort of skirted some of the facts. I think they have learnt their lesson.

Now, Mr. Chairman, for the record, the court action was commenced in 1976 by the trustee to obtain possession of the books and records of Newfoundland Refining and Provincial Refining Company Limited, a very legitimate and necessary action for any trustee in bankruptcy to take. Because the law, under the Canadian Bankruptcy Act, is very clear, that when a company is declared by the courts to be bankrupt and the trustee is appointed, and the hon. the Leader of the Opposition will corroborate this, there is an absolute obligation on the part of the trustee in bankruptcy, to obtain all the books and records of the bankrupt company. That is probably step number one, and then step number two is to try and assess the assets of the bankrupt company and, thirdly, try and recover any monies that may be owing to them, and that is the purpose of getting the books. But these books were not handed over.

So eventually the trustee moved in 1977 to amend the action by adding additional defendants, namely the directors of Newfoundland Refining, in addition to Shaheen Natural Resources Company, Inc., Newfoundland Refining, USA. and Founders Corporation. The allegation, Mr. Chairman, and I repeat

MR. HICKMAN: it is an allegation, the allegation by the trustee in bankruptcy against the defendants in the amended statement of claim, is a claim for monies and damages totalling \$52 million, on the basis that this amount of Newfoundland Refining Company funds, that is the bankrupt company, was conveyed upstream, which is a technical word, to Shaheen Natural Resources Company, Inc., Newfoundland Refining Company, USA and Founders Corporation, without proper consideration and with the intent to delay, etc., the creditors.

The bulk of the claim as set forth in the statement of claim involves an alleged open account indebtedness of \$45 million due Newfoundland Refining Company from Shaheen Natural Resources Company, Inc. Approximately three months, and this is a significant date, approximately three months prior to the bankruptcy of Newfoundland Refining Company, the open account indebtedness, and that is that open account indebtedness of \$45 million, was cancelled in exchange for a promissory note due and payable June 30th., 1985, and this promissory note is not secured. As I recall it, a preliminary objection was taken; in any event there was some preliminary hearings and arguments before the New York Court.

The recent decision by Judge Owen held the following. Now remember, the government is supposed, and the trustees, to have lost this case. Here is what they held. Number one - granted the trustee's motion to amend the complaint as outlined above. The trustee asked if the complaint, we call it a statement of claim in this jurisdiction, could be amended to bring in these additional parties and claim the monies I referred to herein.

Number two - the judge denied the defendants, i.e., Mr. Shaheen, etc., motion to allege that the trustee's appointment was tainted with fraud. That was denied, thrown out of the court.

Three - granted, and this was the guts of the action, granted the trustee permanent possession of the books and records

MR. HICKMAN:

of Newfoundland Refining Company.

And four - denied the trustee's motion for  
an attachment.

Now the only press release that came out of  
New York - and I do not know the source of the release; I might be  
able to speculate - dealt only with number four, which is a procedure,  
as the hon. the Leader of the Opposition knows, somewhat similar,  
I suspect from reading the judgement, that we have in this jurisdiction,  
that if there are occasions when an application

MR. HICKMAN: can be made to the court by a plaintiff, saying that "I have reason to believe or I am concerned that by the time these matters are adjudicated upon, that if I obtain a judgement the defendant will no longer have any attachable assets. Will you please grant an attachment at this time so the assets can be preserved." It is one that our courts grant with some reluctance because it might be interpreted as adjudicating in advance of hearing the evidence.

And again it is relevant, and under the New York Law a very recent amendment to their act attachments are now only permitted on the very property alleged to be fraudulently conveyed. I am reading from the reports we received "contrary to the press reports, the decision of Judge Owen was an important victory for the trustee" and Mr. Chairman, that is where the case stands now. Now, the hon. gentleman asked again why would the government of Newfoundland co-operate with the trustee in bankruptcy in an attempt to have the courts of New York adjudicate as to whether or not there is indeed somewhere between \$45 million and \$52 million owing to the bankrupt estate of Shaheen or Newfoundland Refining? The simple fact, it is as plain as the nose on your face, that if, and I have no way of knowing, but based on good legal advice the trustee has been advised by his New York solicitors that they have a good cause of action or they would not take it, the trustee in bankruptcy has initiated this action but this action will not be just for the benefit of one creditor it will be for the benefit of all unsecured creditors.

MR. W.N. ROWE:

How so?

MR. HICKMAN:

The hon. the Leader of the Opposition knows it is precisely correct what I am saying that if that money is paid into the bankrupt estate, if judgement is obtained in the final analysis in favor of the trustee then it will be for the

MR. HICKMAN: benefit of all the unsecured creditors, not just the Japanese. The Japanese happen to be the major unsecured creditor. They happen to have put in about \$300 million I gather of monies into financing this operation -

MR. NEARY: they had a comment from the premier that they would get the Julianna Lake deposit.

MR. HICKMAN: The hon. gentleman always gets upset when the facts start to unfold. He does not like them. Mr. Chairman, if we can -

MR. NEARY: Figure skating on thin ice.

MR. HICKMAN: - I am not figure skating. It is an action that I can tell you that if the Government of Newfoundland had not participated, had said to the trustee in bankruptcy "We are not going along with you," then we could have been very severely criticised indeed, because remember over and above monies that may fall into the hands of the Newfoundland unsecured creditors, we are a second mortgagee and our right of recovery out of that asset, the Government of Newfoundland's right of recovery out of the asset ranks behind that of the first mortgagee which is Kleinworth-Benson - ECDG.

MR. NEARY: Then why did we not go after the Japs for their transactions that took place within three months.

MR. HICKMAN: I am coming to that in a minute, too. The hon. gentleman is wrong on that one too.

MR. NEARY: I am only quoting from a letter.

MR. HICKMAN: I realize that and I realize that the letter the hon. gentleman is quoting from, from a firm called Manning and Carey in New York are the solicitors for Mr. Shaheen.

AN HON. MEMBER: That is right. I said that. It said that no the letter.

MR. HICKMAN: I realize all of that and I am not going to comment on their knowledge of New York law. I am sure it is superb. I will say that their knowledge of the Canadian

MR. HICKMAN: Bankruptcy Act and the laws of the Province of Newfoundland may leave something to be desired and I say this knowing that every word I am saying that the transcript of it will be mailed off to them tomorrow -

MR. NEARY: But not by anybody in this House.

MR. HICKMAN: Well now where did they get - well I do not know but I would be curious to find out where they so quickly received, from whom they so quickly received the transcript of my answers to questions on March 7, 1978. I am only curious, it makes no difference about having -

MR. NEARY: Point of order, point of order.

MR. HICKMAN: - I am not suggesting the hon. gentleman from LaPoile

MR. CHAIRMAN: A point of order has been raised

MR. NEARY: The hon. gentleman has suggested -

MR. HICKMAN: I have not suggested anything at all.

MR. NEARY: That is the point of order I am making. The hon. gentleman has suggested that some member of this House, on this side of the House had gotten the transcripts and sent them to New York to Mr. Shaheen. Now the hon. gentleman either withdraws that statement, to set the record straight because, Mr. Chairman, I want to tell the hon. gentleman that I did not send or get any transcripts or send any transcripts to New York.

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

I think it is a difference of opinion. The minister did not specify any particular member.

MR. HICKMAN: There is no difference of opinion, Mr. Chairman. I repeat that

MR. HICKMAN: the hon. gentleman from LaPoile (Mr. Neary) has done me a great favour and he has done this House a great favour by tabling this letter which refers to obtaining a transcript of the questions and answers in the House of Assembly on March 7th, and the letter was written on March 16th, so there was no time lost. He has alerted us all that some unknown person somewhere in the Province of Newfoundland visits Hansard's office -

MR. NEARY: Well, are they not public?

MR. HICKMAN: - yes, which is his or her right to do, and obtains a copy of that public document, and in the interest of Newfoundland and in the hatred for the Japanese, rushes this off to New York. So, knowing all of that, I am saying that - what I am saying in response to the hon. gentleman's comments and the reading of this letter, I am saying in the conscious knowledge that it will end up in the hands of this gentleman in New York who, I repeat, is unquestionable very knowledgeable and learned in the law of his State.

Now, Mr. Chairman, unfortunately for him and fortunately for us, I believe that the Canadian Bankruptcy Act, which is a Federal act, is far superior and affords far greater protection to creditors than the legislation one will find in the various States of the Union. But, again, that is because we have been in the business of following the Common Law longer than they have and they eventually see the wisdom of our ways and follow the British system.

Now, Mr. Chairman, if we had not taken that action then we could have been roundly criticized because, apart altogether from our obligations to the unsecured creditors of this Province, it is - I hope it will not happen but we have to guard against the eventuality that when that asset in Come-by-Chance is eventually disposed of that there may not be sufficient funds realized to pay off the total amount due on account of principal and interest under the first mortgage and then the principal and interest under the second mortgage. Any monies that are still outstanding then, then under the Bankruptcy Act, and I repeat, under the Bankruptcy Act, and I will say it slowly so that the people in

MR. HICKMAN: New York can very carefully go over this, the Government of Newfoundland will rank as an unsecured creditor for the balance that may be remaining. So we have an obligation, one, as a Government toward the residents of this Province, the citizens of this Province; and we have a second obligation as ministers on behalf of the Government of Newfoundland.

Now, Mr. Chairman, let us take a look at the next matter - and while we are on this, because I know the hon. gentleman would not want me to withhold anything from the public; he felt it was his duty, as I am sure it was as a member of this House, to comment to the Press on the last action - I wish he had given a total listing of the decision of Judge Owen -

MR. NEARY: No, but the hon. gentleman is not referring to me now when he is talking about making statements to the Press.

MR. HICKMAN: Comments, not statements.

MR. NEARY: I made a comment to the Press?

MR. HICKMAN: I understand, I am sure I read in the paper where the hon. gentleman was criticizing me and my colleague, the hon. Minister of Transportation and Communications for conspiring with these -

MR. NEARY: Oh, the \$50,000.

MR. HICKMAN: Right! The \$50,000.

MR. NEARY: The hon. is right.

MR. HICKMAN: That is right. But I wish he - anyway the general public picked it up because one of the media having read this went back, as the House will recall, and had their own check made, and lo and behold, they discovered that it was indeed a great victory for the trustee.

MR. NEARY: Mr. Walsh of CBC, was he the one?

MR. HICKMAN: But I have no idea who the hon. gentleman was.

Now, Mr. Chairman, there has been another decision that has come down of recent date which again will be of interest to the people of Newfoundland and to this Committee, and this was to New York



MR. HICKMAN:                    litigation in which the Province was involved and, specifically, to a court action in the Supreme Court of the State of New York in which the Shaheen companies sued the Government of Newfoundland and Clarkson Company. The complaint alleged that we had wrongfully declared a default under the second mortgage and had wrongfully appointed the Clarkson Company Limited as receivers. We were successful on a preliminary motion, the Government was, Mr. Speaker, in denying the Shaheen companies an injunction that they had requested on the grounds that the Court lacked jurisdiction and we also moved at the same time to have the Action struck out. The Shaheen companies appealed this matter to the Appellate Division of the Supreme Court, I presume that is the Supreme Court of

MR. HICKMAN: New York and we, the Government of Newfoundland, one of the defendants, we have recently been informed that the appeal has been denied, another decision of a New York Court in favour of the Government of Newfoundland. And the thing that arouses my curiosity, and I repeat this is not a reflection on the hon. member for LaPoile (Mr. Neary), the thing that arouses my curiosity is this, why is it that the decision where four matters were in issue, one of which the trustee did not totally succeed on, attained all kinds of publicity, with press releases coming out of New York into Toronto and then into Newfoundland, and this other one, that is in the appellate Court of New York, where again the Government of Newfoundland and the Clarkson company have been successful, that these people who compile the news in New York did not see fit to let the taxpayers of this Province know that their government and the trustee in bankruptcy had succeeded on the appeal?

You know, I feel that, number one, and I am only talking about the New York Courts, I repeat I must draw to the Committee's attention, the bankruptcy of Newfoundland Refining Company Limited, was a declaration by I think it was Chief Justice Mifflin of the Trial Division of the Supreme Court of Newfoundland, and his decision was appealed to the Court of Appeal of Newfoundland and the Court of Appeal had upheld his decision, and notice of appeal has been given to the Supreme Court of Canada by someone acting on behalf of Mr. Shaheen or his companies so that that matter, being sub judice, I cannot comment on but I do have the right to comment on the decisions in New York and I only comment simply for the purpose of setting the record straight.

The hon. the member for LaPoile (Mr. Neary) raised another question and that was with respect to some - he referred to this letter - to monies, \$20 million allegedly paid to Ataka and the Sumatomo Bank and Sanco, \$31 million placed on

MR. HICKMAN: PRC assets and later realized in whole or in part.

Now I have to advise the Committee I am not aware of the details there but I am wondering out loud if this was not the money - and I am sure that when the gentleman from New York gives a further opinion he will oblige me by giving us some facts - if this was not money that was raised by way of a debenture to allow the delivery of further crude to the plant.

MR. WEARY: It did not make any difference how it happened.

MR. HICKMAN: The Committee will remember that when the company was apparently experiencing some difficulties, that in order to stay in business and to obtain further deliveries of crude, certain debentures which had the effect of first mortgage bonds and which I believe, but I say this without prejudice because I am not absolutely certain, took precedence over even the Kleinwort - Benson, ECCD mortgage, were executed with the consent of the British and on the clear understanding that they became a first secured charge on the mortgage funds, and if these were the monies, if these were the debentures then I have no hesitancy in saying at all that any payment under these debentures complied absolutely with the Bankruptcy Act in Canada. Because mortgagees, and this is what the gentleman in New York, I suspect, has missed because he may not have been aware of these facts, under our law a first mortgagee has the right to go in and take possession of the asset without even consulting with the trustee in bankruptcy. This is why ECCD and/or Kleinwort-Benson appointed Peat, Marwick and Mitchell as the receiver under the mortgage. They are not the slightest bit concerned about the bankruptcy other than the bankruptcy allegedly constitutes an act of default under the mortgage. And therefore they have a perfect right to go in, take the asset and dispose of it. There is no point in getting into detailed

MR. HICKMAN: interpretation of the law there but if that money,  
and I admit that I do not know but I am pretty sure I know what  
that \$20 million was, if that was under the debenture then I  
can assure you, Mr. Chairman, that the bankruptcy

MR. HICKMAN: I can assure you, Mr. Chairman, that the bankruptcy laws were complied with. If they were not complied with I am sure that Clarkson, which is a very reputable licensed trustee in bankruptcy, licensed by the Federal Registrar of Bankruptcy in Canada, would very quickly move to recover and if he did not move then any creditor could go in and say, "Get on with it Mr. Clarkson and see if any of that money was improperly paid." If he finds that there is a first mortgage debenture obviously he is not going to waste the money of the bankrupt estate in trying to track it down.

So, Mr. Chairman, I conclude my few comments in dealing with this matter by saying that I do not know how many people realize this but the prime person in this whole matter of Come by Chance has to be the first mortgagee which is the British Government through their Crown Agency ECGD and through Kleinwort-Benson. They have certain rights vested in them under the laws of this province and under the terms of their trust deed and/or mortgage. The Government of Newfoundland ranks as a second mortgagee. The trustee in bankruptcy, who is off on his own, is a person put in place as a result of an action instituted in our courts and his obligation is to make sure that everything in the bankrupt estate is accounted for and hopefully that there will be some monies recovered for the benefit of the unsecured creditors whom he represents.

MR. CHAIRMAN: The hon. Leader of the Opposition.

MR. W.N. ROWE: Mr. Chairman, just one or two minor questions before we get down to 403-03 - Labrador Linerboard Limited which my hon. colleague will be making a few comments on. I should say, Sir, that my hon. friend the Chairman of the Public Accounts Committee of the House got a long distance phone call. I believe this long distance call took him out of the building for a half an hour or an hour so we are dealing with it in his behalf.

MR. CHAIRMAN: We will give him a very worthwhile half hour.

MR. W.N. ROWE: But I must say, Mr. Chairman, it would certainly seem that the Minister of Justice does not have very much of a grip on what is going on with regard to the Come by Chance Refinery. I am

MR. W.N. ROWE: glad that we are enlightened to that extent.

MR. HICKMAN: Yes, for the record now would the hon. gentleman - I think the hon. gentleman, being a member of the Bar, owes it to this House to indicate whether my interpretation of the Bankruptcy Act is correct or not.

MR. NEARY: No, the hon. gentleman has no knowledge at all.

MR. W.N. ROWE: There are many interpretations of the Bankruptcy Act.

MR. HICKMAN: No, there is only one. There is not many.

MR. W.N. ROWE: I would not presume, Sir, to bore the House or the public or the press or Your Honour with one of the multifarious interpretations of the Bankruptcy Act.

MR. HICKMAN: At least Chief Justice Mifflin is on my side.

MR. W.N. ROWE: I would like the Minister of Finance to just give an answer to one or two housekeeping questions really, Sir.

General Administration - probably when it comes down he can just make a note you know rather than stopping - General Administration: vehicle purchase and vehicle operation 402(01)(02)(05) and (06). I am just wondering, Sir, what does the Department of Finance need with motor cars and motor vehicles? Is this just a hangover from the old days when departments of government figured and thought they needed their own fleet of cars and vehicles in order to maintain a little prestige? I mean there is a motor car pool -

MR. HICKMAN: I have not even found it yet but I am sure that we have all, I know we have all kinds of inspectors all over the province and I am sure -

MR. W. N. ROWE: So they use that, Mr. Chairman, okay.

MR. CHAIRMAN: Order please, perhaps I could just bring to the attention of the committee we could handle this in two ways. We could just go on the one heading or one subhead and discuss all matters and then it would be just a matter of reading through the items after that or we could do it head by head. And some hon. members may feel that an item may get by them unless we do it that way. I do not know which you would prefer to do.

MR. W.N. BOWE: That is fine, Mr. Chairman. Thank you for making that suggestion. Why do we not just go through the subheads or the sub-subheads and when we come to one which strikes our attention we can ask a question on it?

MR. CHAIRMAN: Shall 401(01) carry?

MR. NEARY: Mr. Chairman, on that I presume the minister only gets one salary as Minister of Justice.

MR. HICKMAN: Yes.

MR. NEARY: This salary here does not apply at the present time because we do not have a Minister of Finance. Is that correct?

MR. HICKMAN: Mr. Chairman, -

MR. NEARY: In which capacity is the minister being paid? It does not make any difference in what capacity as he has been overpaid anyway, Sir. But all I want to know is which capacity, is it finance or justice?

MR. HICKMAN: The hon. member for Grand Bank is being overpaid, grossly overpaid as Minister of Justice.

MR. W. M. ROWE: That is a good joke.

MR. HICKMAN: Unfortunately and for the record I do not get a second salary. There is a strong move underfoot amongst the taxpayers of Newfoundland -

MR. NEARY: To heave you out.

MR. HICKMAN: - that I get paid a second salary. I had nothing -

MR. NEARY: There is a strong move to have the minister -

MR. HICKMAN: I had nothing to do with this great move that is starting. It started in the municipality of Calmer and I know that the voters of Calmer are insisting that I be paid a second salary. I have assured them that I would like a second salary but they will have to desist. They are most unhappy, and I can tell you, Calmer is in a state of insurrection.

MR. NEARY: Is there any modesty in the hon. gentleman's family at all?

MR. HICKMAN: But to set the record straight, regrettably, I do not get paid.

Now, while I am on my feet, does the hon. the Leader of the Opposition want me to deal with 402-01?

MR. W. M. ROWE: No, that is okay.

MR. CHAIRMAN: Shall 401-02 carry?

MR. NEARY: Mr. Chairman, in connection with 02, Sir, office travel and car allowance is up by \$7,000. Is this the minister's own private, personal office travel and car allowance?

MR. HICKMAN: Where are we now?

MR. CHAIRMAN: 401-02

MR. HICKMAN: Oh, sorry, I thought you were on 201.

MR. NEARY: Could the minister give us a breakdown? Is he going to be travelling a little more this year?



MR. NEARY: You know, Mr. Chairman, I have come to the conclusion that ministers are the best tourists that we have in this Province. They drop in every once in a while, probably a week or so at a time sometimes. The Premier is the best tourist we have, but now the Minister of Finance is going to take up the bad example of the Premier and his allowance is increased by \$7,000. What is all that about?

MR. HICKMAN: What do you mean, my allowance is increased by \$7,000? That is not all you will increase me by, is it? Okay, anyway, Mr. Chairman, I want to become a tourist and do a bit of travelling.

AN HON. MEMBER: - note election -

MR. NEARY: Drop in Newfoundland once in a while and see how we are doing.

MR. HICKMAN: I have been a member of the government of this Province for a long, long time and out of twelve years I can tell you on one hand the number of trips I have had at government expense on government business outside of Canada. It is four in twelve years and I would say that there is not a minister in Canada, a provincial minister, who can boast of that record.

AN HON. MEMBER: (Inaudible)

MR. HICKMAN: Twelve years. But if the staff of the Department of Finance and the advisors feel that I deserve the same consideration as ministers have had traditionally and must have, then I commend them for it. But in more serious vein, Mr. Chairman, the travel of the Minister of Finance is fairly extensive, because as I pointed out to the Committee when we were under the Consolidated Revenue, the Minister of Finance is obliged, certainly under the U.S. laws, to go down and appear in person before this Due Diligence Committee on every U.S. bond issue that we have. I do not know where we will be going this year to borrow money, but we most assuredly will be going into either the U.S. or - we will be going into Canada obviously. But the

MR. HICKMAN: Canadian market is not available for all of our needs, but that alone, and into the money markets of Europe - I look forward to that, that into the money markets of Europe the minister has to go. I used to have a deputy minister who is now gone to his reward - I do not mean he has died but he has been rewarded very commendably because he is a very competent man.

MR. NEARY: Sitting on the Bench. I had dinner with the hon. gentleman last evening.

MR. HICKMAN: Did you?

MR. NEARY: Yes, and I must say, it was most interesting - most interesting.

MR. HICKMAN: Yes, and he is a great gentleman who every second week I would say, "Where are you going this week?" 'I have to go to Paris and I have to go to Frankfurt.' And I say, 'How come is it that I can never get beyond Grand Bank?' And he would say, 'Well, you are not the Minister of Finance, you are only Minister of Justice.' So there are compensations at that.

MR. NEARY: At least the hon. gentleman that I had dinner with knew a little bit about law; that is more than we can say about the minister.

MR. HICKMAN: I know, but I am learning, because with every opinion that comes from Mr. Carey and his chickens I learn some more about the Bankruptcy Act and the Bankruptcy Law of New York.

MR. NEARY: These are real lawyers; these are not witty -

MR. HICKMAN: I know they are not. Anyway, Mr. Chairman, the car allowance for the minister is \$3,350.

MR. NEARY: No, it is \$20,000.

MR. HICKMAN: The office is \$2,000.

MR. NEARY: Twenty thousand dollars - I can read the -

MR. HICKMAN: I know, but I am reading in the travel - the estimated travel -

MR. NEARY: All right, go ahead.

MR. HICKMAN: - for the minister is \$10,450. I do not know how I am going to spend \$10,450.

MR. NEARY: Yes, but you have another \$3,000 or \$4,000 in Justice so put it all together and you will be gone out of the Province for the next ten months.

MR. HICKMAN: I tell you, Mr. Chairman, I -

MR. NEARY: You had better go and join the Premier -

MR. HICKMAN: - very seldom have I ever - the fact that it is voted does not mean you are going to spend it. It only means that if the need arises you spend it.

MR. NEARY: They have put it up by \$7,000.

MR. HICKMAN: Yes, but I

MR. HICKMAN: would be willing to bet that many ministers, and you are looking at one, during several fiscal years did not use up the amount that was voted for him; I know I did not in Justice, for travel. That was my fault. It shows I do not have the initiative to think of all these trips that one should take. But if the hon. gentleman for Lapoile (Mr. Neary) will require further elaboration on my anticipated travel.

MR. NEARY: The hon. gentleman is making such a fool of himself, I would not ask him to get up -

MR. HICKMAN: I would be very happy to do it. But I do not ask the silly questions, you do.

MR. NEARY: -and make a fool of himself in front of all the members.

MR. CHAIRMAN: Shall 401-02 carry? Hon. member for Baie Verte-White Bay (Mr. Rideout).

MR. RIDEOUT: Mr. Chairman, I would like to ask a couple of questions on this office, travel, and car allowance for the Minister's office, and I do so arising out of the report - or paragraphs in the Auditor General's report last year. I believe the Minister of Justice was sort of rapped on the knuckles because there had been expenditure incurred in the name of his Department by his special assistant who was travelling on business listed as 'activities on behalf of the MHA for Grand Bank' who happens to be the Minister of Justice and now the Minister of Finance. I want to know whether or not there is any - first of all I want to know how much of this special travelling allowance - it is \$20,000 in this Department, and for the record, Mr. Chairman, it is \$20,000 in the Minister of Justice's Department, that is \$40,000 - I want to know how much of that is going to be spent by the Minister's special assistant.

MR. COLLINS: There are two salaries there.

MR. RIDEOUT: I am not talking about salaries. The Minister of Health must have hit his head when he fell out of bed in Gander the other night, Mr. Chairman, when he heard the announcement on the Corner Brook Hospital.

MR. NEARY: If he had landed on the other end that would have affected his brain.

MR. RIDEOUT: That is right. But, Mr. Chairman, I want to know how much of this travelling allowance is expected to be spent by the Minister's special assistant. I would like the Minister to let us know.

MR. H. COLLINS: There was not a member over there attended the Winter Games. For a full week there was not a member of the Opposition there.

MR. RIDEOUT: Mr. Chairman, to set the record straight, speaking for one member of the Opposition, I did not receive any invitation to the Winter Games. Maybe we were not allowed to be invited, Mr. Chairman.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please! In Committee the debate has to be restricted to the point, The hon. member

MR. RIDEOUT: Thank you, Mr. Chairman, of course it must be restricted to the point.

Now, I am dealing with the allowance for the special assistant to the Minister. Will the Minister tell me how much the special assistant spent in travelling last year, how much he anticipates spending this year and whether or not he is still carrying out those activities on behalf of the MHA for Grand Bank because we do not have that privilege on this side, Mr. Chairman?

MR. HICKMAN: Mr. Chairman, number one, I do not anticipate appointing a special assistant for me in my capacity as Minister of Finance so, unless and until I do -

MR. NEARY: What happened to the one that was there? Is he gone now over with the Minister of Transportation?

MR. HICKMAN: The Minister of Transportation and Communications has one exceptionally competent special assistant. He moved with him to Transportation and Communications which is the practice so well-established everywhere in this country.

With respect to my special assistant, and if you wanted you could ask me this tonight in Justice but I will deal with it now. I would hope that my special assistant from time to time will do work for me

MR. HICKMAN: on behalf of my constituents and I -

MR. RIDEOUT: Give us all one.

MR. FLIGHT: Answer the question.

MR. HICKMAN: That is right. He will. I do not know how much he is going to spend. I do not know what the work will be this year for the special assistant. I know what he has done for me in Justice. Apart from my work on behalf of my constituents, I assigned to him a fair amount of responsibility in the field of Corrections, some of which, now that we have a Director of Adult Corrections, he does not have to deal with.

MR. FLIGHT: And he can go door-to-door on your behalf, too.

MR. HICKMAN: He does not have to go politicking door-to-door on my behalf. Everybody knows -

MR. RIDEOUT: Grand Bank was pretty shaky the last time, then.

MR. HICKMAN: - and I remember when he was appointed, my colleague and dear friend, the present Secretary of State for External Affairs, very generously offered to arrange for one of his special assistants to meet to work out the terms of reference. The work that this gentleman does for me is very commendable. This was all disclosed, by the way, and laid on the table before the Public Accounts Committee,

MR. HICKMAN: and the Public Accounts Committee having read the explanation, I am very pleased to note, decided that they needed nothing further in the way of explanation. And may I say one other thing, that last year when somebody made some nasty comment about this gentleman, that I happened to be in Fortune and Grand Bank the next day and the comments from elected municipal people were not too flattering to those who were criticizing. They found that the work that had been done by this gentleman was most beneficial to them. But, Sir, you know, I did not ask these silly questions. I would like to get into the guts of my estimates and the hon. gentlemen opposite are wondering whether the special assistant is going to go down and do some work with my constituents. And then they talk about the financial position of the Province.

On motion 401-02 carried.

402-01

MR. CHAIRMAN: The hon. Leader of the Opposition.

MR. W.N. BOWE: Mr. Chairman, on 402-01, on salaries, I suppose I could have asked it under the minister's salary, but I think it is probably just as appropriate here. The special warrants which the Minister of Finance tabled in the House some three or four days after the House opened, as is required by the act in the case certainly of expenditures made by warrant when the House is in session, two or three I do believe need some explanation on them. One of them was a special warrant dated October 13th., 1977 which provided for \$319,500 to go to Bowaters Paper Company, for land presumably purchased from Bowaters for a park at Stag Lake, which is a fair amount of money, Mr. Chairman, to say the least, \$319,000, which is a large amount of money in this time of austeritiy to be paid to a private company for land. It may be for a laudable purpose, a recreation purpose, park and so on -

MR. NEARY: Well, why did they not just take it back or exchange?

MR. W.N. ROWE: But I would like to hear the minister say something on that.

There was also, Sir, an amount of \$2 million raised by special warrant, or approved by special warrant on March 3rd., just after the House of Assembly had opened, for the Marystown Shipyard. I am just wondering why, I can imagine in times of special urgency a warrant being used to authorize the government to spend money when the House of Assembly is open, but it seems to me that \$2 million for the Marystown Shipyard, you know, I did not hear of any particular emergency or urgency when the House of Assembly was opened. Did my colleagues? I do not recall it, Sir. I would like for the minister to explain that, why \$2 million by special warrant had to be paid to the Marystown Shipyard on March 3rd.

MR. NEARY: The House opened.

MR. W.N. ROWE: Which was a couple of days after the House of Assembly had opened, no mention made of it in the House, Sir, \$2 million of public money authorized by secret order of the Cabinet to be spent and the House of Assembly open, no mention made, a very unhealthy practice, Mr. Chairman, to say the least.

On March 15th., 1978, \$1,600,000 in the Department of Transportation by way of salaries was authorized to be expended by special warrant. On October 13th., Sir, here is another one, Pippy Park grant in aid, October 13th., 1977, \$277,200, a year of austerity, Sir, \$277,000 unprovided for in the estimates of 1977-78 suddenly has to be raised urgently by special warrant by way of a grant in aid to the Pippy Park Commission presumably. I would like the minister to explain that. Was it capital? Was it a grant in aid by way of capital or was it an operating grant, an increase in the operating grant, exactly what was this over one quarter of a million dollars?

MR. NEARY: He is consulting with his adviser there.



MR. W.N. ROWE: Now we will hear it, Mr. Speaker, after this advice is tendered by his expert adviser we will hear something from the minister. And there are one or two others, Sir, but I will not strain the minister's knowledge at the moment. I would like to hear particularly why on October 13th., 1977 a special warrant authorized the expenditure of \$319,000 of public money to Bowaters for land for a park at Stag Lake and on

MR. W.N. ROWE: the same day, there must have been a great flurry of activity on October 13th. Pippy Park grant in aid to the tune of \$277,000.

MR. NEARY: That was the Minister of Tourism's day.

MR. HICKMAN: I am sure that it has slipped the hon. gentleman's mind that the debate - You know, I am just as happy to deal with it now. The information on the special warrants is generally dealt with under the Supplementary Supply Bill and in that instance then the minister for whose department a special warrant is issued can furnish the details of the reasons for the issuance of the special warrants because that is what supplementary supply is all about. Firstly, apropos the hon. the Leader of the Opposition's comment about the issuance of special warrants when the House is in session and that has been going on, I mean that is provided for under the Financial Administration Act, Sir. The Marystown Shipyard and I will ask the committee when hearing my explanation to realize that this should be more properly directed to the minister under whose department this money is administered or through whose department.

MR. W.N. ROWE: I will ask him too.

MR. HICKMAN: The Marystown loan was for to meet their line of credit with the bank. Marystown is having a pretty good year but there are times when they have to have money on hand whilst they are waiting payment over their long term contracts. The future of the yard is excellent and I would anticipate that this money will not be outstanding very long. My colleague, the hon. Minister of Transportation and Communications can tell me if I go wrong on this, that the special warrant for something in excess of \$1 million for that department I believe was on account of salaries under the open vote for snowplow operators and snow clearing during the winter and summer and winter maintenance which is difficult to estimate and budget for. The Stag Lake purchase, that may be a misnomer. The money was paid to Bowaters and part of it was for Stag Lake but I am told that \$200,000 of that was for logging camps

MR. HICKMAN: and logging equipment from Bowaters. But again the hon. the minister responsible for that right now is not in the House but my colleague, the Minister of Recreation and Rehabilitation who was in that portfolio at the time I am sure would be more than happy to expand upon that information that as I say is more properly before the committee but we can do it now. And if the hon. Minister of Recreation and Rehabilitation would like to - You know there is no point in leaving it up in the air - give the details of the Stag Lake transaction I would be more than happy to yield to him.

MR. CHAIRMAN: The hon. Minister of Recreation and Rehabilitation.

MR. HICKEY: Mr. Chairman, the question as I understand it is what the \$200,000 was for.

MR. W.N. ROWE: \$319,000.

MR. HICKEY: \$319,000. There was an amount of \$200,000 which was for the replacement of the logging camp which was in the way of park development. The property, some 3,000 acres, 3100 acres I believe it was, was deeded to the Crown by Bowaters free of charge.

MR. FLIGHT: What park development?

MR. HICKEY: Stag Lake on the West Coast, Corner Brook.

MR. MORGAN: They had logging camps there and they had to be relocated.

MR. CHAIRMAN: Shall 402(01) carry?

MR. W.N. ROWE: Just a second now, Mr. Chairman. The Minister of Finance, Sir, I admire the smooth but unsuccessful way in which he tries to slip out from under his responsibilities to this House. He is the Minister of Finance, Sir, and he tabled in this House a handful, a file full of special warrants as he is required to do by the legislation of this House and suddenly he pleads ignorance. He does not know why it is going on and we should put it off to Supplementary Supply, put it off until next year sometime. He is talking about something which comes very close, Sir, to a contempt on the part of the government for

MR. W. M. BONE: the due democratic processes of this Province when a government secretly spends money which it is not authorized to spend by legislation and comes in here and retroactively looks for approval of money which has not had the authorization of the elected members of this House, Sir, and I am asking him what the situation is. And we have here, Sir, something signed by the Minister of Tourism naming the minister, dated the 4th day of August, 1977 which is Tourism Subhead 1304-04-04, Acquisition of Land, capital, \$319,500. A special warrant is required to meet expenditures for which insufficient legislative provision has been made. And, Sir, this sum is urgently required to enable the government to provide additional funds to cover a payment to Bowaters Newfoundland Limited for a transfer of property at Stag Lake for a provincial park. No mention of logging camps. Mr. Chairman, the Minister of Justice knows nothing about it - the minister responsible to the House for special warrants - money raised secretly without the authorization of this hon. House, the Minister of Finance knows nothing about. The Minister of Tourism comes in and says it is for logging camps and so on - obviously has no notion what is going on, Sir. The special warrant refers specifically to money paid to Bowaters for land - a whopping large sum of money for land, for, apparently, a provincial park at Stag Lake. All I am saying, Sir, is it may well be warranted, but I wish someone in the government knew what it was all about - \$319,000. He is going to tell us now, Mr. Chairman. He knew nothing about it before and the Minister of Tourism knew nothing about it five minutes ago.

MR. HICKEY: Mr. Chairman.

MR. CHAIRMAN: The hon. the Minister of Tourism.

MR. HICKEY: I am sorry. It is my fault, and I am sorry if I have confused the House by adding the figure of \$200,000. I was not in the Chamber when the question was raised and I thought that the question in fact dealt with the payment to

MR. HICKY: Bowaters for the relocation of their logging camp. I suggest to my hon. friend opposite it is such to do about nothing. He might well be well-justified in raising the question. I am sure he is, but there is nothing secretive about it, there is nothing unusual about it. A cheque was drawn from the Consolidated Revenue Fund in the amount of three hundred and some thousand dollars, whatever the figure is that he quotes. That cheque was made payable to Bowaters. Bowaters, in turn, returned that cheque by way of presentation so that really there was no expenditure; it was a simple paper transaction and the land was conveyed to the Crown free of charge, free gratis by the Bowaters Corporation, for which we all should be grateful.

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: Mr. Chairman, if I may.

Do you want to hear more about these?

MR. W. N. BOWE: You do not know anything about them.

MR. HICKMAN: Well now, Mr. Chairman, I warned the hon. the Leader of the Opposition that I felt that this was a matter that comes under the other legislation, the other Act, but what I want to -

MR. W. N. BOWE: The point is the hon. minister -

MR. HICKMAN: - but if I may finish. The hon. gentleman got up and he read a special warrant and he talked about the wording in it. Now he knows as well as every hon. member of this Committee knows, so that there can be no mistake in the press gallery, that that is the wording that is provided under the Financial Administration Act. It is the same wording that was in the Revenue and Audit Act. It is the wording that must be used in order to acquire additional funds that were not contained in the Budget. And please do not spread the implication that there is something wrong with the special warrants. Every Minister of Finance tries to keep them down as low as he can, but some governments have higher special warrants than others. Our

MR. HIGGINS: is nothing compared to some of the others, but, you know, if the hon. gentleman wants me to deal with the special warrant on "Bryantown Shipyard and give all the details I have it in front of me. I will be more than happy to do it so long as he does not get up twenty minutes later and tell me I should not have done it, you know, but I have it here. It is only six pages in length, you know, foolscap, but it does set forth very clearly what we are doing under the special warrant.

MR. FLIGHT: Mr. Chairman.

MR. CHAIRMAN: The hon. member for Windsor - Buchans.

MR. FLIGHT: I would like to pursue that transfer of land from Bowaters to the Province just for a minute and I want clarification on something that I find difficult to understand or difficult to believe that we should go through such a procedure. The Province had to draw special warrant for three hundred and something thousand dollars -

AN HON. MEMBER: Three hundred and nineteen thousand dollars.

MR. FLIGHT: Three hundred and nineteen thousand dollars.

MR. W. N. POWE: Urgently required.

MR. FLIGHT: Urgently required to turn over to Bowaters. And I understand the Minister of Tourism to say then that

MR. FLIGHT: That transaction cost the Province nothing, that Bowaters did indeed turn over that land.

MR. MORGAN: (Inaudible) nothing.

MR. FLIGHT: I am not talking to the minister, I am talking to the former Minister. So would the former Minister of Tourism, since he apparently understands the situation, is he confirming to the House that that land, Stag Lake property, was turned over to this Province free of charge by Bowaters? That there was no cost to the Province for the acquisition of that land from Bowaters? Or any fixtures on that land? Is the minister confirming that?

MR. HICKEY: Mr. Chairman, I thought what I said before was made very clear, or was very clear so that everyone would understand it. I said that the cost of the park to the Province insofar as our dealings with Bowaters were concerned was, I believe, an amount - and if it bears checking, if you want me to check that we can - I think in the vicinity of \$200,000 for the relocation of a logging camp that was in the way of park development.

MR. NEARY: What was it, the Waldorf Astoria? A logging camp?

MR. HICKEY: Then I realized that the question as put by the Leader of the Opposition covered the amount of three hundred and some thousand dollars which indicated that that was value of the acreage, three thousand-odd acres of land where the park was -

MR. W.N. ROWE: (Inaudible)

MR. HICKEY: - Yes. Yes. And that cheque, Mr. Chairman, was drawn, paid to Bowaters and Bowaters in turn refunded it. It is a simple paper transaction that goes on many, many times by many corporations. There was a presentation of a change of cheques so it still cost the department nothing to get

MR. HICKEY: that land.

MR. MORGAN: A public ceremony.

MR. FLIGHT: Mr. Chairman, maybe I am being dense here but I am not totally satisfied. The minister has been talking about a \$319,000 special warrant and he has emphasized on a couple of occasions that in his understanding \$200,000 was required to take care of the transfer of land; what happened to the other \$119,000?

MR. HICKEY: Mr. Chairman, I am sorry that I ever introduced the question of the logging camp. Can we just forget the logging camp? And if the Leader of the Opposition or my hon. friend wishes to raise that question we can find out the exact dollar and cents cost of relocating that camp. Will we just deal with the \$319,000? And the issue on that is very simply this; you draw a cheque, it is payable to a corporation, the corporation takes the cheques and gives it back to you in the form of a presentation so that they, in fact, give you the land. If you pay somebody three hundred and odd thousand dollars one day -

SOME HON. MEMBERS: Oh, oh!

MR. HICKEY: Mr. Chairman, I can put it in baby talk. The situation -

SOME HON. MEMBERS: Oh, oh!

MR. HICKEY: The situation - Your Honour, if I can say it one more time.

AN HON. MEMBER: No, do not say any more.

MR. HICKEY: Oh, my hon. friends do not want information, but they want information. When they make up their minds I will repeat it again. We draw a cheque for \$319,000.

MR. NEARY: Special warrant.

MR. HICKEY: It is under the heading of land acquisition.



MR. NEARY: It is urgent.

MR. HICKEY: Yes, urgent. We pay it to Bowaters, we give it to Bowaters Corporation in one hand -

MR. NEARY: And they give it back in the other.

MR. HICKEY: - they give it back in the other hand.

MR. NEARY: What was so urgent about it? Why the special warrants?

MR. HICKEY: What is so urgent about it?

MR. NEARY: Yes, why the special warrant?

MR. HICKEY: Because we wanted to get on with our park development and we did not have the land.

MR. NEARY: You could have waited until the House opened and got the money for it.

AN HON. MEMBER: Are you kidding?

MR. HICKEY: That is not a matter for me to determine.

MR. NEARY: Why did you need the money?

MR. HICKEY: Because we wanted to pay Bowaters, because they wanted to give it back to us because they wanted to make a presentation.

SOME HON. MEMBERS: Oh, oh!

MR. HICKEY: Did the hon. gentleman opposite ever hear tell of PR, good PR? Well that corporation, they now something about PR.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please!

MR. HICKMAN: The hon. Minister of Finance.

MR. HICKMAN: Before we leave this Heading, and the talk that has been going on, Why would you have to issue a special warrant? I see the hon. gentlemen, or senior members opposite who had experience in government before, laughing, because they know the situation. Even if the cheque is being issued to go out for five minutes and you know it is coming back, you have to get a special warrant if the money has not been voted. You have to.

The urgency obviously, as my colleague explained so clearly, is that negotiations have been going on for a long, long time and when you reach a position where you can conclude the acquisition of this land you conclude it quickly, particularly when you know there is another cheque coming back in. I think that we should erect a monument to the hon. the Minister of Recreation and Rehabilitation and I think that we should call it Hickey's Heart.

On motion, 402-01, carried.

MR. CHAIRMAN: Shall 402-02-05 carry?

AN HON. MEMBER: What are these vehicles for, Mr. Chairman?

MR. HICKMAN: Mr. Chairman, in 1978 the Department of Finance will require three new vehicles to replace existing 1975 units. As they grow older repairs are more costly and more frequent thus making them uneconomical to operate. Therefore, we propose to replace these vehicles in 1978-79. Government's price for these vehicles is approximately \$7,000 each thus

MR. HICKMAN: making the total estimate for 1978-79, \$21,000. The above price includes discount on trade-in and then, Mr. Chairman, Treasury Board got their hands on it and they slapped it down to \$14,000 under the austerity programme and they are only going to give us two now instead of three.

MR. NEARY: What kind of cars are they?

MR. HICKMAN: I do not know, but I would imagine that they will be the standard motor vehicle.

MR. MORGAN: Why not give them Hondas?

MR. HICKMAN: That has often crossed my mind, as to why *North American Governments* -

MR. NEARY: With the energy crises why not buy small cars. You could buy three for the price of that one.

MR. HICKMAN: Yes, why not? North American Governments who preach one day energy conservation we find that all of the departments are using gas-guzzlers.

MR. NEARY: Well, the Premier has a Lincoln-Continental so he is setting the bad example for the others.

MR. HICKMAN: I have often wondered why when I see these big limousines why we should not be looking at it. I notice that in the United Kingdom, for instance, the police use these small cars. But in any event, we are only going to get a couple of cars and that is what we want the money for. The cars we are replacing are four years old.

MR. FLIGHT: What are you going to do with the old ones?

MR. HICKMAN: Trade them.

MR. NEARY: Mr. Chairman, this might be a good subhead, Sir, to talk about the government's vehicles. The government have a whole fleet of vehicles

MR. NEARY: and my understanding a few years ago was that one agency, the Department of Public Works and Services would purchase vehicles for all government departments, all Crown corporations and in that way they could get a fleet price, they could get a better price for the purchase of the vehicles. Now what has happened to that plan, is that shot? Now the Minister of Finance tells us he is going to go off and buy a couple of vehicles on his own. Could we not - and you will find purchase of vehicles in other government departments, new vehicles - why cannot they now be lumped together and public tenders called and see if a few shekles could be saved for the taxpayers of this Province? Why does the government not get into small vehicles in this energy-hungry world that we are living in?

MR. HICKMAN: I just said that.

MR. NEARY: I know the minister said it, Sir, but is the minister going to do it?

MR. HICKMAN: Attribute that to "Hickman" not "Neary". It came from me, it is my idea.

MR. NEARY: Mr. Chairman, is the minister going to do it? Or will the civil service still want to drive around in their big cars? Do they resent the fact that they might have to drive in a Honda or a Rabbit the same as I do? I drive a Rabbit myself. I believe the hon. gentleman is familiar with the Rabbit.

MR. HICKMAN: Oh, yes.

MR. NEARY: I have seen the hon. gentleman driving one.

MR. HICKMAN: A Honda.

MR. NEARY: A Honda, is it?

Well then, why does the hon. Premier not trade in his Lincoln-Continental and get a Honda?

MR. HICKMAN: I am going to direct him to do that right now. Where is he?

MR. NEARY: And when they rent cars, Sir, they rent big cars. I mean, look, let us get rid of this Cadillac thinking, this Cadillac thinking. Why does not the government adopt as a definite policy that from here on, from this day on they will only purchase small cars in order to save gas and save money for the tax-payers of this Province.

AN HON. MEMBER: (Inaudible) cheap car yourself.

MR. HICKMAN: Mr. Chairman -

MR. CHAIRMAN: Hon. minister.

MR. HICKMAN: I do not want to take up - if the hon. gentleman wants a twenty minute discussion on cars I am all for it.

MR. NEARY: No, that was only three or four minutes.

MR. HICKMAN: All right, one minute. The fact that the vote is under finance for cars does not mean that the Deputy Minister of Finance goes out and buys the cars. The specifications for the cars, the requirement for the cars are sent down to the purchasing agent which was under a new piece of legislation that hon. gentleman will recall was brought in here a few years ago and there is a very competent man who pinches the dollar down there and he then, as I understand it, goes to the car dealers and says let me have your price on this kind of two door sedan or whatever it is.

MR. NEARY: Why not call public tenders instead of going out-

MR. HICKMAN: It is still public tenders. -

MR. NEARY: It is wide open to abuse.

MR. HICKMAN: It is cheaper. It is not wide open to abuse.

MR. NEARY: You can purchase a car through your buddies George G.R. is closed up so you cannot give him anymore business. He is gone to Newfoundland Hydro Corporation now.

MR. HICKMAN: Mr. Chairman, if the hon. gentleman only sit back and relax and listen and remember. -

MR. NEARY: I am listening and I know when the minister is misleading the House.

MR. HICKMAN: I am misleading the House now again, Mr. Chairman, by talking about a piece of legislation that everybody in this Committee remembers except the hon. the member for LaPoile.

MR. NEARY: No, I remember.

MR. HICKMAN: And when this legislation was passed a few years ago guess what this administration did in the legislation it introduced, and the House approved of it I do not know where the hon. member for LaPoile was that day but certainly it was carried. My understanding that this gentleman is now a servant of the House, at least so he tells us, under the legislation and he is the one that does the purchasing a Mr. - well I should not mention his name because I have never met him, but in any event the reports I get indicate that he is running a pretty tight shop now. When he gets specifications for motor vehicles -

AN HON MEMBER: Eric Rowe down there, is it?

MR. HICKMAN: I presume that this gentleman has in front of him a list of all the car dealers in St. John's.

MR. NEARY: No patronage, no favoritism.

MR. HICKMAN: So when he gets them - I would not think so - so when he gets a specification or requirement from a department I can only assume that in accordance with this tight-fisted reputation that he has he sends it to every car dealer. Now he may not send it if the specification calls for a four door eight cylinder motor vehicle I suppose it would be kind of a waste money, time and paper to send it to a dealer who deals exclusively Honda's, because obviously he cannot need it before he starts. Then as far as I know the department is simply told then we have purchased for you two new Chevrolet cars to be delivered to your department. At one time I caught on it, Mr. Chairman, it was first when I went in government. We were calling for bids for new police cars and they

MR. HICKMAN:                   came in and I said low tender must get it. The man in the joint services garage who has since been retired strongly urged against it. He said no, no, no; over the years my experience has been that you get the best service etc. from naming number two bidder, second lowest. I said no sir the orders are that you take the low bidder, which he did. And he took great delight a year later coming back and pointing out to me what the repair bills were as compared to the year before and that these cars just could not stand up to that kind of heavy duty work that a police car needs. Now I am sure law enforcement divisions of the Newfoundland Constabulary could not use a Honda if it was simply -

MR. NEARY:                    There is no reason why the civil service could not use Honda's.

MR. HICKMAN:                   And it may be if you have an inspector for the Department of Finance who has to travel as most of them do daily from, say, Clarenville down to the Burin Peninsula and up to the Bonavista Peninsula that the fellow might find that for his own protection and safety that he needs something a bit better. I have no hesitancy in confessing if I was on the Trans-Canada Highway everyday that I would want to go in the Rabbit -

AN HON. MEMBER:               (Inaudible)

MR. HICKMAN:                   Does the hon. gentleman want me to keep going on cars?

MR. NEARY:                    No boy, do not be so foolish.

On motion, 402-02-05 carried.

On motion, 402-02-06 through

402-02-08, carried.

MR. CHAIRMAN:                Shall 402-02-09 carry?

MR. NEARY:                    Mr. Chairman, 02-09 is uniforms. Could the minister tell us, Sir, what kind of uniforms we are

MR. NEARY:

talking about? Do they have stripes and numbers on them? And if so, is there one included for the Minister? What kind of uniforms are we talking about here?

MR. HICKMAN:

The hon. gentleman has been away on a nice trip now. He beat it out of the Province as fast as he could when the Easter vacation came. Now why is he so nasty?

MR. NEARY:

No, that is not true.

MR. HICKMAN:

You know, I still regard Halifax as out of the Province but in any event maybe I am wrong. Wrong again!

MR. NEARY:

I went over to get a bit of evidence against the hon. gentleman in case the hon. gentleman wants to know.

MR. HICKMAN:

Good! I am glad he did and I hope he succeeded. Why is he coming back so nasty?

MR. NEARY:

Very much so. It will be coming out in due course.

MR. HICKMAN:

Yes, I know all about the hon. gentleman's evidence but he should be -

MR. NEARY:

Are there any stripes on these uniforms or do they have numbers on them?

MR. HICKMAN:

If the hon. gentleman was musically inclined and if he did as I did, spent most of his time in church over Easter, he would remember that - oh, gee, I have forgotten it now, I will come back to it in a minute -

MR. NEARY:

Wake up, boy!

MR. HICKMAN:

I am not that musically inclined. I am trying to think of - Anyway, the protective clothing, Mr. Chairman, and I know that the Committee has been waiting breathlessly for this information, is for gasoline inspectors, and the uniforms for the mail room staff. Now, I know that has aroused the expectation of every Newfoundlander, to know that we are going to spend \$2,500 for protective clothing for those who have to play around with a combustible object.



On motion, 402-02-09, carried.

On motion, 403-04, carried.

MR. CHAIRMAN:

Shall 405-03 carry?

403-05, statutory are not put up for voting

in Committee.

MR. RIDEOUT:

Mr.Chairman, what about 403? Does that mean we are skipping that sub-head, loans and advances?

MR. CHAIRMAN:

Which item?

MR. RIDEOUT:

403.

MR. CHAIRMAN:

We did 403-04, did we not?

AN HON. MEMBER:

No, we skipped over it.

MR. CHAIRMAN:

403-03 is statutory which is not an item for debate.

Specifically, it is debated under a general topic such as Salaries.

MR. NEARY:

Operating is not a statutory vote, Sir.

MR. CHAIRMAN:

If there is 403-03 the whole head is statutory.

Continuing on, 403-04, did that carry?

MR. RIDEOUT:

No, Mr. Chairman.

MR. CHAIRMAN:

Hon. member.

MR. NEARY:

That is statutory, too, is it not? If the other one is statutory, this one has to be statutory, the whole sub-head, and I would submit to your honour that it is not.

MR. CHAIRMAN:

The sub-head number is 403, and the item under that sub-head, 403-03, that is statutory, but the item under 403-04, that is not statutory.

MR. NEARY:

I just want to ask Your Honour if Your Honour is absolutely sure that 03-01 is statutory because it changes from year to year depending upon the expenses involved in the operating of the Linerboard mill.

MR. DOODY:

That falls under the Labrador Linerboard mill Act. It is a separate act and there is leeway in that act for the money that is in here. There was a \$75,000,000, - hon. members will remember

MR. DOODY: there was a \$75,000,000 act before the house last year called the Stephenville Act. It was withdrawn and subsequently replaced by an act of some \$40,000,000. So that is where the statutory bit and piece comes in. It is a separate vote for the Labrador Linerboard mill. It is a special act and there is flexibility in there to cover the -

MR. NEARY: Well, we just learned something we did not know before.

MR. CHAIRMAN: Shall 403-04 carry?

MR. NEARY: No, Sir, no, definitely not. Under Newfoundland Industrial Development Corporation, no, Sir. No way that is carried before we get a list of all those who have received

MR. NEARY:

loans from the Newfoundland Development Loan Corporation in the last year and what the writeoff is. Does the minister have a list of those that borrowed from the Newfoundland Development Loan Corporation, the amounts, what it was for? What is the track record of the Newfoundland Development Loan Corporation? How much interest -

MR. DOODY: That is not the -

MR. NEARY: That is not the Newfoundland Development, okay. Let her go.

MR. DOODY: That is -

MR. NEARY: Okay, let her go. Well, what is this? Give us a list of what this is?

MR. HICKMAN: I am going to, Newfoundland -

MR. NEARY: We should put the minister back again.

MR. HICKMAN: No, I only asked the hon. gentleman which company you were talking about. Now this is going to take a little while but I shall read it for, firstly, there is the - the hon. gentleman wants a list of those who had borrowed and the amounts that they have repaid this year on account of principals because I have already given under another subhead interest. Bowaters Newfoundland Limited \$115,385; City Consumers Co-Operative \$8,000; Corner Brook Co-Operative \$6,000; Gander Consumers Co-operative \$13,000; Gaultois Fisheries \$55,370; T.J. Hardy Company Limited \$26,670 - these are on account of principal - the Town of Hawkes Bay \$8,325; Integrated Education Committee \$28,900; Island Produce Limited \$8,100; Mifflin Fisheries \$27,000; Newfoundland Co-operative Services \$3,400; Newfoundland Forest Products \$19,200; Newfoundland Fur Farmers Feed Co-operatives \$11,750; Newfoundland Hardwoods Limited \$404,215; Newfoundland Quick Freeze Limited \$2,000; Newfoundland and Labrador Housing Corporation \$17,765; the Town of Port au Choix \$5,120; Quinlan Brothers Limited \$15,000; Roman Catholic Education Committee \$10,170; Town of St. Lawrence \$6,750; the Town of Stephenville \$9,300; Terra Nova Co-operative \$3,000; Terrington

MR. HICKMAN: Co-operative \$1,000; Wadman Enterprise Limited \$1,500; This is on account of principal - Town of Arnold's Cove \$9,785; Atlantic Films \$18,000; Town of Bishops Falls \$40,700; the Avalon Consolidated School Board \$11,555; Bonavista Cold Storage repaid \$161,670.

MR. NEARY: Could the minister table the list?

MR. HICKMAN: I cannot table them because I have them in my other notes, Sir. Atlantic Films and Electronics \$21,000; Bowaters Newfoundland Limited - Now we are into revised. That is what we anticipate. This is one totalling - that is that first

Now what else do the hon. gentleman want to know about this vote?

MR. NEARY: Table the list.

MR. HICKMAN: I cannot table the list because these are my notes I am reading from.

MR. NEARY: Well get a list made and table it.

MR. HICKMAN: The major portion of increases, these funds were advanced by Newfoundland Industrial Development Corporation to EPA as a condition of the government's recent guarantee of \$6 million working capital loan on behalf of EPA. We anticipate that the company is going to repay that loan immediately. Then there was a loan of \$1.7 million that we are anticipating to Donovans and Corner Brook Industrial Parks to be amortized over twenty years and some of this money will be recovered from the sale of lots.

What else do you want to know now?

MR. W.N. ROWE: That is enough.

MR. NEARY: That is it. Table the list, that is all.

MR. HICKMAN: Gee, you have me beat out, boy.

MR. CHAIRMAN: Shall 403(04) carry? Carried.

Shall 403(06) carry?

MR. W.N. ROWE: 403(06), Mr. Chairman, if the minister could give us an indication as to what Westco Dairy loan \$145,000 is for we would be very grateful, Sir.

MR. HICKMAN: Mr. Chairman, this is a loan in the amount of \$145,000 advanced to Westco Dairy of Corner Brook on which the payments of principal and interest have been deferred for five years.

MR. NEARY: Well, what is it for?

MR. DOODY: It is a small co-op.

MR. HICKMAN: That is right.

MR. DOODY: (Inaudible)

MR. HICKMAN: Yes, dairy farmers as I recall.

MR. DOODY: - (Inaudible)

Their competitors are Central Dairies.

MR. HICKMAN: That is right. And they asked for some help, because my recollection is they not only buy milk from the immediate Corner Brook area, but they buy it from the Valley as well and they feel that with that loan that after they get back on their feet then if we give them some holiday time with respect to the repayment of principal and interest that they will be able to survive the problems that they are now facing with competitors from, you say, Central Dairies?

MR. NEARY: Prince Edward Island.

MR. HICKMAN: That is right. That is what I remember now, Mr. Chairman, as well, that the West Coast Dairies have been running into a fair amount of competition from Prince Edward Island where they are getting a lot of reconstituted milk being brought in and hopefully they will continue to be competitive and it is a very modest price to pay by way of loan to keep the Westco Dairy of Corner Brook operating.

On motion, 403-06-01, carried.

MR. CHAIRMAN: Shall 405-03 carry?

MR. W. N. ROWE: 405-03, Mr. Chairman, which is the Newfoundland Liquor Licencing Board. The Newfoundland Liquor Corporation is statutory and so on. We did not get a chance to say anything about that, it just slipped right through.

MR. U. M. FOUT: Could the minister indicate how much money is expected to accrue to the government this year as a result of the sale of liquor in the Province and how much more this year compared to last year as a result of the increases announced in the Budget? - increases in price, that is, Sir.

MR. HICKMAN: Yes, that is spelled out in the Budget.

AN HON. MEMBER: (Inaudible)

MR. HICKMAN: Yes. It is in the Budget Speech, Mr. Chairman, but speaking from memory it was \$34 million last year and they have been instructed to bring in a yield to the Province this year of \$37 million - that is the Newfoundland Liquor Corporation - and the hon. Leader of the Opposition will recall that this House simply tells the Liquor Corporation what they should bring to us in the way of profits, etc., from their operation. And may I say while I am on my feet that that Newfoundland Liquor Corporation is one of the most efficiently operated merchandising companies we have in this Province.

AN HON. MEMBER: Hear, hear!

MR. NEARY: Is that Mr. Banikhin, the Chairman?

MR. HICKMAN: No, the Chairman is the nephew -

MR. NEARY: But this is the licencing board -

MR. HICKMAN: No, the hon. gentleman asked about the Newfoundland Liquor Licencing Corporation, and it is being very ably managed by a gentleman whose name is Canning - Mr. Gregory Canning, C.A., who is a native of Placentia Bay, and he and his board and his employees are doing a first-class job and there is nothing I like better than to see our corporation taking on the liquor corporations in other provinces and beating them at their own game. And we are selling, I understand, a great deal of product now in Prince Edward Island, Ontario -

MR. DOODY: No, you cannot get it into Ontario.

MR. HICKMAN: I thought we did -

AN HON. MEMBER: We did, we did not.

MR. HICKMAN: No, we did get it into Ontario recently,

MR. HICKMAN: I think, but in any event, we are into many of the provinces and I understand, and this was in the process that Mr. Canning is now looking at the U.V., and he may enter into a very satisfactory arrangement over there with one of the - they have chains there who -

MR. PECKFORD: I will drink to that.

MR. HICKMAN: - own -

AN HON. MEMBER: (Inaudible)

MR. HICKMAN: Yes. Do not interrupt me -

MR. FLIGHT: Where is your temperance?

MR. HICKMAN: - because I am embarrassed talking about this as a former past recording scribe of the Sons of Temperance, but I have to talk about it anyway, reluctantly, but I understand that the Newfoundland Liquor Corporation are entering into -

AN HON. MEMBER: Your budget.

MR. HICKMAN: That is why we put up the prices, so that people - maybe it will reduce the drinking -

AN HON. MEMBER: Oh, yes?

MR. NEARY: But where is the representative of the poor man's champagne?

MR. HICKMAN: - of this evil stuff so that we will not have our lips tarnished by malt and spiritous liquors.

MR. NEARY: What about the hon. 'Ank'?

MR. HICKMAN: It was what I used to promise the worthy patriarch all the time that I would never do, and here I am now talking about the terrible, filthy stuff that it brings on mothers' tears and nothing else. But be that as it may, Mr. Canning is negotiating -

AN HON. MEMBER: (Inaudible)

MR. HICKMAN: I should not be interrupted, see.

AN HON. MEMBER: Get some to Japan so you can get even with the Japs.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: ~~What about~~ mother's milk, Liebfraumlch?

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MR. WICKHAM:

Mr. Canning has been negotiating in the U.K. and there they have a great system. Apparently, if you can once negotiate a satisfactory



MR. HICKMAN: deal with one of these major distributors, to put it in the vernacular - You got her knocked. And I had nothing but the greatest commendation for the work that Mr. Canning and his people are doing in that board.

SOME HON. MEMBERS: Hear! Hear!

MR. HICKMAN: And for once they are starting to treat patrons - We all remember the days when you go into the Liquor Store and you got the impression that somebody was doing you a favour -

I do not go to the Liquor Store but I watched a fellow through the window once and my brother slept with a man once who was in a Liquor Store so I know all about it.

On motion, 405(03) to 406(06), carried.

MR. CHAIRMAN: Shall 407(03), carry?

MR. W.N. ROWE: 407(03), Mr. Chairman, could the minister kindly give the committee members an explanation for the expenditure of \$190,000 on entertainment? The same amount as last year, as a matter of fact, in this year of austerity, Mr. Chairman. \$190,000 spent by the government last year for entertainment under this subhead alone and another \$190,000 this year.

MR. HICKMAN: This, Mr. Chairman, has to be the most modest amount of money spent on entertainment in the free world by any government because, may I remind hon. gentlemen and I am sure that it has slipped their memories that this allocation of \$190,000 that comes under the Department of Finance's vote is not through the Department of Finance. I do not want anybody to leave this committee under the impression that the Department of Finance spends \$190,000, spent it last year and going to spend it this year in entertainment.

MR. W.N. ROWE: What is it for?

MR. HICKMAN: Not on your life.

MR. NEARY: Give us a list.

MR. HICKMAN: This allocation represents entertainment for all departments of government, every department of government and we -

MR. NEARY: Not the Premier's office.

MR. HICKMAN: Yes. I do not know about the Premier's office but -

MR. NEARY: No, he has his own entertainment.

MR. HICKMAN: Departments of government based on their revised estimates for 1977 and 1978 and the present government austerity programme we are not going to permit it to rise above last year's level. And again, Mr. Chairman, as a double check on entertainment, because I am sure hon. gentlemen know and realize that on many occasions we are called upon to provide entertainment of varying kinds during the year, but any entertainment expenditure in excess of \$50.00 Treasury Board approval has to be obtained. It is a nuisance but we have to go to Treasury Board and show them that it was in the interest of our department. I find that at times to when you get a request, and I get it as Minister of Justice and I had one quite recently where it is obvious that Newfoundland should have a particular group in criminology, a national group visit this province next year but as the host province we are going to have to spend some money on entertainment and I could not say yes. I had to go and make a submission to Treasury Board, get on my knees and explain that it would satisfy them that it was in the best interest of the government and of the people and they sent me off, my tail between my legs and said, Come back again, and I went back again and finally some very far thinking colleagues of mine said, "Yes, you can write and tell them that you are going to spend and that you will give them a dinner in 1979." In 1979, not 1978-79 and this is the kind of excessive control that Treasury Board are imposing upon those of us who feel that from time to time we should be placed in a position where we can extend the province's hospitality to people doing business with it or visiting our shores and \$190,000 is modest. It should be higher but our government - A note says here the government austerity programme will not permit it and so be it.

MR. CHAIRMAN: The hon. Leader of the Opposition.

MR. W.N. ROWE: Mr. Chairman, this is a government, Sir, which brought in a budget which has slapped a \$3.00 ward bed fee, a \$2.00 dental fee -

MR. W.N. ROWE: How much time do we have left by the way, Mr. Chairman?

MR. CHAIRMAN: Three minutes.

MR. W.N. ROWE: Three minutes. So, Sir, I will merely say that any government which brings in those kinds of measures and hurts the people of a province who are least able to bear that burden and that hurt cannot, Sir, in conscience or without smacking up hypocrisy, come in here and

MR. WM. ROWE: ask for \$190,000 for the Government's entertainment, basically, I would say, Sir, of themselves and their friends, and there are other items in the Budget as well. So, therefore, Sir, I move, seconded by hon. colleague here, the Opposition House Leader, that this vote of \$190,000 be reduced to one dollar.

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: This brings me to my feet again. I am surprised and I am shocked that the hon. gentleman -

MR. CHAIRMAN: Order, please! It has been moved that the Amendment as stated be put to the Committee. The hon. minister -

MR. WM. ROWE: He is speaking to the Amendment.

MR. HICKMAN: I now speak to the Amendment, that Amendment that has caught me off guard, that has embarrassed me, that \$190,000 out of a Budget that is over \$1,000,000,000 that this Province is going to set a precedent, I suspect, for this low amount on Entertainment. Because if this vote carried, Mr. Chairman, it would not only say to me that I cannot entertain anyone who comes to see me in connection with my Portfolio as Minister of Justice, that I cannot entertain anyone with whom we do business in respect to the fiscal needs of this Province for whom -

MR. NEARY: Take them down to Big Mac's!

MR. HICKMAN: - for whom I have been lectured to so severely today that I have to be cautious and careful with them, it would mean that I would have to - I will give an example; every year one of my contributions for entertainment out of this vote as the Minister of Justice is the annual dinner that I give the Newfoundland and Labrador Association of Fire Chiefs. It is about the only contribution, other than one, other we are going to make this year for the first time for their operating cost, that we make in the Province to the thousands of volunteer firemen serving in one hundred and ninety volunteer fire brigades.

MR. WM. ROWE: Okay, reduce it to ten dollars.

MR. HICKMAN: I only use that as an example. I am sure that -

MR. WM. ROWE: Go away! Do not be so hypocritical.

MR. HICKMAN: - I am sure that every hon. Minister on this side of the House can give examples similar to the one I have just given.

MR. WM. ROWE: They would not give them an operating grant last year, would not give one to the volunteer firemen.

MR. HICKMAN: Do not worry. The volunteer firemen will tell you, under the leadership of my friend and colleague and relative, Fire Chief Walsh, that relations and support have never been as good as they are now. And when he hears what is in my Budget tonight for them, they will even be happier still. While I am on my feet talking, may I take -

MR. FLIGHT: What about St. John's Ambulance?

MR. HICKMAN: If the St. John's Ambulance have a national convention here in Newfoundland, I can assure them now that within reason we, too, will provide a dinner for them. So, Mr. Chairman -

MR. CHAIRMAN: Order, please! I would like to inform the hon. Minister that the time for this head has expired.

It has been moved that sub-head number 407-03 be reduced to one dollar. Those in favour, indicate by saying 'aye', those contrary, 'nay'. The motion has been lost.

On motion, Head 407 without amendments, carried.

MR. CHAIRMAN: Legislative - Heading 11, page 7.

MR. NEARY: Mr. Chairman, before we get into Legislative, I wonder if the Minister of Justice could tell us if we are going to get the report of the Parliamentary Commissioner before we let the minister's salary go through. We do not have the annual report of the Ombudsman yet. At least I do not have it. I do not know if hon. members have it.

MR. DOODY: If you do not have it, it has not been published.

MR. NEARY: No, that is right, because I would have it at least a week in advance of anybody else.

MR. PECKFORD: In other words, it is not going to be out for at least a week.

MR. NEARY: Yes, I can tell the hon. Minister of Mines and Energy that the Ombudsman is working on it. I do not know if it is gone to the printers yet or not. I believe it has but could the minister tell us -

MR. PECKFORD: Perhaps tomorrow in Question Period I will be able to get some more information on it.

MR. NEARY: Officially could the minister tell us whether we are going to get the report so we can discuss it under this heading? There is not much else in there to discuss.

MR. HICKMAN: Obviously, Mr. Chairman, we are not going to get the Ombudsman's report today. My recollection is we have not discussed last year's yet, which was an excellent report. I had the pleasure of reading because I could not

MR. HICKMAN: remember how he dealt with the legislative programme and I have the pleasure this morning of reading the one hour debate on Legislative that ensued. And I assure that the hon. the member for LaPoile (Mr. Neary) still shares the same view that he did last year when he got up and it was one of the rare occasions when I heard him wax eloquently into flights of fancy when he said he wanted more money for the Parliamentary Ombudsman -

MR. NEARY: No, no! The hon. gentleman did not say that.

MR. HICKMAN: - because he - well, we will have to read it to him. He was so carried away by the excellent work - and properly so - that our Ombudsman is doing and his very limited staff, that he would have given them anything they wanted.

MR. NEARY: No, no way! I said his power should be extended.

MR. HICKMAN: No, no! Money! I had that with me. What did I do with it? - because I got so carried away that I almost cried when I read it. I said, it cannot be. But I will get it because it is something that should be recorded once again for -

AN HON. MEMBER: For posterity.

MR. HICKMAN: - for the records and for posterity. But the hon. gentleman is correct that the report for this year has not been received yet. He is equally correct in assuming, as he did last year in the same, that the office of the Parliamentary Ombudsman, the brainchild of the hon. the member for Conception Bay South (Mr. Nolan) is working exceptionally well and the report that we received from the Parliamentary Commissioner, the Ombuddy, is a masterpiece and it is written in a manner that it is easily understandable and delightful to read and shows that he is a very effective gentleman doing an effective job.

MR. NOLAN: Access to the mental hospital.

MR. FLIGHT: How about access to the Waterford?

- MR. NOLAN: That is another jurisdiction.
- MR. HIGHMAN: That is not so.
- MR. FLIGHT: How about his access to the patients at the Waterford?
- MR. CHAIRMAN: Shall 201-01 carry?
- MR. W. N. ROWE: Mr. Chairman.
- MR. CHAIRMAN: The hon. the Leader of the Opposition.
- MR. W. N. ROWE: Mr. Chairman, the hon. House Leader on the government side and the Premier and a number of other of his colleagues in common with ourselves have undoubtedly had representation made to them by certain people living in Labrador concerning the representation of Labrador in this House of Assembly. I am not talking in terms of the people who represent Labrador, but the districts now carved out of Labrador. There has been some discontentment expressed particularly over the fact that the Straits of Belle Isle district represents or is carved out of part of the Island of Newfoundland and part of the Straits of Belle Isle on the Labrador Coast, and I believe the population proportion is about three to one in that district - three representing the Island portion of the district and one representing the Labrador side of that district - which has caused a little bit of disgruntlement.
- AN HON. MEMBER: (Inaudible)
- MR. W. N. ROWE: Well, about one quarter, I believe, of the population of the district is on the Labrador side - would that be about right? - and about three quarters -
- SOME HON. MEMBERS: Yes.
- MR. W. N. ROWE: - three quarters would be -
- MR. F. RUWE: And it is a big district.
- MR. W. N. ROWE: - and it is a very large district in terms of geography.
- MR. HIGHMAN: For the record 15.7 per cent.



MR. W. N. DOVE: Live on the Labrador side.

MR. HICMAN: Live on the Labrador side in the Straits of Belle Isle.

MR. W. N. DOVE: It is even less. I heard a news release recently in which somebody said about one quarter are from Labrador.

MR. HICMAN: Yes.

MR. W. N. DOVE: Geographically it is one of the larger districts as well.

I would like to say, Mr. Chairman, that we on this side of the House do not believe that Labrador is adequately represented in this House of Assembly at the present time, and again, I hasten to add that this has nothing to do with the personalities who represent parts of Labrador, but has everything to do with the geographical districts -

MR. NEARY: Hear, hear!

MR. W. N. DOVE: - presently on the electoral boundaries map as far as Labrador is concerned. We think, Sir, there should be at least instead of what? - three and a half presently in Labrador, there should be at least four - the Caucus Chairman, Sir, I realize, is trying to keep his people together over there at least until the Premier gets back -

MR. NOLAN: They are holding a vote of confidence for the Premier.

MR. W. N. DOVE: - but I would ask him if he could perhaps confine himself to the caucus room to hold his battles and fights and arguments as he tries to keep them together so that we in the House here, Sir, can get on with the people's business.

MR. NEARY: He is trying to pacify the Minister of Municipal Affairs who apparently has gone cracked over there.

MR. BINN: (Inaudible)Judicial inquiry.

MR. NEARY: No, the minister will in due course. In due course that will happen.

MR. CHAIRMAN:

Order, please!

MR. W. N. ROWE:

Sir, a very serious subject -

MR. STACY:

The minister has his turn coming.

MR. W. N. ROWE:

The Minister of Municipal Affairs cannot be expected to be too concerned about this. So, Sir, I would ask him if he would just try to listen and learn, Sir, instead of carrying on like a buffoon in this hon. House - just listen and learn. Look at him, Sir! It is

MR. W.N. ROWE: embarrassing to even be associated with him, his colleagues have scattered far and wide away from him, Sir. But listen and learn because it is important to the people of Labrador that they have adequate representation in this House. And I am sure, the member for Maskaupi district (Mr. Coudie), I would like to hear him on this, perhaps even the minister of - what is Rousseau these days?

MR. NEARY: Public Works.

MR. W.N. ROWE: Public Works, Sir.

MR. NEARY: Menihek.

MR. W.N. ROWE: Well he is Menihek district, what department does he represent?

MR. NEARY: Oh he is in Manpower now.

MR. W.N. ROWE: I never know, Sir. Every month or so he is back and forth between one department or another. But the member for Menihek district, if he were in the House as well, I would like to hear what his views are on the subject. There should be at least four separate districts from Labrador, even if the population of Labrador does not appear on paper to warrant it. When the present administration rammed through this House, the gerrymandered, Sir, gerrymandered electoral boundaries map some two or three, four years ago.

MR. NOLAN: Frankiemandered.

MR. W.N. ROWE: Frankiemandered, gerrymandered, alexmandered, they did it all, Sir. There was a commission set up, you may recall, who made some very sensible recommendations to this hon. House and to the government, and instead, Sir, this government turned a deaf ear and a blind eye to these reasonable and sensible recommendations by a commission, headed up I believe by the late Mr. Justice Higgins, a man with tremendous political experience on both sides of the fence. And he therefore had every reason to be impartial, objective, a man with independent and security of tenure at the time, and he came up with a reasonable way to divide up the electoral boundaries in this Province. And the government took it, Sir, and massacred it, desecrated it -

MR. NOLAN: 'Alec' would not do that.

MR. W.N. ROWE: And we came up, Sir, with districts like my hon. colleague, the member for Saie Verte - White Bay (Mr. Rideout), he has got the biggest district I suppose in terms of geography and population in this Province, or at least one of the larger ones.

MR. NEARY: Eagle River.

MR. W.N. ROWE: The ones which are easy to manage and are closer to the seat of government, Sir, are smaller in terms of population; urban districts for example which are relatively easy for a member to look after and to service are among the smallest, and some of the larger ones are found in the remoter rural areas of the Province. And, Sir, in Labrador the government, Sir, created a monster as far as representation is concerned, for example the Eagle River district.

MR. NEARY: Impossible to cope with.

MR. W.N. ROWE: Which is impossible, Sir, for any reasonable man or woman, in reasonable health, reasonable energy, reasonable amount of money, Sir, because the expenses are exorbitant when it comes to trying to go from one small community to another by aircraft. It is impossible to represent adequately and my hon. friend who is now snow-bound again, Sir, in Nain, he will probably be another week getting out, and this is the kind of thing that he has to cope with, Sir, trying to represent the district. My hon. friend has done yeoman service in his efforts to represent the district, but he himself would be the first to admit that it is extremely difficult, if not impossible, to give adequate representation to that district.

Now we have a tremendously large land mass in Labrador. And the fact, Sir, that the population of each of these districts, if we had four or five perhaps districts in Labrador, the fact that the populations may be small is totally irrelevant, when you have so many communities spread over such a large area, so difficult to represent, so the population compared to say St. John's South or

MR. W.N. ROWE: St. John's Centre or some Corner Brook seats or Grand Falls, the population, Sir, should be secondary in importance, and the important consideration should be how difficult it is to get around, the remoteness, the ruggedness of the terrain, the expense in going to and fro and in getting from one community to another in the district. And of course, Sir, another consideration which is a little less tangible, but which is real nevertheless, is the feeling among many Labradorians that I know, and I would like to hear my friend the member for Naskaupi (Mr. Goudie) on this, the feeling that they are not adequately represented, because of what I have talked about, not because of the personalities, that they are outside the mainstream of political life in this Province, that they need more voices in the House of Assembly, more people acting on their behalf and voting on their behalf and of course they need the geographic areas represented by each individual member made smaller so that a member can have something which he can grapple with, cope with as far as representation is

MR. W.N. ROWE: far as representation is concerned, not only in this House but in dealings with the government and in helping with people's personal and political problems and problems of communities. So, Sir, I would like to hear first of all the views of the member for Naskaupi - perhaps this evening - and then I would like to hear the views of the government as to what they plan to do prior to the next election. I realize, Sir, that they do not know when an election is going to be called, it could be tomorrow, it could be two years from now, or the government could evaporate before our eyes, Mr. Chairman.

MR. NEARY: Disintegrate in mid-air.

MR. W.N. ROWE: Could disintegrate, crumble, Sir. Like holding mud or something in your hand, it seeps through your fingers and drips away, that is the image, Sir, that this government presents.

MR. DOODY: As a man who stood through it, I will take your word.

MR. W.N. ROWE: Oh yes, Sir, I lived through a disintegrating government. After twenty-three years, I was in it for about two years -

MR. DOODY: And that happened.

MR. W.N. ROWE: - and, Sir, it disintegrated perhaps caused by my very presence.

MR. DOODY: Hear, hear!

SOME HON. MEMBERS: No way! No way!

MR. W.N. ROWE: But, Sir, I have never seen a group of men in any kind of a group, government or otherwise, after six small, measly years to allow now ~~the~~ government to disintegrate, crack up, break up, fall ~~apart~~ after such a period of time.

MR. H. COLLINS:

You will not be that lucky,

'Billy'.

MR. CHAIRMAN(Young):

Order, please!

I now leave the Chair

until 8:00 p.m.

MR. NOLAN:

Now do not go falling off

the bed again.

MR. W.N. ROWE:

I will continue my few

remarks, Sir, at 8:00 p.m.

I N D E X

ANSWERS TO QUESTIONS

TABLED

APRIL 3, 1978



*ster j. H. ...*

Total number of individuals who appeared before Magistrate's Court and the Supreme Court for 1973-77 who were remanded to the Waterford Hospital for psychiatric examination before standing trial:

Magistrate's Warrants - 355

At least one medical doctor advises the Magistrates, where possible the doctor could be a psychiatrist. In remote areas there may not be a psychiatrist available, therefore a medical doctor in this case advises the Magistrates. Where a psychiatrist is available one will advise the Magistrate.

Remands from the Supreme Court are done by way of Lieutenant-Government Warrants, both before and after trial. For 1973-77 the total is 65.

Two medical doctors, one of whom must be a psychiatrist, advise on this.

No person is remanded to the Waterford without the opinion of either a psychiatrist or a medical doctor.

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD:  
8:00 p.m. - 11:00 p.m.  
MONDAY, APRIL 3, 1978

The Committee resumed at 8:00 P.M.

MR. CHAIRMAN:

Order, please!

Shall 201-01 carry?

MR. W.N. ROWE:

Mr. Chairman.

MR. CHAIRMAN:

The hon. Leader of the Opposition.

MR. W.N. ROWE:

Where has the minister gone, I wonder?

MR. HICKMAN:

I am here.

MR. NEARY:

He has gone in hiding.

MR. NOLAN:

There he be.

MR. W.N. ROWE:

I will wait until he takes his seat,

Sir.

Mr. Chairman, when we rose at six

o'clock, we were discussing the first item in the head of expenditure, legislative, and I was just making a few remarks about the need for greater representation in the House on a geographic basis from the Labrador portion of the Province. And, Sir, I want to particularly hear what my friend the member for Naskaupi has, and I want to see what the government, what the member for Naskaupi has to say on the matter, that is, and I want to see what the government is going to do in response to requests made, particularly by people resident on the Straits, the Labrador side of the Straits, who feel that there is not enough in common, they say, between the Straits of Belle Isle on the Labrador side and the Straits on the Island side to warrant representation by one member in the House of Assembly. And they want also to increase the representation in the House of Assembly from three and less than a quarter to four members in this House, a very reasonable request, Mr. Chairman, as it is a serious subject. Some members on the other side apparently do not think that it is but, it is a serious subject for the people for Labrador. And their problem is, Sir, as I indicated earlier, their problem is that they do not feel that they are at all in the mainstream of the political life of the Province. Now I am not saying that increasing their representation by another member is going to do that, although it will help to this extent: first of all there will be another voice speaking in the House on behalf of Labrador and secondly, Sir, and perhaps just as important, there will be better representation of Labrador because it is impossible, as I

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MR. W.N. ROWE: indicated earlier, impossible for one man to represent practically the whole coast of Labrador, for example, that has that large, that long part of our Province which has to be broken up in a better fashion than now and greater representation given to it in spite of the fact, Sir, that the population figures may not appear to warrant it when compared to other districts in the Province, particularly the urban districts. But, Sir, population is not the only criterion to be looked at when we are talking about adequate representation. The fact that it is very expensive to go up and down the coast of Labrador, very expensive to travel from here to Labrador, all parts of Labrador and back again. The fact, Sir, that there are many communities in Labrador all of whom have a variety of interests, not necessarily a community of interests one with the other, many settlements, many communities, they need, Sir, to have a greater representation in this House and they need somebody looking after their interests, Sir, without being saddled with too many communities and too great a variety of problems. It is simply impossible to do the job correctly. Before the minister speaks perhaps he would be -

MR. H. COLLINS:

Point of order, Mr. Chairman.

MR. CHAIRMAN:

Point of order, has been raised.

MR. FLIGHT:

Yappy, Morgan!

MR. H. COLLINS:

The hon. Leader of the Opposition now is piously putting forth his view that we should have more seats in Labrador. The record will show, Mr. Chairman, that the hon. Leader's Party were opposed to fifty-one seats; too many seats, there are too many seats. Now the hon. member is trying to get off that and prove that we do not have enough seats -

SOME HON. MEMBERS:

Oh, Oh!

MR. CHAIRMAN:

Order, please!

I feel it is not a point of order but more of an explanation. The hon. Leader of the Opposition.

MR. W.N. ROWE:

We can turn the house, Sir, into bear pit if we want to. I noticed the House Leader over there, Sir, indulgently listens to the nonsense poured forth under the guise of a point of order by his colleagues. He should not do it, Sir, because the government will suffer in the long run if this House is allowed to degenerate to allow the likes of that hon. member, who needs to be strapped into bed, Sir, he cannot even stay in bed without falling out in response to his colleague the Minister of Industrial Development. The minister over there causes him to fall out of bed. He has got to be like somebody who is having an operation, he has got to be strapped down, Sir, and his arms and his legs to keep him from falling out of bed, and somebody has to bring the phone

MR. W.N. ROWE: to him for the next shock from his colleague, the Minister of Industrial Development or another minister. I think he should probably retire to bed now, Sir, judging from the nonsense and buffoonery again coming out of him. But it is a very important matter, Sir, very important and the important thing, Sir, is that this House should recognize the need to bring Labrador as a political entity and as a geographical entity more into the main stream of the political life of this province. And I would like to hear the member for Naskaoui and the views that he may have on that very important subject, Sir.

SOME HON. MEMBERS: Hear! Hear!

MR. GOUDIE: Mr. Chairman, I do not want to get into, well I obviously do not have time in committee this evening to get into a lengthy discussion. Hopefully if a certain resolution on the Order Paper is called before we recess in the spring, then we will have the opportunity and the time to deal with the topic a little more fully.

The hon. Leader of the Opposition earlier this afternoon was referring to percentages and I have a letter here from a group who has an interest in this particular topic, the topic of distribution or redistribution or whatever you want to call it in terms of electoral districts, boundaries in Labrador and the percentages are: the Strait of Bell Island is divided somewhere in the order of 15.7 per cent on the Labrador side of the district in comparison to 84.3 on the other side. So that presents the problem where during elections the total vote on the Labrador side of the district has very little or no clout whatsoever in terms of the outcome of an election. And I might carry this on to the Federal seat as well, the district or Federal riding of Grand Falls-White Bay - Labrador, where I believe in the last Federal election the member now representing that district was declared elected before they even began counting the ballots in Labrador. And I think that is interesting when one realizes that Labrador, one part of the district

MR. GOUDIE: is half as big again as the other part of the province.

So I think when we think in terms of electoral boundaries and districts and so on in Labrador we should also, although this hon. House I suppose has no direct bearing on Federal ridings but I would like to think that Labrador is large enough, not in terms of population as we only have 35,000, for a separate Federal riding. But I think it is also interesting to point out, and I could be corrected here, but I believe that the Northwest Territories or the Territories, the Northwest and the Yukon, have about the same size population in the order 35,000 or 38,000 people but they do have two Federal members, I understand, and some other benefits as well. So all of these things have to borne in mind I think when we think in terms of redistribution.

There is another consideration as well when one thinks in terms of boundaries in Labrador. The hon. member for Eagle River at some point in our debate last year illustrated the size of his district by suggesting that Cape Chidley, I think, which is the Northern most part of his district, were it placed at Port aux Basques - the hon. member for Eagle River last year mentioned in one of the debates illustrating the size of his district if you want to take the Northern most point, which is Cape Chidley, and place it at Port aux Basques on the island and take Mary's Harbour which is the Southern part of his district and to spread it across the island it would extend beyond the 200 mile limit which again graphically illustrates the problems which -

SOME HON. MEMBERS: Oh! Oh!

MR. GOUDIE: Not exactly. The hon. minister just suggested there is no-one living in Cape Chidley. That is true, but again we are not talking in terms of population distribution in Labrador we are talking about geographical problems I think.

AN HON. MEMBER: Is that from Nain?

MR. GOUDIE: Yes, from Nain down to Mary's Harbour is where the population is distributed. But then you bring in something else and

MR. GOUDIE: this has been debated at various points over the last two or three years, and that is the native groups. Regional disparity is one thing when you get into Coastal Labrador and lack of communications, transportation systems and so on, but when you get into native groups I think if this hon. House indicates that the boundary should be looked at again particularly in terms of districts in Labrador, I think one thing that has to be considered when one talks of changing the boundaries is the groups themselves. From Rigolet north to Nain you have basically an Inuit population with other white settlers mixed in with the Inuit people. In the interior, in my particular district, Naskaupi, the Goose Bay-Happy Valley area, half of the Indian population of Labrador comprises half of the community of North West River. And then you get to Cartwright, which is on the Southern part of Hamilton Inlet or Groswater Bay area, and take that right down to well L'Anse au Clair if you want, then you have very few, and I think I could be corrected but I do not believe there is one either Inuit or Indian native person living in that part of Labrador. So in addition to



MR. GOUDIE: the natural geographic separation of the Groswater/Lake Melville area separating the North from the South, you also have to bring into consideration the two native groups, if you will, of Labrador as well.

I did not want to say anything other than that, really. I mentioned when I started to speak that I want to have much more to say and I hopefully will be presenting a great number of statistics in presenting what I consider to be - or at least what I hope will be - a strong case arguing for a change of electoral boundaries in Labrador when and if the resolution which I have on the Order Paper is called for debate before we recess for the summer. I will get into it a little more extensively then, but in the interim those basically are my comments.

I think, when considering redistribution we have to think in not only the terms of population; population cannot be a consideration at all, I do not think, in Labrador. It has to be based on geography and on the two native groups and the areas of Labrador in which they reside, and obviously, the end result being, as the hon. the Leader of the Opposition has mentioned, hopefully a much stronger and perhaps depending on the outcome of the polls, a more unified voice for Labrador in this hon. House.

SOME HON. MEMBERS:

Hear, hear!

MR. CHAIRMAN:

The hon. minister.

MR. HICKMAN:

Mr. Chairman, just a few minutes.

MR. CHAIRMAN:

I am sorry.

MR. HICKMAN:

The hon. the Leader of the Opposition asked if the hon. member for Naskaupi (Mr. Goudie) would indicate his views and then if the Government House Leader would articulate the views of the government, and that is precisely - but I would -

AN HON. MEMBER:

(Inaudible)

MR. HICKMAN:

Pardon? Oh, I am sorry. Well, if the Chairman acknowledged the hon. the member for Fogo (Capt. Winsor) I will be more than happy to yield to him.

AN HON. MEMBER:

Yield, yield!

MR. CHAIRMAN:

of Justice.

I recognized the hon. the Minister

MR. HICKMAN:

request from the hon. the Leader of the Opposition.

And I was rising in response to a

AN HON. MEMBER:

And you were doing it with grace.

MR. HICKMAN:

this is a very, very important discussion and I think it makes the whole legislative vote worthwhile when we debate it.

Right. Now, Mr. Chairman,

The hon. the Leader of the Opposition this afternoon in his remarks talked about the government, you know, gerrymandering the report of the Higgins Commission as it related to Labrador. Well, now, let me remind this Committee that there were no changes to my knowledge in the recommendations of that Commission as they related to Labrador.

SOME HON. MEMBERS:

Hear, hear!

MR. HICKMAN:

And there was a very good reason why there was no change in the recommendation of the Committee as it related to Labrador. Because if hon. gentlemen will think back to the debate on the Electoral Boundaries Act - not the one that brought in the boundaries of the district, but the Act that was passed in 1973, I think it was, or maybe 1972, providing for a ten year review of electoral boundaries and the appointment of the commission of three by Mr. Speaker and the others appointed by the Chief Justice of the Province - the chairman by the Chief Justice of the Province, the other three members by Mr. Speaker. And hon. gentlemen will recall that the other three members were Professor Summers, who is head of the geography department, or was then, at Memorial, Reverend Webber and Magistrate Seabright, who was then stationed in Labrador and had been in Labrador for quite some time.

Now, let me deal with Labrador.

Now, at the time when the debate was on - and I am not saying this in a critical sense, but I say it

MR. HICKMAN: because I genuinely believe that all members of this House are groping for ideas to try and make the Labrador section of this Province feel that they are part and parcel of us and we are going to do it, and there is a fair amount of trial and error in the approach that we use.

MR. FLIGHT: (Inaudible) airport

MR. HICKMAN: If the hon. gentleman from Windsor - Buchans would be quiet! At that time there was a consensus in this House that it would be in the interest of unity between the Labrador section of this Province and the Island part of this Province if we had a district that straddled the Straits of Belle Isle.

AN HON. MEMBER: Hear, hear!

MR. HICKMAN: And that section in our Act was put in deliberately with no objection from any hon. member.

AN HON. MEMBER: Hear, hear!

MR. HICKMAN: It was done with the genuine interest and desire on the part of all hon. members that this would work, that if we had a member representing two parts of the Straits of Belle Isle that this would have a unifying effect. And it was tried. The legislation spelled it out. There was no discretion left in the Electoral Boundaries Commission as it related to Labrador. They were told that they could forget the population quotient as it related to Labrador, that they had to come up in Labrador with three and a half seats. Now you may quarrel to some extent, although no one did at the time, with the way that they have set up the boundaries of these three and a half seats. But when you listen to the only really knowledgeable - I do not know if the rest of the hon. gentlemen feel the way that I do, when the hon. member for Naskaupi (Mr. Goudie) gets up I feel ashamed. I feel ashamed of the fact that the rest of us, in our anxiety to help Labrador, are so unknowledgeable compared to the gentleman behind me, the only man who has ever sat in this Legislature who really had the life blood of Labrador in him, and he has it.

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: And when he articulates - We are very proud, as a Progressive Conservative Government that the first member of this Legislature with the Labrador blood in him, happens to be on this side of the House. And there he is right here, Mr. Chairman, and we are proud of him. And when we listen to that hon. gentleman articulate some of the real problems of Labrador, then I hope the rest of us feel how little we know about the feeling of the true Labradorian. And make no mistake, Mr. Chairman, this government will heed and will continue to heed the advice of the hon. the member who sits immediately behind.

Now, Mr. Chairman, you know, I am the first to admit that over the years this House has sometimes been less than responsive to the needs of the people of Labrador. And that goes back to the days when we first entered Confederation and at that time we

MR. HICKMAN: did not have a member at all, and then after the 1951 election, the father of the hon. the Leader of the Opposition was the first member elected, as I recall it - no, the second. Mr. Harold Horwood was the first and then Senator Rowe was the second, but it was a one man district for that great geographic mass.

MR. NEARY: How about Harold Horwood?

MR. HICKMAN: Harold Horwood was the first. Just to keep the record straight, so no one is too critical of what this government has done, then we moved to the second step, the second step by the Smallwood Administration was to make Labrador a two man district. And then the Moores Administration brought in legislation to make it a three and a half man district. And I would suggest, Mr. Chairman, that it is quite conceivable that by the time the next review of the electoral boundaries takes place - time flies, that is only about four years away - that this House may very well see fit to say, "We tried the experiment of straddling the Straits of Belle Isle," which everyone in this House thought was a good idea at the time, everyone, because everyone voted for it.

AN HON. MEMBER: No.

MR. W.N. ROWE: He is misleading the House.

MR. HICKMAN: Everyone voted for it.

AN HON. MEMBER: Except the people in the Straits.

MR. HICKMAN: The hon. gentlemen who were in the House voted for it. And I remember the then Leader of the Opposition, who as any leader, and when the hon. the Leader of the Opposition speaks now he articulates the views of his Party, and there is no one else can articulate the views of his Party other than the Leader, the final views, when the then Leader of the Opposition articulated his views he most assuredly agreed with that proposal and that is why the vote, in my opinion, was unanimous at the time.

MR. NEARY: What was unanimous? The gerrymandering?

AN HON. MEMBER:

The vote. The vote. The vote.

MR. CHAIRMAN:

Order, please!

MR. HICKMAN:

Mr. Chairman, the hon. member for

LaPoile (Mr. Neary) is confusing this issue.

MR. NEARY:

No, no!

MR. HICKMAN:

There were two pieces of legislation. May I go back again? There were two pieces of legislation. There was the Electoral Boundaries Act that had nothing to do with the boundaries of districts. What it simply did was lay down the quotient on the one man, one vote rule which nobody can argue against, nor did anyone try. But in that same act, in that same piece of legislation it said, if you try the one vote, one man rule, and you use the population quotient, Labrador is still going to wind up with two seats or two and a half seats. So there was a provision put in that act, and that act was passed unanimously by this Legislature, that is the Electoral Boundaries Commission Act, which said that

MR. HICKMAN:

the Electoral Boundaries Commission shall provide for three and a half districts in Labrador.

MR. NEARY:

When we argued it should be four.

MR. HICKMAN:

No, no. The argument, Mr. Chairman, was very clear, that this was a unifying force and that if you had a seat straddling the Straits of Belle Isle that nothing could be more commendable or more unifying or more salutary to that principle.

MR. NEARY:

You do not have three and a half, my friend.

AN HON. MEMBER:

Three and an eighth.

MR. HICKMAN:

You have three and an eighth. And where is the eighth?

MR. NEARY:

In Labrador South off the Straits.

MR. HICKMAN:

But, where is he? Where is he?

MR. NEARY:

He is down in the minister's law firm practicing law.

MR. HICKMAN:

Well, I hope he is working hard and I am sure that he is doing a profitable and good job.

MR. NEARY:

He found a milch cow down in the minister's office.

MR. HICKMAN:

Yes, I know. I wish he would send one of the you-know-what into me so I could pull on it. Anyway, the decision, there was no question about the Electoral Boundaries Commission having any discretion there. They did not have it. Then when you get into the next piece of legislation - and I remind the hon. member for LaPoile (Mr. Neary) of this - the second piece of legislation was a bill that was brought into this legislature to set forth the boundaries of the various districts following the receipt of the Report of the Electoral Boundaries Commission. There there were some nasty comments made, I admit, but never with respect to Labrador. The nasty comments were on the Island. For some reason the hon. member for LaPoile (Mr. Neary) did not like the idea of Bell Island going in with their traditional compatriots in Harbour Main and all that sort of thing.

MR. DOODY:

He was too busy getting his track shoes on.

MR. HICKMAN: But be that as it may, the point I am making - and I do not make it in a partisan sense - that at that time it was an experiment that this House entered upon hoping that it would succeed.

Now when we listen to the hon. member for Naskaupi (Mr. Goudie), who is really knowledgeable in this area, it would appear as if it has not succeeded. And secondly, he has drawn to our attention something that I have not heard in this House before and I suspect the reason for it is that he is the only one who knows; that there should be another quotient in the formula in the future for the Electoral Boundaries Commission to take into account when it is looking at Labrador. That is the community of interest of the native population. And that is a very valid point that I have not heard made in this House before. And I do not think any of us need apologize for it. I am sure that the hon. the member for LaPoile (Mr. Neary) or the hon. the Leader of the Opposition (Mr. W. Rowe) and I certainly would be the first to admit that that kind of community of interest is really known only to one honourable member in this House because he is the only one who has ever lived with it and grew up with it. He knows it better than any of us.

The other thing, Mr. Chairman, is we have tried, this administration has tried as best we can to try and bring government to the people of Labrador. And it is a pity that the hon. member for Eagle River (Mr. Strachan) is not in his seat tonight because the hon. the member for Eagle River (Mr. Strachan) was publicly acclaiming the fact that government was indeed coming to Labrador. Last year he had five members of the Cabinet in his motel at Nain at the one time, and that most assuredly is a record for this Province. We were in Davis Inlet and we were in Makkovik and we were in Hopedale and we were in Cartwright and Nain and, you know, all of this -

MR. NEARY: The Minister of Health was down in a helicopter fishing.

MR. HICKMAN: The hon. Minister of Health was with us in Nain and in Makkovik. And the point I am trying to make, Mr. Chairman, is that, you know, I am not at odds with the sentiments expressed by the



MR. HICKMAN:

hon. the Leader of the Opposition (Mr. W. Rowe). What I am saying is and what he is saying, but we may be saying it differently, is that -

MR. DOODY: Differently, adverb. The English scholar.

MR. HICKMAN: Yes, and he went to St. Bon's.

SOME HON. MEMBERS: Oh, oh!

MR. HICKMAN: I am being harassed on both sides of the House.

What I am saying, Mr. Chairman, is simply this, that both sides of this House, I think, are genuinely seeking, and I hope will continue to seek a formula or formulae which will make the Labrador section of this Province feel that they are as much a part of the way of life, and the system of government as any other part of the Province of Newfoundland.

MR. DOODY: Formulae, Latin.

MR. HICKMAN: And I think, you know, we get up and we so glibly talk about the difference, the separatist feeling that some people would like to generate in Labrador, we forget that four or five short years ago a gentleman named Thomas Burgess sat down there in the corner and articulated as an independent the same views that we are articulating here now.

MR. NEARY: And before that Charlie Devine.

MR. HICKMAN: And was hooted at, and was -

MR. DOODY: He never wore out any roller skates.

MR. HICKMAN: - and was called by certain hon. gentleman as the Irish rebel and all that sort of thing.

MR. NEARY: The Irish soldier of fortune.

MR. HICKMAN: Yes. That is right. The Irish soldier of fortune was the name put on him by the hon. the member for LaPoile (Mr. Neary).

MR. DOODY: That is right. He could never be bought. He could be rented at a reasonable rate.

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: But at the same time, the simple fact is that Tom Burgess gave this House some warning and it were not heeded, and what I hope is that when we have a gentleman like the hon. the member for Naskaupi (Mr. Goudie) with the blood of Labrador flowing in his viens, as no one else can hope to have, that we pay some more attention to him. And when he draws to our attention a very valid point, that the population of 35,000 in the Labrador section of this Province is probably equal to that of the Northwest Territories, and that the Government of Canada has seen fit to give them two members of Parliament.

AN HON. MEMBER: One for each territory.

MR. HICKMAN: One for each territory, but the population count is still the same. The community of interest in the Northwest Territories is very, very similar to that of the Labrador section of our Province. I would say that we might be better using our efforts and our time and our talent if we tried to convince our confreres and colleagues and the parliamentarians in Ottawa, that indeed there should be an eighth

MR. HICKMAN: seat in the Parliament of Canada - take away one of the twenty-seven from the City of Toronto, with the horrendous results that might generate - that there should indeed be an eighth member of Parliament from this Province and his jurisdiction should lie within that great mass geographic body of Labrador and nowhere else. And we could make a good case for it. And I know that the hon. member for Fogo (Captain Winsor) is almost on his feet, and I am sure that he will agree with me.

MR. CHAIRMAN: The hon. member for Fogo.

CAPTAIN WINSOR: Mr. Chairman, I very seldom miss an opportunity to try to contribute something when Labrador is being discussed in this House. I recall, as the hon. minister stated, when Labrador was represented by one member and at that time the populous of Labrador extended much further North than it does today. When I represented Labrador, prior to 1956. 1956 I was elected as the member for Labrador North and that included all of Labrador West and all the way North to Cape Chidley, which was utterly humanly impossible for any one man to look after.

I think we have to consider Labrador in a geographical manner rather than a populous one and I would suggest that Labrador should be divided in four districts, one from Forteau to Cartwright, Cartwright to Nain, one in the Hamilton Sound, which is now Naskaupi, and Labrador West. Never mind splitting it half or a quarter between Labrador and Newfoundland. That cannot work, and as the minister said, there has been some progress made. When Dr. Rowe, now Senator Rowe, represented Labrador, he represented the whole of Labrador; so did Mr. Horwood. And in the election of 1956 there were two members, Mr. Sellars, I think, for Labrador South, and I, myself, for Labrador North. And Labrador North, as I said, took in all that vast territory from Labrador West to Nain, And if you consider you know the square mileage of Labrador, what we are talking about? And I have said this many times. We are talking about 110,000 square miles. And what does that mean? That means that Labrador is the size of

CAPTAIN WINSOR: New Brunswick, Nova Scotia, P.E.I. and Newfoundland  
all combined, that is what we have in Labrador. And yet we have  
that vast area represented by three point something, members you know.  
It is still utterly impossible, humanly impossible for one

CAPT. WINSOR:

member to represent that part of the district now from Forteau - or from where is it? - the Southern end of the district, Mary's Harbour, all the way to Nain. No, it is just impossible.

MR. HICKMAN: (Inaudible) you know, community of interest based on the native population.

CAPT. WINSOR: Well, I do not think that will work.

MR. GOUDIE: Wrong!

MR. HICKMAN: Wrong, it will work.

CAPT. WINSOR: I can appreciate the hon. member for Naskaupi's opinion on that, and if there is anyone in this House whose opinion should be taken and considered, it is the hon. member for Naskaupi (Mr. Goudie). He was born and bred and reared in Labrador. There is no substitute for experience and that gentleman has that experience - he was born and brought up there. And I knew him, of course, and have been very happy to have had acquaintance with him and his family all my political years. I think he is a very good -

AN HON. MEMBER: Is he a Liberal?

CAPT. WINSOR: Oh, yes, I think he is a very good supporter of mine. As a matter of fact, his father was one of the first - I think was the very first man in Labrador who came to me and offered me his support, and he did that in a small boat in which I had the privilege of conveying his mother and his father from North West River to Happy Valley. So he was born -

SOME HON. MEMBERS: Oh, Oh!

CAPT. WINSOR: That is right. The member for Naskaupi now was a born Liberal. He was a born Liberal, and all of the family.

AN HON. MEMBER: Hear, hear!

CAPT. WINSOR: But of course, things have changed, but that is no disgrace -

AN HON. MEMBER: A born-again Liberal.

CAPT. WINSOR: - and being a Liberal at that time will never disgrace him, because I think that is when

CAPT. WINSOR: he got his basic training in politics, perhaps from the Liberal member of the district at that time.

So, Mr. Chairman, I feel if you consider ten members from St. John's and compare the vast territory of Labrador with 3.5, you know, it is utterly disgraceful and I think the government should take steps now before another election rolls around. Cut Labrador and give Labrador its independence and give them four members, make four electoral districts.

AN HON. MEMBER: Who is the half member?

CAPT. WINSOR: Well, there are a lot of members in this House who can be counted as half members -

SOME HON. MEMBERS: Oh, oh!

CAPT. WINSOR: - but we will not get into personalities.

But nevertheless, Mr. Chairman -

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please!

CAPT. WINSOR: I do not want to waste any more time of the Committee, but I agree with the hon. member for Naskaupi (Mr. Goudie). I certainly agree that Labrador should be redistributed again and given four electoral districts rather than the 3.5 we have now.

MR. ROUSSEAU: Mr. Chairman.

MR. CHAIRMAN: The hon. member for Menihek.

MR. ROUSSEAU: Mr. Chairman, I would like to say just a few words because it appears in the very well thought out suggestions that everyone is making people are tending to forget a little old pocket over in Western Labrador called Menihek. And to throw another little crimp into the thoughts that have been put forward today, and thoughts all of which I agree with, there is one other little point that should be brought up, and it will only take a couple of minutes to make it, is that Western Labrador is a lot larger than it appears on the census. The last census taking I think it was something like 11,000 people there, but in actual fact, we in Labrador West believe there is more like 15,000 or 16,000

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Tape 485 (Night)

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MR. ROUSSEAU:

people there because so many people

are living in basement apartments,

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MR. ROUSSEAU: as I mentioned in the House on many occasions, and they are found there, of course, because of the firemen's regulations they could be evicted.

AN HON. MEMBER: (Inaudible).

MR. ROUSSEAU: Does the hon. member for Windsor-Buchans (Mr. Flight) have a statement?

MR. FLIGHT: No.

MR. ROUSSEAU: But in the instance we felt in Labrador West in the last redistribution that Labrador West might be a worthwhile place to look at two members, unfortunately you cannot break the towns up equally because you have Labrador City which is a much larger town and Wabush which is the much smaller town. I do not know if the concept of a dual riding is one that we should re-introduce, but certainly it is one that should be considered because of the population potential in Western Labrador. We are just completing now some housing developments up there 170 plus houses in Labrador City, and 200 plus lots over in Wabush, and we have the industrial park now in its preparatory stages, and of course this is going to create a larger population in the area. So I think in giving thought to this question of redistribution in Labrador that perhaps the number four might be better arrived at with the number five. I do not think anybody in this Province, and I hope certainly not in this House would begrudge fifty-one members or fifty-two members, five members for Labrador. But that questions as to population where they would relate to Labrador West may not relate to the rest of Labrador. I think it is a very important consideration to the people of Labrador West, and the consideration, of course, that Labrador West may be a population area so confined that it might in further redistribution warrant the thought at least of the possibility of dual member riding.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. NEARY: Mr. Chairman, of course, it goes without saying, Sir, that there is general agreement in this House that there should be four districts in Labrador. I do not think there is any doubt about that.



AN HON. MEMBER: There was a few years ago.

MR. NEARY: But we have somehow or other got ourselves side-tracked into a debate on Labrador, when we should be looking at the thing in a much broader sense.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Now, Mr. Chairman, having said that I have been a strong advocate myself ever since the commission was appointed to distribute the electoral boundaries in this Province. And I might remind hon. members, Sir, that in their terms of reference the late Judge Higgins had no choice but to divide up the Province into fifty-one districts. That was set down in the legislation. I wonder, Mr. Chairman, what would have happened if the late Judge Higgins in his commission were just told to go ahead and draw up electoral boundaries would they have brought in or recommended fifty-one districts in this Province.

AN HON. MEMBER: Not at all.

MR. NEARY: Mr. Chairman, I contend and I agree that Labrador should have four districts. But I contend that we should have a lesser number of districts, of representation of members in this House than we have at the present time.

AN HON. MEMBER: No, no, no. It should be divided into four parts.

MR. NEARY: Oh!

SOME HON. MEMBERS: No. No.

MR. HICKMAN: No need (Inaudible).

MR. NEARY: Mr. Chairman, when we become the administration, when we have the Rowe Administration in this Province, Sir, I am going to do everything -

SOME HON. MEMBERS: Oh, oh!

MR. DOODY: Oh my God!

MR. NEARY: - I am going to do everything in my power, Sir, to try and persuade -

MR. DOODY: Sure you will not be part of it.

MR. NEARY: Well I hope to be a part of it. If I am not a part of it -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: If I am not a part of it, I still will try to persuade my present colleague -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: - and the members of that administration.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, where the vats, Sir, of Confederation Building open again during supper time.

MR. W. ROWE: The Premier's car is down there by the way.

MR. NEARY: The Premier is back, the vats are opened up.

MR. NOLAN: The Premier has not made it to the House yet.

MR. W. ROWE: Somebody go down and get the Premier.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, I will do everything in my power because I really believe, Sir, that we have too many districts and too many members in the House. And I am not saying that for political purposes.

SOME HON. MEMBERS: Resign! Resign!

AN HON. MEMBER: (Inaudible).

MR. NEARY: Mr. Chairman -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, our leader -

AN HON. MEMBER: (Inaudible).

MR. NEARY: Mr. Chairman, our leader said, the hon. gentleman must have fell on his head when he fell out of bed, Your Honour.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: The Leader of the Opposition said that Labrador should have four -

AN HON. MEMBER: Would the real Leader stand up?

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, the Leader -

AN HON. MEMBER: Can the half member stand up?

MR. F. ROWE: What is wrong with you my son?

Do you think I am crack or what?

MR. NEARY: Well will the half wit stand up?

SOME HON. MEMBERS: Oh, oh!

MR. DOODY: He did stand up ....

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Chairman, I would like to have the protection of the Chair, if Your Honour does not mind.

MR. CHAIRMAN: Order, please! The hon. member is having difficulty being heard.

MR. NEARY: Mr. Chairman, they are not down in the Killock now.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: I am a firm believer, Sir, that we have too many districts, and too many members in the House of Assembly in this Province.

MR. DOODY: There are a lot of people in LaPoile who would agree with that.

MR. NEARY: The explosion that took place over on Bell Island the other night is just minor compared to what the member is going to get the next time he goes over there. If he ever goes over. That will be just mild that explosion in Lance Cove, to the jolt and the shock that the hon. gentleman is going to get.

But, Mr. Chairman, there are too many districts and I will do everything that I can, now and in the future, immaterial of what happens, and I hope that my hon. friend will take over in administration so that I can try to persuade him to set up an independent commission -

MR. W.N. ROWE: Right.

MR. NEARY: - to take a look at the - and there is no arm twisting - my hon. friend just agreed and said yes, or -

MR. W.N. ROWE: No. No. That is the way we beat, our heart beats together.

MR. NEARY: Right. An independent commission to distribute the electoral boundaries in this Province, and with no set number, as was put in the last terms of reference, the last legislation that was put through this House. There is where the hon. gentleman went wrong and then when the report came back, the government, the hon. Minister of Justice and the Premier and the others, gerrymandered the districts.

MR. W.N. ROWE: That is right.

MR. NEARY: And they made a mess of it, Sir, not only in Labrador but here on the Island of Newfoundland they made a mess of it. It is a complete mess and a shambles, Sir.

MR. H. COLLINS: A well known judge in the Province made the recommendations.

MR. W.N. ROWE: No, that is not right. They threw it out.

MR. NEARY: Mr. Chairman, they threw out the report of the late Judge Higgins.

AN HON. MEMBER: He takes a piece from Labrador and gives a piece to the Province.

MR. NEARY: Mr. Chairman, that is the only condition I would lay down, that Labrador would have to have four members, and then I would

MR. NEARY: Let the independent commission go ahead and work it out themselves. And I am sure we would end up with about thirty-five members, thirty five districts in this Province and then cut down on the number of Cabinet ministers. Here we are a little Province in Newfoundland - how many Cabinet ministers have we got? Eighteen, nineteen Cabinet ministers in a population of a little over half a million.

MR. DOODY:

MR. NEARY: Mr. Chairman, you cannot deduct the ones who have been deposed, rejected, flicked out on their ear. You cannot deduct them because these appointments, these vacancies are going to be filled. The hon. the Premier is back and he is going to be forced to fill some of these vacancies.

The hon. member for Naskaupi (Mr. Goudie) who is a Liberal at heart, would be welcome on this side of the House at any time.

MR. W.N. ROWE: That is right.

MR. NEARY: I do not blame the hon. gentleman for resenting the fact that he is being by-passed and not put in the Cabinet. And the member for Ferryland (Mr. C. Power). The member for Ferryland is not going to resign. He will be disciplined the same as the Minister of Tourism was disciplined. As soon as the hon. the Premier got back into the Province the hon. gentleman was disciplined, whipped into line. The hon. gentleman was threatening to resign. The hon. gentleman would not resign. How naive and stupid does the hon. gentleman think the people of this Province are?

MR. MORGAN: (Inaudible).

MR. W.N. ROWE: It takes guts to resign.

MR. NEARY: It takes a lot of courage, Sir, and a lot of intestinal fortitude to resign and give us \$14,000 -

MR. MORGAN: (Inaudible).

MR. NEARY: Is that minister going to give up \$14,000 a year.

- MR. NEARY: I mean the hon. gentleman has to be kidding.  
How is the hon. gentleman going to maintain his reputation of being the best dressed man in Newfoundland? How is the hon. gentleman -
- MR. MORGAN: (Inaudible).
- MR. NEARY: How is the hon. gentleman going to be the best dressed man in the Province?
- AN HON. MEMBER: Quite difficult.
- MR. DOODY: Shame! Shame! - the hon. gentleman to join your Party.
- MR. NEARY: The hon. gentleman is not referring to me I hope.
- MR. MORGAN: Your Party. Ask some of your colleagues.
- MR. W. N. ROWE: Go away. Go away. I would not have you my son.
- MR. MORGAN: Ask some of your colleagues.
- MR. NEARY: Mr. Chairman, let me make it abundantly clear, Sir, to members of this hon. House, Mr. Chairman, there are members on the government side, on the government benches that we would love to have on this side of the House because of their qualifications. But the hon. gentleman does not fit into that category.
- MR. MORGAN: If we resigned tomorrow you would love to have us. Only last week -
- MR. NOLAN: We vote on that.
- MR. RIDEOUT: We would have to vote on that.
- MR. MORGAN: But not now, the decision is made, not now you do not want me. Stop being hypocritical and come on boy.
- MR. W. ROWE: Who wants you?
- MR. NEARY: Mr. Chairman, the hon. gentleman must have been sincerely disciplined, he is so jumpy and touchy tonight. He must have really got nailed this afternoon, as soon as that flight arrived at Torbay and the Premier got over to Confederation Building. The very first minister the Premier had on the carpet was the Minister of Tourism.
- MR. MORGAN: I was in the House all afternoon.
- MR. HICKMAN: Are we on -

MR. NEARY: No, we are under Legislative and I presume that -

MR. MORGAN: I could have told yesterday but today I am not resigning from the Cabinet and I know -

MR. NOLAN: Why did you not answer the question this afternoon?

MR. MORGAN: Leaving it open to the public of Newfoundland.

SOME HON. MEMBERS: Oh, oh!

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Chairman, I would suggest, Sir, that

MR. NEARY: if the Government of the United States is looking for a place to store oil they will not use the mine on Bell Island, the hon. gentleman has an opening that could take all the oil that you need on the Eastern Seaboard of the United States for the next ten years. Just put it into that little opening.

MR. FLIGHT: Are you resigning yet?

MR. MORGAN: (Inaudible) you hypocrite (Inaudible).

MR. NEARY: Point of order, Mr.

Chairman. Is Your Honour listening to that? Did Your Honour hear that remark that originated there, Sir?

MR. CHAIRMAN: There have been a lot of remarks originating from various parts of the House and it is a little difficult to take them all in.

MR. NEARY: The hon. gentleman, Sir, said, "You hypocrite", and that is unparliamentary.

MR. CHAIRMAN: Is a point of order being raised?

MR. NEARY: Yes it is, Sir, yes.

MR. CHAIRMAN: The point of order has been raised that the word 'hypocrite' was used in the House. It is unparliamentary for one member to refer to another member in such terms. I am unable to say whether this was so or not in the barrage of remarks being made so that I will have to leave it up to the hon. members sense of the House itself whether they wish to make any comment on this.

The hon. member for Mount Scio.

DR. WINSOR: The word 'hypocrite' was used tonight but I am not sure if it came from that side of the House or this side of the House.

SOME HON. MEMBERS: Oh! oh! Sit down!

MR. MORGAN: Mr. Chairman, to the point



MR. MORGAN: of order. I stand by my statement I made, maybe not referring to the hon. gentleman who was speaking as a hypocrite, but I will maintain it is a hypocritical attitude to maintain yesterday I was good for the Liberal Party when I contemplated resigning from this party over here, but today when I am not resigning I am no longer a good man, in their view. It is hypocritical. It is hypocritical.

MR. NEARY: No, Mr. Chairman, that was not the statement.

MR. NOLAN: Mr. Chairman, there are no if's, and's or but's about what the hon. gentleman ~~opposite said in reference to~~ the member for LaPoile (Mr. Neary). He called him, indirectly, a legitimate hypocrite and Hansard will indicate this if the Chairman decided that he wanted to recess the Committee. So now, either the member withdraws or we will certainly have to continue to question the actions of the hon. member opposite.

MR. NEARY: The hon. gentleman has no choice.

MR. MORGAN: Mr. Chairman, to a point of order. I said it was hypocritical, I maintain it is hypocritical. I am not calling the speaker who was on his feet at the time a hypocrite, but I am saying and I repeat now, it is hypocritical to say one thing one day and change their minds the next.

MR. CHAIRMAN: Order, please! Order!

MR. NEARY: Mr. Chairman, the member cannot weasle his way out that way.

MR. MORGAN: I am not weasling my way out.

MR. NEARY: The hon. gentleman called me personally a hypocrite and that is unparliamentary, Mr. Chairman. The hon. gentleman has no choice but to  
"withdraw that statement

MR. MORGAN: Check Hansard.

AN HON. MEMBER: Bear pit. bear pit.

MR. CHAIRMAN: Order, please!

The position is this, that as far as the Chair is concerned the remark was not picked up with any clarity. Secondly, my understanding is that the hon. member who was speaking stated that he did not make any invitation to the hon. minister in regard to changing parties, and I think the hon. minister indicated he agreed with that statement.

Accordingly, if the word 'hypocrite' was used it could not possibly have been used against the hon. member who was speaking. The word 'hypocrite' must be applied -

SOME HON. MEMBERS: Oh, oh!

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

The word 'hypocrite' to be unparliamentary must be applied against an individual member of the House.

SOME HON. MEMBERS: It was. It was.

MR. CHAIRMAN: It could not be used in the common or general sense.

MR. NEARY: Send for the tapes, Your Honour.

MR. CHAIRMAN: Order, please!  
I think the hon. member should continue.

MR. NEARY: Well, Mr. Chairman, I give Your Honour notice that tomorrow if I can get Hansard that I will have to stand in this House on a breach of the privilege of the House.

MR. W.N. ROWE: A point of privilege.

MR. NEARY: A point of privilege. Because Your Honour - I know I cannot question Your Honour at the moment, but I just want to give notice that at the earliest

MR. NEARY: possible moment when I get Hansard that I am going to stand on a point of privilege of this House, personal privilege.

MR. MORGAN: That will be a shame.

MR. CHAIRMAN: Order, please!

Do I understand that the hon. member wishes to appeal the ruling which, of course, he is within his right to do so?

MR. NEARY: No, Your honour, I am not.

MR. CHAIRMAN: But I feel -

MR. NEARY: No, no, that is all right.

I thank Your Honour for Your Honour's guidance but I do know the procedure for appealing Your Honour's ruling. I do not intend to do that now, but I will at the earliest possible moment stand on a point of personal privilege.

MR. CHAIRMAN: Order, please!

I think the issue needs clarification. If a ruling is made and an hon. member cannot accept the ruling, which is within his right, he should appeal the ruling. If he does not appeal the ruling then the ruling presumably has to stand.

MR. NEARY: No. Well, Your Honour, I cannot appeal it, Your Honour, because I do not have Hansard. If Your Honour would recess the House for ten minutes while I go and get the transcript, well then I will decide whether I am going to appeal it or stand on a point of personal privilege, but I have to have the transcript, Your Honour. And Your Honour should give me that privilege of recessing the House for five minutes, ten minutes while I go and get the transcript. Otherwise, how am I going to appeal Your Honour's ruling?

MR. HICKMAN: Mr. Chairman, may I draw the Chair's attention to the fact that Your Honour has made a ruling and that is it. It is not a question of



MR. HICKMAN: that is final and it is binding on all of us.

MR. NEARY: Mr. Chairman, in reply to that, I would like to challenge Your Honour's ruling but I cannot because I do not have Hansard. I would if I had it. But I cannot because I do not have it and Your Honour will not give me a chance to get it.

MR. HICKMAN: I know, but the ruling has been made.

MR. NEARY: The ruling has been made and I would like to appeal Your Honour's ruling. But before I can appeal it I have to have Hansard.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Unless Your Honour will give me an opportunity to go and check Hansard.

MR. HICKMAN: I think the Chair was quite right in making the ruling that it did. What the hon. member for LaPoile is saying is, I will not appeal the ruling of the Chair -

MR. NEARY: Because I do not have Hansard.

MR. HICKMAN: - what he does say is that I will try on tomorrow to, if I find that Hansard is at odds with what I have suggested was said, or is in accordance with what I suggest - that is the member for LaPoile suggests what has been said - I will then raise it.

What the Chair has pointed out to the member from LaPoile is that the Chair has some doubt as to whether that will be a proper motion on tomorrow if, indeed, the proper motion is well-founded. But that is a matter to deal with tomorrow.

MR. NEARY: What can I do? Mr. Chairman, I cannot do otherwise because Your Honour will not adjourn the Committee for five or ten minutes to give me a chance to get Hansard. If Your Honour would do that then I would decide whether I am going to appeal Your Honour's ruling. But until

SOME HON. MEMBERS:

Oh, oh!

MR. NEARY:

Yes, I know.

MR. CHAIRMAN:

Order, please!

I think the issue is this,  
that the - if the hon. member would refer to Standing Order  
11 -

MR. NEARY:

What page, Sir?

MR. CHAIRMAN:

Page 4, subsection (a) which  
reads as follows: "Mr. Speaker shall preserve order and  
decorum and shall decide questions of order, subject to an  
appeal to the House without debate." So the Chair has its  
clear duty here. It makes a ruling on the information  
before it and having made the ruling an hon. member may  
appeal the ruling and that is as far as the Chair's  
prerogatives go. So the ruling has been made, the hon.  
member can appeal it, and if so, I would rise the Committee  
and report to the Speaker and the matter would be dealt  
with as the Speaker saw fit.

MR. NEARY:

Well, Mr. Chairman, I would  
like to be able to appeal Your Honour's ruling. I would  
like to do that. But if I do it, Mr. Chairman, we are  
going to be voted down. The majority carries, Your Honour  
knows that. And unless and until - then it becomes partisan  
politics. Sir, unless I have the Hansard in front of me  
so I can prove to Your Honour that the hon. gentleman made  
an unparliamentary statement. The only way I can get that,  
Sir, is to rise the House for ten minutes, and I think that  
is a pretty fair request for the protection of a member of  
this House, Your Honour, and let me go and get Hansard.

SOME HON. MEMBERS:

Hear, hear!

MR. CHAIRMAN:

Order, please!

I think we would get into a  
state of disorder unless we do follow what are the procedures  
of the House. My understanding is that the hon. member has



MR. SPEAKER: The motion is that the decision of the Chairman be upheld, those in favour "Aye", contrary "Nay", in my opinion the Ayes have it.

MR. NEARY: Mr. Speaker, a point of personal privilege.

MR. SPEAKER: A point of privilege.

MR. NEARY: Mr. Speaker, I realize that I cannot dispute the decision of the House, Sir, which is carried by the majority, but I feel, Sir, that my privilege of this House has been placed in jeopardy and hon. gentlemen who did personally direct remarks to me by calling me a hypocrite. Now the only way that can be proven, Your Honour, of whether or not it was recorded in Hansard, is to produce the transcript, and I would ask Your Honour for protection. I am asking Your Honour. I am pleading to Your Honour for protection as a member of this House, to recess the House for five or ten minutes, send for Hansard and settle the matter for once and for all. Otherwise, Your Honour - I cannot do anything else. My hands are tied. I do not have the transcript. And that is the least the Chair could do, to offer me the protection of Your Honour's Chair by sending for Hansard and seeing just exactly what happened in this particular case. I think, Sir, it is a breach of personal privilege of the House.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, if I may. One brief word, number one this is obviously not a point of personal privilege. It is the cutest way to get around the decision of the House, which has just been taken, to uphold the decision of the Chair when it was in Committee. And the Chair held and decided and ruled, and this House upheld the decision of the Chair, and very properly so, that there was no accusation hurled at the hon. the member for LaPoile (Mr. Neary) that was unparliamentary. And most assuredly it would be a very broad and generous interpretation of a rule that has to be rigidly enforced as it relates to personal privilege. If any hon. member



MR. HICKMAN: having seen the decision of the Chairman of Committees upheld by this hon. House to then follow in that decision, to then get up on what is essentially the same point again and raise it as a question of personal privilege.

MR. SPEAKER: The matter is a somewhat complex one in its procedural aspect. There can be no doubt that a decision was made by the Chair in Committee, that was appealed, and the House sustained the ruling of the Chair in Committee, that was on a point of order. The matter which the hon. gentleman has brought up now is, in a parliamentary sense in my understanding, distinct from it. Nobody is arguing or debating or commenting upon the decision of the Chair or the decision of the House upon the appeal thereto. I am in a somewhat difficult position not having obviously been in the House during the alleged breach of privilege.

It would appear to me, that since I was not here and do not have personal knowledge of what transpired, that I would have to familiarize myself with that in order to say or do anything. There are two ways it can be done, one - we can take a five minute adjournment now, or the other - during the course of the evening, before adjournment tonight, I will have an opportunity to familiarize myself with what did transpire in Committee and is now being raised in the House as a point of privilege.

I also have to look into the propriety of it being brought up in the House, an alleged breach of privilege in Committee. I am not sure what the rules say there because this does not happen frequently. Because that is a situation too. This is something alleged to have transpired in the Committee and being brought up as a matter of privilege in the House.

Mr. Speaker: My suggestion would be that the hon. members give me an opportunity to check, number one, the rules on that first point, and number two, the Hansard on the substantive point. And certainly before adjournment tonight I would be in a position to inform hon. members on those matters.

AN HON. MEMBER: (Inaudible).

MR. SPEAKER: Yes before we adjourn tonight. Because there are those two matters which not only what was said but also the area of something allegedly transpiring in the Committee now being raised as a point of privilege in the House. I am not sure what my area of jurisdiction is there, what authority I have here. I would have to check.

MR. NEARY: Your Honour is very reasonable, and I will be quite satisfied with that procedure.

MR. SPEAKER: Orders of the Day.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Order, please!

The hon. member for LaPoile.

MR. NEARY: Mr. Chairman, how much time do I have left on this particular department, Sir?

MR. CHAIRMAN: The time has expired.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: God forbid.

On motion 201-01 through to 203-02-03 carried.

On motion Head II - Legislative all items carried without amendment.

MR. CHAIRMAN: Head VII - Justice.

The Hon. Minister of Justice.

MR. HICKMAN: The hon. the Leader of the Opposition, oh here he comes, on Justice what I would like to do for the Committee because it is not under any particular heading, and I would therefore have to use 701 as the area in which to discuss this. I would like to raise

Mr. Hickman: during this debate of the estimates of the Department of Justice a matter that is of extreme importance, I believe, to the people of the Province right now and that is the question of the need for reform in matrimonial property laws. And I do this in a deliberate attempt to generate from hon. members on both sides of the House their views on this matter. And the reason why I do it is because it is very topical, and as Minister of Justice I have invited the general populace to respond to a series of questionnaires that were published in the press. The response has been very excellent indeed, but very divergent in their views. And I would like very much to indicate, if I may, to the Committee certain matters that I would like very much - and I realize the hon. - I think the hon. Leader of the Opposition is the Justice critic for his party, and he is a lawyer of excellent training in -

AN HON. MEMBER: He is wrong again as usual (Inaudible).

MR. HICKMAN: Oh, sorry. I apologize. Well then -

AN HON. MEMBER: Well you should. You should.

MR. HICKMAN: The hon. gentleman for Conception Bay South (Mr. Nolan) may I solicit the views of the hon. gentleman, and I would hope as well the views of the hon. the Leader of the Opposition, and I would hope the hon. member for St. John's East (Mr. Marshall) and other hon. gentlemen because this is a very vital development in the field of the common law.

MR. DOODY: He is not another contender for the Bench -

MR. HICKMAN: And if my colleague the hon. the Minister of various departments would allow me to continue unharassed, and uninterpreted then we will get on with the business of this Committee. And I know that he has some strong views on matrimonial property law.

MR. DOODY: I do, I do, I need some!

MR. HICKMAN: And I -

MR. NEARY: It is scandalous how he is wasting the time of the Committee.

MR. HICKMAN:

It is, and we have to stop this.

Mr. Chairman, the traditional law of separate property that is applied in most jurisdictions in Canada at the time of divorce to define the property positions of spouses when a marriage is terminated is most definitely, in my opinion, in need of substantial change. And that change must come to pass bearing in mind the principle that the foremost goal of reform in this area has to be equality before the law.

AN HON. MEMBER:

Hear, hear!

MR. HICKMAN:

My position has been - and I have enunciated this publicly again in the hope of soliciting some response from the public - that the laws must assure each spouse regardless of the division of functions during the marriage, a right to equal participation in the financial gains of that marriage if it should be terminated.

The task, as I see it, that will come before this Legislature, I would hope firstly by way of a White Paper, and I really believe the White Paper is the route to follow in this case.

We are in the position right now in the Department of Justice of examining the responses that have come in from individuals, and they are really numerous, as well as, you know, from the Status of Women group and others. I am hoping that groups like the Law Society, the Chartered Accountants Association, the Bankers' Association will also let us have the benefit of their views.

MR. HICKMAN: But you bring these all together and you try to come up with some consensus and then I would hope, by way of a White Paper, it will be a draft bill so that then - and this worked very well with the regulations on the offshore oil and gas - then anyone who still has some doubts can make specific submissions before the debate takes place in this House on the bill itself. And that is the task that I believe we have to follow.

Now, Mr. Chairman, when one looks to reform in the area of matrimonial property law it is evident that there are some very serious questions which must be met.

MR. NEARY: Hear, hear! (inaudible)

MR. HICKMAN: And I am going to put them under various headings. The first one is discretion in the court. One basic question recommending legislation is whether to recommend that the court be given the discretion to adjust the ownership of property as between husband and wife. And if we assume that that discretion is indeed conferred on the court then there are some questions that immediately flow therefrom: Number one, Will this discretion by the court be exercisable only on divorce, nullity or judicial separation, or will it be exercisable whenever questions arise between the parties? Number two, Should the basis of the exercise of the discretion by the court be left open, or should the statute that we bring in spell out the factors that the court must consider? And number three, in enumerating the factors, what weight should be given (a) to need; (b) to the parties' conduct; (c) to the parties' contribution to building up the assets - and I repeat

MR. HICKMAN:                   that one because that is a very important consideration. In the past, in divorce cases, in separation, courts have been looking, I believe, too much - that they have been following the common laws that exist now on the behaviour of the parties, the conduct of the parties - than they look at need. But I repeat, Should the court take into consideration need, the parties' conduct or the contribution the parties have made to building up the assets? Number four, Should the court have power to restrain dispositions by one spouse where the disposition would defeat the rights of the other spouse? - and should the court have the further power to set aside such dispositions? Now, what I mean by that is this; supposing one party to a marriage has reason to suspect that it is inevitable that in due course that marriage is going to break down and is inevitable that a divorce may flow therefrom, and he or she sees that the other spouse, in anticipation of that, is beginning to dispose of the property, should the other person have the right to apply to court and say, in effect, issue an injunction to restrain that, or alternatively,

MR. BICKMAN: you know, the other party to the marriage had disposed a part of this asset three months ago and I want you to set aside the disposition. The hon. Leader of the Opposition will see the problems that would follow there with respect to an innocent purchaser for value of part of that estate.

Number five - should the legislation giving the court a discretion apply to persons married before the enactment of the legislation, if so should it apply to property acquired during their marriage but before the enactment of the legislation?

Number six - should the act spell out the powers of the court, example - to divide the property, to make the spouse owners and specific shares, to sell the property or to make one spouse compensate the other by a money payment?

You know, supposing that the court decides that there should be a splitting up of the property and we will say that in this case the wife, who has custody of the children says, "I want to remain in the family property." Should some arrangement be worked out whereby title to the property will - the house, the family home - vest entirely within the - the mother and the wife, and some compensating factors or compensation be provided to the husband.

The second heading, Mr. Chairman, is the co-ownership of the family home. In the view of some persons, co-ownership of the home would answer the most urgent criticism of our present law of matrimonial property. And if we assume that that basic proposal were favoured then there is some subsidiary points which would have to be decided.

Number one - would the wife be a legal co-owner or would the husband hold a half interest in trust for the wife. Number two - could the parties by contract, and this is one that is coming to the fore I think in the Province of Ontario, could

MR. HICKMAN: the parties to the contract be able to agree that there is no co-ownership. In other words could they contract themselves outside the scope of the law? And three - should there be a right of survivorship as in joint tenancy, or should the spouses be regarded as tenants in common?

And four - should the courts have the power to terminate a wife's interest.

And five - would a third party, dealing with the husband, be protected against the wife's interest?

The third one is what is called deferred sharing and Mr. Chairman, hon. gentlemen will remember that some years ago there was a commission on family law under the chairmanship of Dr. Raymond Cushue, the former President of Memorial. And his concept was somewhat along the lines of deferred sharing. If we are to proceed along the principle that during the marriage the property of each spouse will remain separate, as it is now, but on dissolution of the marriage there will be an equal sharing of the assets acquired during marriage, then again there are some very fundamental issues which have to be settled.

Number one - are assets existing at marriage and gifts from third parties to be excluded? If so, then are increases and decreases in the value of these excluded assets to be considered in the sharing, and improvements to excluded assets, and substitutions for them, an income from them?

Number two - where a spouse has made a large gift during marriage, should it be included in his assets for the purpose of sharing? Should the other spouse be able to set aside completed gifts to a third party? In other words if the husband, during marriage, decided to give the wife a \$5,000 diamond ring, and then the marriage dissolves, should that be taken in account as part of the estate for the purpose of distribution amongst the spouses?



MR. HICKMAN:

Number three - should either spouse be able to apply to the court to prevent the other from squandering his or her assets?

Number four - should there be a provision whereby a spouse claiming that a given asset is an allowable deduction has the burden of proof and that in the absence of such proof the asset is to be included in deferred sharing?

Number five - should spouses be able to choose the present system of separation or some other special arrangements either before or after marriage and should either party be at liberty to apply to the court to wind up the regime at any time?

There is another problem, Mr. Chairman, that has been reported in the press and that is in the Province of Manitoba where they have passed, but not proclaimed a matrimonial property law. And having passed it, and before they got around to proclaiming it they discovered that they have overlooked some very significant and relevant tax implications that may very well flow therefrom.

MR. HICKMAN: is it to be regarded as -

If, for instance, tomorrow under our matrimonial property law it was decided that the property would vest equally in both husband and wife, could the income tax department then come in and say to the wife, 'You have received income this year equal to one half the value of that total estate and you must pay income thereon,' - and the problem came forward very forcibly in Manitoba, to the extent that when the Lyons government came to power they decided that they had better not proclaim the act, and the indication from their most recent Speech from the Throne is that they are now negotiating with the Government of Canada to see if some very significant changes in the Income Tax Act of Canada can be made before they proclaim their act; and also, they have asked the Parliament of Canada and the Government of Canada to deal with the question of capital gains.

Mr. Chairman, I raise this and as I say, and I repeat, I raise it deliberately, because it is probably the most topical issue in law reform that is presently in this Province.

About three weeks ago, we saw in the galleries of this House, representatives of women's organizations from every part of this Province - a vice-president from Labrador City, a very strong contingent from Corner Brook, a strong contingent from Central Newfoundland, as well as a very, very strong organization from the Avalon Peninsula part of the Province.

And there were some questions asked by the hon. the Leader of the Opposition that particular day, which was Women's Rights Day in the Province. And I felt, and I still feel that this issue cannot be dealt

MR. HICKMAN: with adequately by a simple answer to two or three questions that are put during Question Period.

And, Mr. Chairman, I can tell this Committee that by the responses that have come in to the Department of Justice since we carried this advertisement that there is no doubt in my mind at all that this is not just topical in the eyes of the female population, but that the husbands, too, are asking some very serious questions and are asking for certain assurances and certain definitions within the legislation that hopefully will come before this House in due course.

And I raise it - the House can ignore it and we can go on to something else - but I raise it in the hope that hon. gentlemen will see fit to spend just a few minutes on this very, very important topic. And I see the hon. the Leader of the Opposition rising and I look forward to hearing from him.

MR. W. N. ROWE: Mr. Chairman.

MR. SPEAKER: (Mr. Young) The hon. the Leader of the Opposition.

MR. W. N. ROWE: (Inaudible)

the hon. minister, Mr. Chairman, is hard to take.

AN HON. MEMBER: Well, are you going to answer this or not?

MR. W. N. ROWE: It really is hard to take. We have two hours to debate, ask questions and get answers on the Department of Justice, Sir, two hours, and some very important matters are being raised there, and he chooses this particular time to raise a matter of great importance that would take a full day of debate in this hon. House. And he chooses this time, Sir, to try to

MR. W. N. ROWE: get members inveigled into spending the two hours on this very important matter -

AN HON. MEMBER: Five minutes will do.

MR. W. N. ROWE: - to the exclusion of all the other important matters which should be debated and questions should be asked about in the Department of Justice.

MR. NEARY: Hear, hear!

MR. W. N. ROWE: Well, Sir, I intend to rise to his invitation and repeat basically what I have said in the House and outside the House regarding this whole issue and question of matrimonial property rights. And I will deal with it very briefly, Sir, to set out clearly, succinctly, without equivocation, without droning on and on and on as the hon. minister is prone to do when time is limited and he does not want to answer the difficult questions, Sir - I will answer succinctly and indicate succinctly what our position has been, as we indicated two or three weeks ago, namely, that we had a caucus meeting with some women who represent a particular segment of women in our society, namely, the Status of Women councils in this Province. We discussed thoroughly their excellent brief which the minister has now had for what - a year and a half? - similar to the brief he got from the Police Brotherhood there some time ago and sat on for six months and caused a crisis in the Province among the law enforcement agencies - he has received, Sir, a brief

Mr. W. Rowe: from the Status of Women's Council asking for a change in matrimonial property law. The very reasonable request was that both spouses be treated equal in all respects when it came to the ownership of property, Sir, not anyone holding in trust for the other, not the husband being deemed to be in control of the community of property, ownership, equal ownership in matrimonial property. And that if, as and when the unfortunate event should occur that such a marriage should break up then the contributions by each of the spouses to the matrimonial property should be considered to be equal. For example, if a husband has been out working and making \$20,000 a year, for example, and the wife has been home helping, working at home, looking after the family, adding to his ability to make this money, and to perhaps invest as a result, then upon the unfortunate event of a breakdown in marriage taking place that the property accumulated by the two spouses during the course of the marriage should be divided equally.

Now, Sir, there are difficulties attendant on that, what exactly is going to be matrimonial property? A number have been raised by the Minister of Justice already, a number of these difficulties. For example, an opting out provision. My own feeling is that yes, there should be an opting out provision allowed for people who get married, opting out of the community of matrimonial property, a regime, there should be an opting out provision, but it can only be done, I believe, Sir, since there is a possibility of duress and undue influence, it should only be done, this kind of an agreement should only be done after perhaps receiving independent legal advice on the part of both spouses, or at least it has to be approved by anyone who seeks to show that in opting out agreement is in fact valid, that no undue influence or duress was used to force the spouse, usually the woman, to enter into an opting out agreement. And as the hon. Minister of Justice knows it can often be best proved by showing that somebody had independent legal advice in such circumstance. That is a possibility of a solution

Mr. W. Rowe: to the problem.

What I am saying, Sir, is that this government is dragging its heels on a much needed reform in the law. The Status of Women's Council, for whom we hold no brief, but they happen to represent an active segment of women in society and who are in the vanguard, I believe, of reform when it comes to the protection of women's rights, they happen to believe as I happen to believe having read extensively into literature, and so on, that there is plenty of information, Mr. Chairman, plenty of example, plenty of experience, plenty of precedents to go by now for this minister and his staff to draft up a half decent piece of legislation, to bring before this House during this session in order to guarantee to both spouses in a marriage particularly the woman who presently does not have equal rights to matrimonial property guarantee the equal rights which are necessary if this reform law is going to be meaningful.

We do not need white papers, Sir. We do not need the dilly-dallying. We do not need the kind of wishy-washingness that we have seen here tonight, questions raised in this House which could best be dealt with by people who are drafting up the legislation, suggestions can be put forward in -

AN HON. MEMBER: (Inaudible).

MR. W. ROWE: Mr. Chairman, some piece of legal ease is raised. What is the point of bringing it before members of the House of Assembly, when it is only lawyers trained in this segment of the law who have any idea what it is about any way. What is the point in bringing a white paper containing this, that and the other thing before the House or putting it out in the general public. It would be much better, Sir, for the minister, if he is going to show some leadership in the field, perhaps he wants to abandon the field, I do not know, perhaps he does not have the initiative or the energy or the reforming zeal to bring something before the House by way of legislation so that we can get it passed in this session of the House. Perhaps he does not possess those attributes. I do not know. All I am saying is that

Mr. W. Rowe: there is no need to delay it for another year or another two years. What he should do is get his people together based on the information that he has already received, briefs he has already received, information he has already received, comb the legislation in other jurisdictions where

MR. W. ROWE: law may have been passed. In the United States for example, are any provinces in Canada passing such legislation?

MR. HICKMAN: All three have had trouble -

MR. W. ROWE: Well all three have had trouble - Mr. Speaker, there is always trouble. This is the quintessential Tory in this Province, that hon. minister.

MR. NEARY: Sure.

MR. W. ROWE: There are members on that side of the House, Sir, who are progressive and liberal in their attitudes. This minister is a Tory, Sir, in the classical sense of the word, a Tory. He is always dreaming up obstacles as to why something should not go forward.

MR. NOLAN: But only when it is convenient.

MR. W. ROWE: He always finds it impossible to overcome the inertia involved, "Oh, we cannot do that, there is a difficulty here. Oh, Sir, there is difficulties there." Of course there are difficulties. And the piece of legislation he brings forward maybe amended in this House, suggestions may come forward. Why has not the member - perhaps the minister might think in terms of having a select committee of the House appointed quickly and a piece of legislation referred to that committee and then have people come in in the next two or three weeks, two or three months for that matter, hear the arguments presented by people, and white papers and so on, Sir, green papers, pink papers, purple papers. Sir, bring in some legislation. Show a little leadership. Indicate what this government wants to do and then, Sir, if we need a select committee of the House, to have people bring forward their ideas and their briefs and so on over a week or two period of time, do that. And then take all that information, bring it before the House during this session. I know the minister wants to have the House closed in another couple of weeks, the Premier of the Province for example, is in the Province now, Sir, after being away for ten days



MR. W. ROWE: no sign of him. A big Lincoln Continental parked out front. The Premier downstairs somewhere, the House in session, the estimates going through -

MR. NEARY: Hearing confessions as usual.

MR. W. ROWE: Perhaps he is down there, Sir, driving the Minister of Tourism to his knees now, being disciplined. Maybe he is disciplining him now, Sir. The whips are out, Sir. That is what is happening now perhaps. He should be up in this House. Perhaps he is dreaming up ways of mollifying ministers. The member for Ferryland (Mr. Power) over there, very earnest and intent in the last few days. He is now probably using the minister next to him as an intermediary, "Can you get me in the Cabinet, because if you do not I am going to leave?" Right?

The man who deserves to go in the Cabinet, Mr. Chairman, the member for Naskaupi (Mr. Goudie) there, if I was forming an administration that hon. gentleman would go in the Cabinet. He is a man, Sir, who represents a part of this Province with more experience than is possessed by anyone else on that side of the House. And, Sir, the idea that he has to - not beg, because that is not in his nature because he is an independent man, but the idea that he is going to be passed over on every kind of an occasion, he has to show his independence, has to half threaten in order to get what is his right and privilege in any event, namely a seat in the Cabinet where he can look after the best interests of that massive part of our Province, Labrador.

MR. DOODY: - of that nature will be the member for LaPoile (Mr. Neary).

MR. W. ROWE: But no, Sir, the Premier, Sir, will not - the Premier will go off for ten days and come back and probably paper over the cracks and the fishers and so on, band-aids will be applied to gap wounds, everything will be all right for a week or two, then the Premier

MR. W. ROWE: will collapse again under the pressure, off he will go to Norway, Mr. Chairman, for another ten days or two weeks. The minister will fall out of bed again on his head and come in here and carry on in the same lunatic fashion he is now.

SOME HON. MEMBERS: Oh, oh!

MR. W. ROWE: The Minister of Industrial Development, Sir, will determine that some comic relief is needed so he will say something to get the hon. minister all upset. He will fall out of bed, land on his head, come in and make a fool of himself again as he has for the last two days.

Another minister standing up in the door. Look at it, grinning jackanapes over there, Sir, going to resign. "I am going to resign, Sir, if ever - " And suddenly, Sir, back comes - the Premier is not even in the Province when this hon. minister is quivering and shaking and his knees are knocking and he makes a public statement in anticipation of the Premier coming back he makes a public statement saying, "Please Mr. Premier, all is forgiven. I did not mean what I was saying. Take me back in the Cabinet again please?" Disciplined. There he comes. Look. We will hear a speech from him on matrimonial property in a moment.

MR. MORGAN: It would make some sense. More than you are doing now.

MR. W. ROWE: There he goes. What happened, Sir?

MR. HICKMAN: I rise on a point of order because the hon. the Minister of Tourism was not within the confines of this House totally but only partially, so he could not - not being in his seat he could not defend himself. But jackanapes would appear to be an unparliamentary word.

MR. W. ROWE: I do not know even what it means, Mr. Chairman, but I will gladly withdraw it.

MR. W. ROWE:

I do not know even what it means,

Mr. Chairman, but I will gladly withdraw it.

AN HON. MEMBER:

So what is new?

MR. CHAIRMAN:

It is not a point of order now. The hon.

member has withdrawn it.

MR. W. ROWE:

I withdraw jackanapes, Sir. I will

think of something else.

MR. HICKMAN: Unequivocally?

MR. W.N. ROWE: What else can I think of  
I wonder?

MR. DINN: Define resettlement.

MR. MORGAN: A centralization meeting.  
What does that mean?

MR. W.N. ROWE: What else can I think of?  
Can I say that failure has gone to the hon. minister's head?  
Is that what has happened to him?

MR. HICKMAN: Hold on! Hold on!

MR. W.N. ROWE: Success has gone to a couple  
of ministers' heads, failure has gone to this hon. minister's  
head.

MR. NEARY: He has reached his level of  
incompetence.

MR. W.N. ROWE: Can I say, Sir, that ignorance  
is bliss?

SOME HON. MEMBERS: Oh, oh!

MR. W.N. ROWE: If ignorance is bliss this  
minister is the happiest minister in the history of this  
Province. Can I say that, Sir? You can put a monkey in a  
tuxedo, Sir, but he remains a monkey still. I can say that.

MR. NEARY: That is right. He can be  
the best dressed man but still look like a monkey.

MR. HICKMAN: The hon. gentleman was out  
of order twice, I might point out. Because it is also out  
of order to say - the hon. gentleman said that he observed  
the minister indulging in a smile unworthy of a man.

AN HON. MEMBER: Yes, it is terrible! It is  
disgraceful!

MR. W.N. ROWE: The only asylum, Sir, where  
the inmates are in charge, is over there on that side of the  
House.

MR. DOODY: Alas, his charge is very  
conservative.

MR. W.N. ROWE: Mr. Chairman, we were talking about matrimonial property law until the sight of the intellectual minister for Tourism standing in the doorway grinning like something unparliamentary brought me to my feet.

MR. MORGAN: Centralization 'Billy', carry on.

MR. NEARY: Restrain yourself boy, do not be so ignorant.

MR. MORGAN: Centralization 'Billy', carry on.

SOME HON. MEMBERS: Oh, oh!

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

MR. NEARY: Mr. Chairman, are we down at the Killick?

MR. W.N. ROWE: Now, Sir, if we are going to let it degenerate into a bear pit by all means let us do so. We can all get into that. We can all hold forth in the tones of a scalded pig like that hon. minister. We can all do that, Sir, that is the easiest thing in the world to do.

MR. MORGAN: We have not got a ribbon though.

MR. NEARY: Go out and get some molasses kisses boy and stick your mouth together.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Are we going to rise the Committee or what?

MR. W.N. ROWE: Now, Mr. Chairman, if we can continue on on a very important subject -

MR. HICKMAN: That is right.

MR. W.N. ROWE: - matrimonial property law.

MR. MORGAN: Better than resettlement.

Better than resettlement.

MR. W.N. ROWE: What I was saying, Sir -

MR. F.B. ROWE: It did not work in Twillingate,

MR. F.B. ROWE: it will not work anymore.

MR. MORGAN: Better than resettlement.

MR. W.N. ROWE: Look at that. It would  
make you laugh. Look!

MR. HICKMAN: We are talking about  
matrimonial -

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: (Inaudible)

MR. W.N. ROWE: Yes. That hon. minister,  
Sir, has great faith in fools. Self-confidence, in other  
words.

MR. MORGAN: (Inaudible).

MR. W.N. ROWE: There he is, Sir, look.

MR. MORGAN: (Inaudible).

MR. W.N. ROWE: The pitiful bleats coming  
out of him. I would not blame him. Sir. Because if - I  
would not do it myself - if I were Premier of the Province  
I would not subject one of my colleagues to the humiliation  
that this hon. minister had to undergo in the last day or  
two. Make the big bravado statements and withdraw them, Sir.

MR. MORGAN: Wipe out the settlements in  
Newfoundland, wipe them out.

MR. W.N. ROWE: Before the Premier even  
arrives back in the Province withdraw them with quivering  
knees.

MR. MORGAN: Destroy them! Wipe them out!

MR. HICKMAN: Order!

MR. W.N. ROWE: Look at him. Look at it,  
look!

MR. F.B. ROWE: You are embarrassing your own  
House Leader.

MR. HICKMAN: Let us get back to this  
resettlement of matrimonial property.

MR. W.N. ROWE: Let us settle matrimonial  
property laws before we settle this hon. gentleman over here.

MR. W.N. ROWE: We will resettle him, Sir.

MR. DOODY: I have no property to distribute.

MR. W.N. ROWE: I do not either. I do not know why I am up here, Mr. Chairman, I do not own anything. Everything is in my wife's name. Go down to the registry of deeds, Sir. The House is in my wife's name. I do not know why I am up here defending this.

MR. DOODY: I could even be accused of conflict of interest, it is embarrassing.

MR. MORGAN: The hon. gentleman is embarrassing, he should sit down.

MR. W.N. ROWE: That is right, Sir. Every year when I put in my conflict of interest statement, like the hon. Minister of Transportation and Communications, it is an embarrassment. "Sneak it in, Sir, I do not own anything." I have to sneak it in.

MR. DOODY: I have nothing to declare. Nothing! It is a shame, after all these years.

MR. W.N. ROWE: But that is beside the point, the principle is what is at stake here, and the principle is this; that spouses should have equal ownership to property to which they contribute or are deemed to contribute by their contribution economically, financially to the marriage or by virtue of the fact that they are producing or contributing in other ways to the marriage

MR. W. ROWE: aside from just the actual investment of dollars either in a business or in a home. There are other contributions that can be made. Women who remain at home, for example, and look after a family and help out; in many small businesses, for example, women do as much work as the man behind the scenes and very seldom do they possess the ownership of that business.

It should be treated as a partnership, Sir, an equal partnership of matrimonial property, for the purposes of the marriage and for the purposes of any dissolution of that marriage.

And, Sir, there is no need to produce white papers, no need to get involved in long-drawn-out proceedings. The minister should be capable, with his staff and with the advice and information he has now, of bringing something forward in the next couple of weeks and presenting it to this House. Certainly, Sir, if we are going to debate it, let us debate it at the proper time and let us in the Throne Speech or in the Budget Speech, where we have plenty of time, or when the bill is brought before the House, Sir, let us now move on to the matters which are of great importance to the Province under the heading of Justice, and which we only have about an hour and a half to discuss.

MR. CHAIRMAN: The hon. member for St. John's East.

MR. MARSHALL: I would like to respond to the invitation of the hon. Minister of Justice and I would say that a reform of matrimonial property law, as important as it is and as vital as it is, has been, I think, quite adequately explained by him. I think really what we do need is really a reform principally of the way the budget or estimates are really considered.

The hon. Minister of Justice put forth his position on this area and the Leader of the Opposition spoke for fifteen or twenty minutes and still there has really been no consideration of the points on the estimates. Now I have made this suggestion before, and before I get into the few points now I would like to make it once again. You know, I am not derogating



MR. MARSHALL: matrimonial property law and the necessity for change of it and how it is to be done. And certainly when it is done it should be done, I think, and debated as a piece of legislation; it should be debated in the budget debate or it should be debated in the Throne Speech or where have you. But I feel quite frankly, Mr. Chairman, if I may just pass a few comments, that we are in a very heavy financial situation, a very unfavourable financial situation which requires minute examination of the expenditures of government. And the way in which we have been operating for these many years has not been conducive to this. I have suggested before and I make this suggestion once again, that I think the best way to handle all of the departments of government is to bring forth first the specific headings. In other words, start at 702 and go down, and the minister's office at the end for clean up debate of any items that are necessary afterwards. Because then and only then can you get the type of questions that are necessary with respect to the expenditures that are being made by each department.

For instance, here we have under 703, the courts. Every year this comes up, it comes up after most of the debate has passed in general debate and still, although there have been great improvements in the courts in this Province, we still have a vote for instance like 703-02-04 law books, for instance, where there is need for an appreciable number of more law books in the various district courts around the Province, and in the various provincial courts around the Province. But these matters never get attended to, neither do we really have the minute examination that is necessary in all departments with respect to expenditure as to how it is made, why it is made and so I make that suggestion again, it will not belabour the point.

I would like to point out to the government as well that I feel it would be much better if there were a general budget debate before there was consideration of the estimates. The general overall fiscal position of this Province requires the attention

MR. MARSHALL: of everybody in this House and the attention of everybody in the Province. We have a situation now as you see where the debt service fund is going up at about twenty-one or twenty-two per cent per year. The net result of that has been a very painful budget. Next year it will be more painful again because it is unavoidable. Interest accumulates. We are borrowing about \$130 million or \$140 million or \$150 million again this year. So you are going to have another \$15 million or \$20 million put on that next year. And these are the issues I think that have got to be debated.

Having said that, and as I say the issue brought up by the Minister of Justice I think is very fitting and is very important and I am not derogating it but I do not feel we are getting onto the items of the budget, neither do I feel for that matter that the Leader of the Opposition at the time he spoke was getting into it either. But I think mainly it is because of the way

MR. MARSHALL:

the whole thing is set up and the way in which we have been attacking the situation.

Now on the minister's salary, which is what we are on now, there is one question that has occurred to me that I would like to address to the hon. the Minister of Justice (Mr. Hickman). This is with respect to the situation relative to the mill financing at Stephenville. In October 22, 1977 in an edition of the Evening Telegram there was an article there which indicated that "The Provincial Justice Department has not yet decided whether charges will be laid in connection with the mysterious financing of the Labrador Linerboard Mill at Stephenville. John Byrne, the lawyer" actually he is the chief Crown Prosecutor "handling the case for the department, received reports of a six year RCMP investigation last May." So that was May of 1977. "However, Byrne is still studying these reports which he described as 'very complex.' The Crown's representative said he is working almost full time on the reports which are very lengthy and detailed. Then it goes on to describe the nature of the particular situation and this is where a concern called Societe Transshipping somehow or other got its hands on 10,300 square miles of timber rights in Labrador that monies - apparently they got them from the government and then the Canadian Javelin subsequently bought them for \$4 million. \$2 million was paid and then there was an investigation. There was thought to be need for an investigation into Societe Transshipping.

I have no desire to ask the - I do not want to embarrass the Minister of Justice (Mr. Hickman), I do not want to ask him questions that maybe he cannot answer, but I do feel that this is a matter of great import to the people of Newfoundland. It is a matter which cannot be laid to rest and just swept under the table and forgotten about. It is a matter in which it ought to be at least pursued to the end, that there ought to be either charges laid in this situation or else there should be a public statement to the effect that charges will not be laid. I realize the matter is

MR. MARSHALL:

complex. I realize it took a six year investigation by the RCMP with respect to the matter. When I ask these questions I do not cast any aspersions whatsoever on the very capable staff of Crown Prosecutors that have been built up in the Department of Justice. I do not want to get into the merits of the case but I do feel that I cannot let this opportunity go and I think the Minister of Justice (Mr. Hickman) undoubtedly will perhaps welcome the question although I had not checked it out with him beforehand. But I would like to know what is the status with respect to this matter because I am quite concerned that the situation with respect to the mill financing in Stephenville, of which I have a certain amount of knowledge, be pursued and resolved either one way or the other.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: The hon. member for St. John's South.

MR. HICKMAN: With regard to that question - I will only be a minute. The question raised by the hon. the member for St. John's East (Mr. Marshall) with respect to the investigation that has been carried on, in fact I think it can be truthfully said that it was one of the few investigations initiated right in this House. If one reads the Labrador Linerboard debate of 1972, both sides of the House at the conclusion of that debate - and I think the present Leader of the Opposition (Mr. W. Rowe) was very vocal in this - demanded that it be investigated. There has been an ongoing investigation for six years. It would be most improper, absolutely prohibitive to me to indicate what this investigation has revealed. Number one, I do not know and, number two, I do know that

the evidence, which is, you know, monumental, is being examined very carefully by the chief Crown Prosecutor and other prosecutors or lawyers in the Department of Justice. I am not in a position to say, and I do not think that the rules of this House or anything else would permit me to say whether or not charges are going to be laid.

I simply want to assure the hon. member for St.

MR. HICKMAN:

John's East (Mr. Marshall) that the evidence or the investigation as conducted by the RCMP into the activities referred to by him are being investigated very thoroughly and very unbiassedly by very competent prosecutors and they will decide when they have completed their review of all of that evidence, bearing in mind that the same gentlemen do have cases in court - for instance, without referring to the case I know the Chief Crown Prosecutor is involved in a case right now that may take many months

MR. HICKMAN: and if the evidence is such that he and the Director of Public Prosecutions and their colleagues on the prosecutorial side come to the conclusion that a charge should be laid it will be laid. But I am not in a position nor can I say when or against whom, that would be totally improper and unprecedented in any legislature.

MR. CHAIRMAN: Hon. member for Conception Bay South.

MR. NOLAN: Mr. Chairman, I would like to start off by asking you with respect that the hon. member opposite not be permitted to agitate, torment, aggravate any member over here if they are conducting themselves properly the way he has formerly while other members are attempting to attack some of the real problems we have in the estimates that are so very, very important. Now if the hon. minister does not think they are important perhaps he could excuse himself and leave the House but surely we are entitled to this, Mr. Chairman.

MR. CHAIRMAN: Order, please! When any member speaking asks that he be heard in silence I am sure that anyone in the Chair will rule as such but during the speech by the Leader of the Opposition he did not indicate that he wanted to be heard in silence and that is why it not enforced.

Hon. member for Conception Bay South.

MR. NOLAN: In the Justice estimates I would like to, just very briefly and I should not mention it at all perhaps but on the matrimonial property law very, very simply I can only say as one who as had any number of enquiries as had almost every member of this House and almost any and every member of the press in this Province terrible, heartbreaking complaints of men or women spouses who have been the victims of the savage laws that we have. It is nice to say that we are going to have a white paper, it is nice to say that we have all kinds of people investigating it but we have been saying this in this House for some time particularly the Minister of Justice. And while we are saying this there are people who are going through absolute

MR. NOLAN: crucifixion in this Province and other provinces as well, I grant you, and we are sitting around being mealy-mouthed about it. I mean is it unreasonable for me to suggest that perhaps we are in the state that we are because this House is populated for the most part and has been continually by men who may have the most to protect interests in this regard. Are we men enough to admit that or would you deny it? Is it also unreasonable and unjust to suggest that perhaps there are men who make their living by allegedly enforcing or administering or advising in legal matters whose clients are males therefore they carry the bulk of the property and they to are protected. Is that the reason why we have certain laws in this Province that again protect the men and discriminate against women?

A call just the other day that I received from a lady, an elderly who worked all her life in the home and she told me of a case whereby the husband had made a will, I believe it was a will, or transferred all the property to the son and it was a very good possibility that if the old gentleman passed away that she the lady, the mother would get the flick out of the house. There is a situation there that I do not want to go into but apparently it is a terrible thing that we permit to go on. There is one thing that I would like to ask the Minister of Justice now. If the matter of matrimonial property rights was the most important thing in the book during the by-election in Twillingate would we be talking about a white paper? No we would not. If that was going to make the difference in Twillingate or in any other district we would not be talking about a white paper, we would not be wringing our hands, we would have it here before us right now in this House and that is something we all have to answer for, all of us. The Minister of Justice I am sorry to say has lost the confidence of the people of this Province in so far as the administration of justice is concerned. As a lawyer he is probably a very fine and capable man, I am not going to question that there are those who were in a better position than I to do so, as a man of

MR. NOLAN: course, a very fine gentleman whom I have known for a long while and worked with very closely on any number of projects, but for some reason - and this is the thing I cannot understand, a man of his intelligence - why he continues to be so evasive on some of the simple matters to questions that are asked in this House. It is something that bewilders me, must bewilder the press of this Province, such as the display we had here today.

I am sorry to say that many people of all ages have just given up - they feel that justice in this Province is a laughingstock. They feel that there are good policemen, RCMP and local police, good firemen and so on, and fine employees, I am sure, in the Department of Justice, but for some reason when you get to the minister you are in real trouble. If you ask the minister about vandalism in this Province he goes off into a fit trying to simplify a situation; ask him almost any question and he will try to cover it up. Let me give you an example. Last year at this time approximately, I asked a question here in this House, during the estimates, concerning an investigation carried out, I believe, of the fire department in St. John's in relation to the Chafe Home fire in the Goulds. The minister stood over there and said first of all he did not know about it and then he said, Well, if there is such a report or - and I forget the name of the gentleman who carried out the study at the time - that he was going to make it available to us. That was twelve months ago. Now I am sure the minister has such a terrible case load out there he must have forgotten that! You cannot help wondering what has happened in the priority sense. Now that used to be a favourite word of the minister.



MR. NOLAN: I mean, where does Justice lie now in terms of priorities for the Minister of Justice in this Province and the Attorney-General? He is now the Minister of Finance. And it is very difficult for me to understand just how much time he is applying to the so serious portfolio that he has. When we talk to people privately and get reports privately as we do, we find continually that you cannot get the minister to make a decision. If you ask him a question he will offer you a cup of tea, he will talk to you all day if necessary, but by golly, you just cannot get to the guts of the matter. And the guts of the matter here in the Department of Justice is - and you can have what you like - you can buy all the law books and stack them in every court in this land.

AN HON. MEMBER: (Inaudible)

MR. NOLAN: Just a moment now. Pardon?

AN HON. MEMBER: (Inaudible)

MR. NOLAN: I would submit it, of course.

Buy all the law books in the world, but what is the sense of it all if the men and women that you and I represent here in this House, Mr. Chairman, have no confidence in this Justice Department that we have? They feel that the cards are stacked against them. Now to be totally fair, let me say that to some degree this is perhaps true of other provinces in Canada as well, but it is not my job or duty to worry about every other province in Canada. Our job here is to worry about the community in which we live. And the communities in which we live are under attack - schools are being molested, homes are being broken up, cars damaged - it is only a joke apparently, because you cannot get answers from the Minister of Justice. The Minister of Justice

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MR. NOLAN: has reached the point, I am sorry to say, in his career when he should be back in the law office signing deeds -

AN HON. MEMBER: - or what?

MR. NOLAN: - and do conveyances or bonusing or whatever he excels at, but it is not the administration of justice, not in this Province.

AN HON. MEMBER: He does not know anything about law.

MR. NOLAN: Well, I cannot say that he does not know anything about law, because, I mean, if you listen to some of his answers to the most basic questions in this House you would know he knows something about something, but what it is we have not figured out yet.

AN HON. MEMBER: How to evade answering.

MR. NOLAN: How to evade answering.

AN HON. MEMBER: (Inaudible)

MR. NOLAN: There are any number of items here. I could go on and give a long speech, obviously, on the estimates of the Department of Justice. What I would like to see here is in the time we have remaining of nailing it down to questions on the various headings that we have here that are very, very important, but I think it is incumbent upon me and on all of us who are concerned about justice as it exists or does not exist in Labrador, in Exploits or Ferryland or in Gander or anywhere else in this Province - I mean, I am not the only member in this House who feels as

MR. NOLAN: I have stated about the lack of justice in this Province. People are questioning the courts. They are questioning the police officers. They are questioning in many instances people who are powerless to defend themselves. And what do they have for a spokesman? The hon. member for Grand Bank (Mr. Hickman), God help us. God help this Province. I mean the minister just seems to be irresponsible in this regard. Surely you too did not fall out of bed.

We could go on to fire protection. I am only kidding my hon. friend. He knows that surely. I would like for us now to go through the various, as soon as we can, headings that we have here, and get into some of the meat that we want some answers to and I would like to say and have, particularly as we move down, a little more information that we have presently been given. For example on volunteer firemen and what the minister is doing to protect that and I hope we can get into that.

Now I know that there are some other members over here who have a few things to say, our friend from LaPoile (Mr. Neary) and so on, but I do know, and I hope now that the Minister of Justice will make a new resolve this year, to start acting as though he were the Minister of Justice and Attorney General of this Province. Behave in that way. Face up to the press. For gosh sakes bring them in here and let them fire questions at you on the needs in the community for protection for people. And I am telling you, there are millions and millions and millions of dollars that private citizens are losing every year and they have given up phoning the police. That is how discouraged they are and every member in this House knows that what I am saying is right on this matter.

So you catch someone. So you throw them in jail, or whatever you do with them, what good is that to the widow whose house is broken up? What good is it to the working man or woman who has a car

MR. NOLAN: that is destroyed and marked up, chalked up, or in my case, having the rear end stolen out of your vehicle, you know.

MR. HICKMAN:

MR. W. ROWE: The Minister of Justice.

MR. NOLAN: I mean can you imagine having that on the Bench?

MR. HICKMAN: - when you should be getting -

There were all kinds of it there when we were there.

MR. NOLAN: The only bench you will ever get on is

in Bowring Park, across from the Mental.

MR. HICKMAN: What is wrong with Bannerman Park? It is close to where I live.


MR. NOLAN: Yes but they have a pollution problem they want to clean up.

MR. NEARY: There is not enough Old Niagara.

MR. NOLAN: Pinky, Well obviously in these remarks back and forth we are only kidding the minister but I am very serious about - and I think someone has to face up to it. It is all right to laugh about it. I mean in here in St. John's you had hearings down at City Hall on vandalism and so on. I mean I am not saying that the minister is responsible for every single thing. All I am saying is there are men and women who are taxed to death and one of the things I believe that they have a right to expect from us law makers, is that their life, their family, their property is protected.

MR. HICKMAN: Right.

MR. NOLAN: Now what are we going to do about it? Are we going to be here next year saying the same things? Now I could go on and on on this and I would like to in many instances but I know that my hon. friend wants to get into a few things on the Department of Justice and I am most anxious to see it and I hope that all members will take a crack on some of the headings here where we have fairly substantial amounts of money and which we should be questioning. So I do not want to be accused of delaying the House on this matter.



MR. CHAIRMAN: The hon. member for LaPoile.

MR. NEARY: Mr. Chairman, I would like to start off by endorsing whole-heartedly what my hon. colleague just said about the minister being weak-kneed, the worst Minister of Justice that we have ever had in this Province, Sir, and the people of this Province have lost faith in the administration of justice. For the second time, Sir, for the second time in the minister's career, once a Liberal, once a Tory, the hon. gentleman has the Newfoundland Constabulary in an uproar.

MR. HICKMAN: Nonsense.

MR. NEARY: No it is not nonsense, Sir, and sits back and does nothing about it. We have no evidence that the hon. gentleman is going to bring in legislation in this session granting the Newfoundland Constabulary a police commission, no evidence at all. The minister just brushes it off as if it was nothing.

Mr. Chairman, I suggest that

MR. NEARY: there will be no solution to the present difficulties between the members of the Newfoundland Constabulary and Chief Browne, or the Police Brotherhood, until the clash between personalities has been eliminated. I believe, Sir, that this House should rush through legislation to establish a police commission. The day of autocratic leadership, Sir, the only kind provided for under the present set up under which they process their grievances, has disappeared even in the armed forces, while the members of the Newfoundland Constabulary are forced to go through that sort of procedure, raise their hand, 'Please, may I see the Minister of Justice to discuss my grievance?'

Mr. Chairman, there is no reason for not having a police commission, unless it is stupidity on the part of the minister, or laziness on the part of the Minister of Justice for ignoring this solution to the problem. The minister should do, Sir, the same as every other municipality and province across Canada does and that is to set up a police commission, removing relations between the chief and his men entirely from the area of politics and personalities.

Now, Sir, that is a reasonable request and I would hope that the minister will not ignore this reasonable request from the Police Brotherhood any longer. Now, Sir, I am not going to dwell on that, that speaks for itself. The minister has the Newfoundland Constabulary, for the second time in his career, in an uproar.

Now, Mr. Chairman, I want to also raise another matter and that is the statement that was made recently by the Director of Crown Prosecutions, Mr. Kelly, who made a public statement to the effect that the reason that there is a shortage of courtroom space in this Province is not the fault of the Crown. Mr. Chairman, I ask members of this House, whose responsibility is it if it is not the Crown's? It is the government, it is the Crown who provides courtroom space, and Mr. Kelly, speaking for the Minister of Justice, told the people

MR. NEARY: of this Province because trials could not be heard because of a shortage of court room space, that it was not the fault of the Crown. What kind of foolish nonsense is that, Sir? It is the responsibility of the Crown. And now we find the minister in a desperation move down at the old RCAF station at Torbay, setting up a temporary court room to hear a case of a young businessman from Vancouver who was brought back to Newfoundland, thrown in jail, had the strictest bail terms in the history of Newfoundland imposed on him -

MR. HICKMAN: Mr. Chairman, I have to rise on a point of order.

MR. CHAIRMAN: Order, please!

MR. HICKMAN: That is a matter that was resolved by the court, decided by the court. And this is most assuredly the ruling of the Chair, about three weeks ago on another case, sets forth very clearly that the rules preclude discussion of the matters before the court. And that is not done for the protection of the Minister of Justice, it is not done for the protection of the Crown Prosecutor, it is done for one reason only, and that is for the protection of the accused, that is the only person. And that, I repeat, is the most solemn responsibility of any minister or Crown Prosecutor and that is totally out of order.

MR. CHAIRMAN: To that point of order, I feel it is well set forth by the hon. minister, I feel that I will have to ask the hon. member to refrain from referring to this case in particular.

MR. NEARY: Mr. Chairman, I have no intention of dealing with this particular case other than to say that the court room space was not available to hear the trial and now temporary space -

MR. HICKMAN: I thought I heard you say something about bail.

MR. NEARY: Yes, Mr. Chairman, the strictest bail in the history - the point I am making, Mr. Chairman -

MR. HICKMAN: You can talk about court room space all day long but you cannot talk about court decisions.

MR. NEARY: The point I am making, Mr. Chairman, is this, that the government were not ready to proceed with the case and they are still not

MR. NEARY: ready. They do not have the court room space and they do not have the evidence to proceed with the case.

MR. HICKMAN: Mr. Chairman, look, on a point of order.

MR. NEARY: I have no intention of carrying this -

MR. HICKMAN: No, no, Mr. Chairman, that has to be withdrawn.

You know, the rules are so fundamental in this Legislature and in any Legislature that you cannot comment on a case that is before the court. You cannot comment on the nature of the evidence, the availability of the evidence, the procedures that are being followed, the decision of the court with respect to bail; these are totally outside the -

MR. FLIGHT: And you cannot comment on a magisterial enquiry -

MR. HICKMAN: Nor can you comment on a magisterial enquiry -



MR. NEARY: Sit down boy and do not be making such a fool of yourself.

MR. HICKMAN: - and this is there, Mr. Chairman, for the protection of the accused and the hon. gentleman knows that so well because having said it he then said, 'I am not going to pursue it.' But you cannot get up and make these statements. I know they may never be published in the press, because again the press know the rules of the court as well as we do, but there is a possibility of prejudicing the rights of an individual and I do not care who that individual is, where he is from or anything else, this just cannot be done and the rules are abundantly clear on it.

MR. NEARY: Mr. Chairman, that is not a point of order.

MR. HICKMAN: It is a point of order.

MR. NEARY: It is not a point of order.

MR. CHAIRMAN: I feel that it is probably a point of order so I will ask the hon. member to refrain from referring to this particular before court in his remarks.

MR. NEARY: Mr. Chairman, I refer to the courtroom space, the shortage of courtroom space. There was no room at the inn, the case could not go ahead because of a shortage of courtroom space. Is that in order, Mr. Chairman? It is the fault of the minister, it is the fault of the minister. And Mr. Kelly says that no, it is not the fault of the Crown. Well, who provides the courtroom space if it is not the minister and the Crown? Now, Mr. Chairman, I do not want to dwell on that particular item because I have more important matters to raise with the hon. gentleman but I want an explanation for that statement that was made by Mr. Kelly.

Mr. Chairman, there is a matter, there is a procedure that is carried on in this Province that concerns me very much and I will deal with it in a few minutes, but before I do I want

MR. NEARY: to ask the minister a question. I am not a lawyer, I am just an ordinary layman, I would like to ask the minister a question. When the RCMP are given authorization by a magistrate or a judge to seize certain documents from an individual or from a firm, can these documents be passed on to a third party? Would the minister indicate to me whether this can be done or not?

MR. HICKMAN: Mr. Chairman.

MR. NEARY: I will just yield for an answer, Mr. Chairman.

MR. HICKMAN: I will appreciate that. There have been cases in this Province that I am aware of where a search warrant and a warrant to seize documents that may be necessary in an investigation have been granted by a court and that is the only time that they can be taken, after the Crown satisfies the court that they are necessary. Where other parties have come along, I can think of one case without naming it where the Minister of Justice and the Attorney General of Canada last year in a case where documents had been seized—and I believe the hon. gentleman and I are onto the same case—and the Minister of Justice and the Attorney General of Canada through his officials came and asked officials in my department if they could have access to this investigation and make copies thereof. The answer that was given by my officials was no, a definitive no. When Mr. Basford, the Minister of Justice and the Attorney General of Canada, was in St. John's last year he raised it with me again and I said, acting on the advice of the solicitors in the Department of Justice, that as the documents had been acquired pursuant to a court order that if the Government of Canada wished copies of it to conduct another investigation that they should make application to a court themselves and that the Crown would not consent. And an application was indeed made, in this particular case I think it was to Chief Judge Steel of the District Court, He enquired of the provincial Crown as to whether we would consent, we said no we would not, The Federal minister advanced through his prosecutor some rather convincing arguments and an order was made and this was made available to a third party pursuant to a Court Order.

MR. HICKMAN: Now there may be other cases but I can speak with knowledge on that particular one.

MR. NEARY: Mr. Chairman, let me see if I can summarize what the hon. gentleman said. In the particular case that the hon. member referred to, and the same principle would apply to other cases, if a magistrate authorizes members of the Newfoundland Constabulary or issues a search warrant to the Newfoundland Constabulary or to the RCMP and documents are seized these documents cannot be passed on to a third party without the approval of the court, of the magistrate who issued the search warrant: Is that Correct?

MR HICKMAN: May I?

MR. NEARY: Sure. Go ahead.

MR HICKMAN: I am saying that the one case that came to my attention, because it came directly from the Minister of Justice and the Attorney General of Canada, I said you better go to court and ask for it. He disagreed with me, His argument was that under the law that once documents are seized by an investigating authority that other investigating authorities, In other words, if documents were seized by the RCMP pursuant to a Court Order under the provisions of the RCMP were working under a provincial contract in Newfoundland, if the RCMP acting on behalf of the Attorney General of Canada in another investigation under a federal statute, his argument was that there is no need to go to court on it. I said well you may be right but you are not going to get my consent and the safest procedure to follow is to go to court. Now I will not indicate to this Committee that there are not cases - and there may be not to my knowledge, but there may be cases where following a Court Order this has been given. I have had people whose documents have been seized

MR. HICKMAN:                    come to me and say, 'Can I go down or send my representative, my lawyer to go down and photostat these?' And this has been done on numerous occasions.

MR. NEARY:                    Okay. Well, Mr. Chairman, let me see if I can understand the hon. gentleman correctly. Let me go through it again. If the magistrate issues a search warrant -

MR. HICKMAN:                    Right.

MR. NEARY:                    - gives the Newfoundland Constabulary or the RCMP a search warrant and they go off and they seize documents, the question I am putting to the minister, Can these documents be then given to a third party? And if so, what procedure would have to be used? For instance, could the Newfoundland Constabulary on their own after seizing these documents, without the permission of the court, give these documents to a third party?

AN HON. MEMBER:                Yes or no?

MR. NEARY:                    Yes or no.

MR. HICKMAN:                    I do not know, but I can tell you what our practice is.

MR. NEARY:                    As a matter of fact, Mr. Chairman, the hon. gentleman knows it is a violation of the Criminal Code to do it.

MR. HICKMAN:                    Well, if it is the Attorney General of Canada does not agree with you.

MR. NEARY:                    Mr. Chairman, under Section 446, Subsection 5 of the Criminal Code it is illegal to do it. Is that not correct?

MR. HICKMAN:                    I have been in an argument - no, I mean, I am not going to be. May I repeat that the practice that I have followed, which the Attorney General of Canada does not agree with, is that if you want them you apply to court.

MR. NEARY: All right.

MR. HICKMAN: Okay, the Attorney General of Canada says that there is no need to do that.

MR. NEARY: All right, I will buy that, and I am not a lawyer.

MR. HICKMAN: It is not a violation of the Criminal Code of Canada.

MR. NEARY: I am not a lawyer and I have been saying in this House now for the last few years that the Minister of Justice knows very little about law -

MR. HICKMAN: Right.

MR. NEARY: - and now I will prove it to hon. members of the House -

MR. HICKMAN: Right.

MR. NEARY: - just how inept and incompetent the minister is.

MR. HICKMAN: You proved that this afternoon with the -

MR. NEARY: Yes, Mr. Chairman, I proved it this afternoon and I will prove it again now. Sir, let me say first of all to hon. members of the House that the Minister of Justice just told us that documents seized by the Newfoundland Constabulary or the RCMP under a search warrant, the practice is that the minister, if a third party asks for these documents like Basford asked for -

MR. HICKMAN: Yes.

MR. NEARY: - that the minister would say, 'No, go to the court.' Is that not correct?

MR. HICKMAN: Right.

MR. NEARY: All right, Sir. If that procedure is not followed, if permission is not gotten from the court and the documents are given to a third party by either a member of the Newfoundland Constabulary or the RCMP then

MR. NEARY: it is a violation of the Criminal Code, it is an illegal act and somebody should be charged. Is that correct?

MR. HICKMAN: I did not say that.

MR. NEARY: But I am saying it.

MR. HICKMAN: Well, you can say it -  
yes, go ahead.

MR. NEARY: I am saying it, but the minister will not say it. But the minister knows it is true.

MR. HICKMAN: If I knew it was true I would say it was true and I do not know it is true.

MR. NEARY: Well, Mr. Chairman, what happened in this particular case? On March 7, 1977, Sir -

MR. HICKMAN: Last year.

MR. NEARY: Last year -

MR. HICKMAN: Yes.

MR. NEARY: - a letter was written to Magistrate Hugh O'Neill, Provincial Court, Court House St. John's, Newfoundland. Now just listen to this and bear in mind what the minister just told us, that the Attorney General and the Minister of Justice of this Province -

MR. HICKMAN: Great disclosure.

MR. NEARY: - condoning an illegal act:

"Dear Mr. Magistrate: You may recall in December, 1972 and subsequently that upon your order a large number of documents and records were seized from the premises of Messrs. Parsons and Landrigan Limited for whom I have been acting since. - I am now also acting for James Landrigan, one of the directors and shareholders of the company. It is understood that the documents were seized under the provision of Section 443 - 446 of the Criminal Code, and accordingly, would be held in safekeeping pending disposition of any subsequent trial. We are informed that our client has reason to believe that

MR. NEARY:                   copies of some of the documents seized have come into the hands of third parties. We would accordingly appreciate hearing from you as to whether you have issued an order or otherwise permitted anyone or any agency from outside of Canada to view, copy or record any of the documents seized and now in your custody. Further, have you any knowledge of copies of the seized documents being sent by you or the Royal Canadian Mounted Police on your behalf to any agency or any person

MR. NEARY:

outside of Canada? A reply would be appreciated. Yours faithfully,  
Lewis, Day, Sparkes, Cook and Sheppard, P. Derrick Lewis."

MR. HICKMAN: Senator Lewis.

MR. NEARY: Now Senator, And listen to the reply, Sir, just  
listen to the reply. The minister should pay special attention  
to this.

MR. HICKMAN: Special attention.

MR. NEARY: "Messrs. Lewis, Day, Sparkes, Cook and Sheppard,  
261 Duckworth Street, St. John's Newfoundland. Attention: Mr. P.  
Derrick Lewis. Dear Mr. Lewis, replying to your letter of  
March 7, 1977 regarding the documents belonging to Parsons  
and Landrigan Limited, I wish to advise that no order has  
been issued by this court allowing seized documents to be sent  
to any agency or person outside of Canada.

"It is my understanding that copies of some of  
the documents were sent to the solicitors involved in extradition  
proceedings in the case of Mr. O.L. Vardy. However, any order with  
respect to the documents held under the authority of the code could  
only be examined under an order issued by superior court of criminal  
jurisdiction that would be under section 446, subsection (5) of the  
criminal code of Canada."

MR. HICKMAN: Nobody is disagreeing with any of that.

MR. NEARY: "Trusting the above information is satisfactory."  
Nobody is disagreeing with it?

MR. HICKMAN: No.

MR. NEARY: Mr. Chairman, the point is this, that the RCMP  
seized documents from Parsons and Landrigan, from the firm of Parsons  
and Landrigan, and passed these documents on to a third party illegally.

MR. HICKMAN: Who?

MR. NEARY: The RCMP.

MR. HICKMAN: No. To whom?



MR. NEARY: They passed them on, Sir, to the SEC in Washington, the Securities Exchange Commission in Washington, an illegal act on the part of the RCMP, And the Minister of Justice and the Attorney General of this Province, should see to it that criminal action is taken, that action is taken, that action is taken under the criminal code against this illegal act because, Mr. Chairman, I am not arguing the case on an individual basis, I am arguing the case on a matter of principle, on a matter of law and it could happen to any individual. Documents could be seized under a warrant issued by the court under any excuse and the information could be passed on to a third party. I am arguing it for the protection of the citizens of this Province.

And, Mr. Chairman, the Minister of Justice might be interested in knowing that the documents that were passed on to the SEC, the hon. gentleman's name appeared on one of these documents and the hon. Minister of Justice may be hauled in as a witness. The hon. gentleman was trading in Jubilee stock. I think the hon. gentleman, along with a whole raft of other people in this Province whose individual rights, whose human rights have been trampled upon, the information is now made public as a result of the freedom of information laws of the United States. And I have here in front of me somewhere, just a few copies of documents that have lists of names of people like Senator Pratt, Andrew Crosbie, the hon. Minister of Justice, I just cannot lay my hands on that particular file at the moment. Yes, here it is. Documents that were seized, in case the hon. gentleman wants to have a look, seized by the RCMP and without permission, illegally sent to the SEC. These are just a few of the documents that I have that were taken from Parsons and Landrigan. And the Minister of Justice, the Attorney General, sits back and allows this to go on in this Province. No wonder we are being looked upon on the outside world as a Banana Republic.

MR. NEARY: I understand, Sir, I only have one minute left, and I want to come back to another very serious matter in connection with the procedures being used by the RCMP in this Province. But I will give the minister an opportunity to answer, and if I get time I want to deal with a matter of auxiliary police that are being used by the RCMP to investigate fires in this Province. Now the minister never heard of that. I never heard of it but I know about it now. But first of all I want to get the minister's reaction to this scandalous state of affairs where information has been seized under a search warrant given the RCMP by Magistrate O'Neill and passed on to a third party. How much information is being passed on? How do we know but the RCMP are not being manipulated for political reasons?

MR. HICKMAN: I beg your pardon?

MR. NEARY: How do we know the RCMP are not being used and manipulated for political reasons? Is it not time that the Minister of Justice did something to justify his existence in this Province, and put a stop to this sort of thing.

AN HON. MEMBER: Watergate.

MR. NEARY: Mr. Chairman, I have to take my seat but I will give the hon. gentleman a chance to have a few words and then I am going to come back to this auxiliary police force if I get a chance.

MR. CHAIRMAN: Order, please! Before I recognize the hon. minister, I would like to make a clarification of a ruling that I made from the Chair a short time ago. And in doing this, and I do it because I have an opportunity now over another matter that you are all aware of, I have had an opportunity to hear the tapes of the debate a short time ago, and in order to clarify the ruling I would like to just read a little from the tape. The hon. member for LaPoile was speaking, and he ends off, "Just put it into that little opening. Mr. Flight: Are you resigning yet? Mr. Morgan: (Inaudible) you hypocrite (Inaudible). Mr. Neary: A point of order, Mr. Chairman. Is Your Honour listening." And a little further down, "The Chairman: The point of order has been raised that the word 'hypocrite' was used

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Mr. Chairman: in the House. It is unparliamentary for one member to refer to another member in such terms. I am unable to say whether this was so or not in the barrage of remarks being made, so that I will have to leave it up to the hon. member's sense of the House itself whether they wish to make any comment on it." And a little further down, "Mr. Neary: The hon. member called me personally a hypocrite and this is unparliamentary, Mr. Chairman". A little further down, "Mr. Chairman: The position is this that as far as the Chair is concerned the remark was not picked up with any clarity. Secondly, my understanding is the hon. member who was speaking stated that he did not make an invitation to the hon. minister in regard to changing parties. And I think the hon. minister indicated he agreed with that statement. Accordingly if the word 'hypocrite' was used it could not possibly have been used against the hon. member who was speaking. The word 'hypocrite' must", and a little further down, "The word 'hypocrite' to be unparliamentary must be applied against an individual member of the House". And a little further down, "It could not be used in the common or general sense."

Now the point of clarification that I would like to bring out there is that now having actually heard the word myself, and I made the ruling that the hon. minister did not apply the word 'hypocrite' against the hon. member who was speaking at the time and who raised the point of order-and that still stands, that is still the opinion and the ruling of the Chair - but I did go on to say that the word 'hypocrite' could not be used in a common or general sense.

However, having heard the tapes, and as I have read out to you the actual remark which I emphasized was not picked up by the Chair, the actual remark was 'you hypocrite', so that I do have to clarify my ruling and say that the word 'hypocrite' was not used in the common or general sense. If it was prefixed by the word, 'you', it must have been used against an individual member. The tapes do not show with any precision which member it was directed to. The opinion of the Chair is that it was not directed against the hon. member

Mr. Chairman: who was speaking. Nevertheless it was directed -

MR. NEARY: But it was, Mr. Chairman.

MR. CHAIRMAN: If I may just finish. Nevertheless it clearly was directed against some member of the House. And as the word 'hypocrite' was directed against some member of the House it was clearly unparliamentary. And I would therefore ask the hon. minister if he would withdraw the fact that he did apply the word 'hypocrite' against an individual member of the House, that individual being unknown to the Committee as a whole.

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: Mr. Chairman, I respect your ruling and I make an unqualified withdrawal of using the word 'hypocrite' in the House of Assembly.

MR. CHAIRMAN: The hon. the Minister of Justice.

MR. HICKMAN: Mr. Chairman, a couple of matters raised, firstly, by the hon. the member for Conception Bay South (Mr. Nolan), who is not with us right now. The only matter raised by him other than the general comments was an inquiry with respect to an investigation arising out of the fire loss in at the Chafe Home, into the operation of the fire department. There was not any such investigation. What the hon. gentleman is referring to is a professor from Carlton University who has a delightful retainer from the Government of Canada that when emergencies arise anywhere he may at his discretion come down and check the response time to the emergency. And he checked the response time of the St. John's Fire Department and the Goulds Fire Department to the Chafe Home, and my recollection is that he was rather complimentary on what he found. I do know he telephoned me to commend me for the very excellent system of volunteer fire brigades we have in the Province. And there is no doubt in my mind that the 190 fire brigades we have in this Province at this time are far superior in the way of affording fire protection to anything one will find in the Maritime Provinces.

Now the hon. the gentleman from LaPoile (Mr. Neary), first he talked about the Newfoundland Constabulary. May I say without any hesitancy at all that the morale of the Newfoundland Constabulary at this time was never better. And may I say secondly that the prestige of the Newfoundland Constabulary in the area for which they are responsible to provide police protection, namely,

MR. HICKMAN: the city of St. John's, has never been higher. And thirdly may I say without any hesitancy that the Newfoundland Constabulary has a Chief of Police who need not take a second place to any head of a police force anywhere in the Dominion of Canada. And that police force is shaping up into the kind of police force that we knew it was capable of being and the leadership of Chief Browne is first-class. And I have no hesitancy in saying that I am awfully proud of the fact that he was appointed by the Lieutenant-Governor in Council after we followed a procedure heretofore never used in this Province, of having a committee interview the applicants, a committee consisting of Magistrate Hugh O'Neill, former Chief Superintendent K.B.M. Fraser and former Chief of Police Lawlor, and Chief Browne was appointed. His work has been outstanding, as I knew it would be, and I want to take advantage of the sitting of the Committee to say this, that apart altogether from his leadership in setting up a first-class police force that will be the best equipped provincial police force that you can find with the best and the most modern headquarters that any provincial police force has had, the first headquarters the Newfoundland Constabulary has ever had that is now under construction out at Fort Townshend, that over and above all of that, Chief of Police John Browne's reputation is well-known in law enforcement circles on the national scene. He has been a member of the board of directors of I think it is the National Police College for quite some time, he is on various advisory councils for law enforcement on a national basis, and again I repeat, Chief of Police John Browne need not take and does not take, may I add, does not take second place to any of his colleagues on these committees.

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MR. HICKMAN: Now, Mr. Chairman, the next question raised by the member for LaPoile (Mr. Neary) was the question of court accommodation in this Province. I am the first to admit that we do not have anything like the number of courthouses that we should have in this Province. We do not have anything like all of the facilities that this Province needs, but I am proud to point out to this Committee that this year the Department of Justice is asking that the Committee approve the expenditure of \$35 million on the administration of justice in this Province. And may I remind

MR. HICKMAN: this Committee that the estimates that came before this House in 1972, just five short years ago, was somewhere in the vicinity of between \$8 and \$9 million. Some of that increase are inflated dollars. But let me tell you, Mr. Speaker, make no mistake at all about the commitment of this administration to the administration of justice in this Province. And we are moving toward the acquisition of better facilities. And let me in answer again to the criticism of the hon. member for LaPoile (Mr. Neary), and he was dealing particularly -

SOME HON. MEMBERS: Oh, oh!

MR. HICKMAN: Do you want to hear the situation or do you not? He was obviously dealing particularly with accommodations within the St. John's area when he was referring in a rather circuitous method to a case that is presently before our courts. Let us see what has happened in the city of St. John's with respect to court accommodation in three or four short years. Number one, the second, third, fourth floors now of the main Courthouse building in St. John's are used only by the Supreme Court trial division. Prior to that they were used both by the trial division of the Supreme Court and also when they sat in the capacity as an appellate court. This administration, one of the many things that the Moores' administration can be proud of in the administration of justice is the reforms that have taken place in our judicial system in the last two or three years.

When I became Minister of Justice for the second time, the number of magistrates in our Province were, I believe, Mr. Chairman, about eighteen; today they stand at thirty-one. The number of Superior Court judges were four, with the trial division and the appellate division all being as one. If you had a case before the late Mr. Justice Higgins and you wanted to appeal, his three brethren in the trial division constituted themselves as a Court of Appeal to hear it. Indeed I can recall up till 1959 or 1960 when the trial judge used to sit on his own appeals; that was when we had three judges. That has been changed where we now have a separate Court of Appeal consisting of the Chief Justice of the Province and two other judges.



MR. HICKMAN: Then we have the trial division consisting of the Chief Justice of the trial division and three other judges. Then we have - if hon. gentleman will think back in 1972 there were three District Court judges, I think it was, His Honour Judge Murray, His Honour Judge Whelan, - no four, His Honour Judge Inder, and His Honour Judge Soper, We now have eight, with a Chief Judge of the District Court. This legislature, by passing a new District Court Act about two years ago, gave unlimited jurisdiction in practically all cases to the District Court. It also gave Province wide jurisdiction to district court judges and this is very important, Mr. Chairman, because now it means - and this has been happening - that if, for instance, the St. John's courts are busy and the two or three judges in the St. John's courts cannot handle all of the trials, the Chief Judge has the absolute power, as he has been doing, to direct, say, Judge Cummings from Grand Bank or Judge Barry from Gander to come in and pick up some of the slack.

MR. NEARY: That is the Government of Canada that does that.

MR. HICKMAN: No. The Government of Canada can only appoint if we pass. They can only make the appointments if this hon. House passes the legislation.

MR. NEARY: The Government of Canada now put them all in the one pot and they can move around the Province.

MR. HICKMAN: No, Mr. Chairman, that is not so, The Government of Canada had absolutely nothing to do with it. I do not want to give this Committee a lecture on the British North America Act. I will tell the hon. member for LaPoile (Mr. Neary) all about it afterwards if he wants to hear about it. But the constitution of the courts, the jurisdiction of the courts, where they sit, when and how, falls within the exclusive jurisdiction of the provincial legislature in Newfoundland of this hon. House. The appointment of the judges of the Superior and District Courts and the payment of their salaries falls exclusively within the jurisdiction of the Governor General in

MR. HICKMAN: Council.

MR. NEARY: And they have now made them judges at large and they move all over the Province.

MR. HICKMAN: Now, Mr. Chairman, in this Province it is not a question of having judges at large. Under our new District Courts Act we made provision that a District Court judge would have Province wide jurisdiction. This also had a very salutary effect for the Labrador section of our Province, where before this Labrador was served by but one judge

MR. HICKMAN: from Grand Falls, and if that judge in Grand Falls was sick, or ill, then Labrador had to wait until the situation rectified itself.

MR. ROUSSEAU: Or come to St. John's.

MR. HICKMAN: Or alternatively, as my hon. colleague points out from Menihek (Mr. Rousseau), they had to come to St. John's or to Grand Falls to have their cases tried. This has all been remedied. The District Court Judge now can direct one of the other judges now to go to Labrador, and they have an excellent court house there.

In St. John's we have a new building that houses the district courts. We have expanded and enlarged the Magistrates Court in St. John's where we have now three court rooms in St. John's, and this is relatively new, plus a court room that is occupied and used by Magistrate and/or Judge Roberts of the Family Court. And then we have the Court of Appeal in another building. All of this has been done in three years. We are so quick to forget. And we are now in the process of acquiring, and will conclude the acquisition thereof within the next day or two, or week or two, of a building to house the Unified Family Court, and when the Unified Family Court moves into that building, then I would anticipate that there will be even further space for the Magistrates Court freed in the St. John's building.

The hon. gentleman got up then and he was going to make a great revelation on the practice and procedures to be followed with respect to the release of documents that are seized pursuant to a court order. And I repeat what the procedure is in this Province, from my point of view, and I have only had one request so it is very easy to talk about it, I repeat that I had a request from the Attorney General of Canada on behalf of his colleague and investigators from the Federal Department of Consumer and Corporate Affairs, for the release of certain documents which had been seized, I guess, at the same time.

AN HON. MEMBER: Who is the Attorney General of Canada?

MR. HICKMAN: The Attorney General of Canada is the hon. Ronald Basford, P.C.

AN HON. MEMBER: How do you keep track of them?

MR. HICKMAN: And his lawyers came to St. John's, asked for it, were refused by my department, and I must confess, I thought became unnecessarily upset when I heard about it, And when their minister came down he again raised it and I said, "You will have to, if you are carrying out an investigation under the Restricted Trade Practices Act, or on behalf of the Restricted Trade Practices Commission, you are going to have to make application to the court and we will not consent." And this was done.

MR. NOLAN: Thank you very much.

MR. HICKMAN: Now the hon. gentleman from LaPoile (Mr. Neary) asked me this same question two or three weeks ago, or he mentioned it in the debate on the Address-in-Reply, I have forgotten which, and it was news to me what he was talking about, so I asked the appropriate person on my staff to make some enquiries, and all I can say is that all sources have been checked, RCMP, SEC, government files and there is absolutely nothing to suggest that the Department of Justice ever gave documents that were seized under warrant, to the SEC or to anyone else.

MR. NEARY: No, but if they were given them, is it not the minister's responsibility to see that some of (Inaudible)

MR. HICKMAN: We have checked all sources, including the RCMP. And, Mr. Chairman, may I also say, and I can say that quite definitively, that if it were done it was done unauthorizedly, but I am not prepared to say it was contrary to the law. I am simply saying what our practice is. And then the hon. gentleman got up and he had another great discovery - and the last time, I told him afterwards, he spoiled my afternoon. He said, "You have got shares, I have discovered that the hon. Minister of Justice has got shares in a company," I think it is called Jubilee, you know. And he spoiled my afternoon because he reminded me of one of my few forays into the stock market -

MR. NEARY: Does the minister want the whole world to know that he is playing the stock market? Or is this private and confidential information?

MR. HICKMAN: You can tell the whole world that the hon. minister -

SOME HON. MEMBERS: Oh, oh!

MR. HICKMAN: - the hon. minister was woefully unsuccessful in the couple of times he bought penny ante stock. I do not even know where the share certificates are, but if I can ever find them I will use them to paper my wall with. Because I am sure that they are not of any significance to me and most assuredly they are of no significance to this Committee.

MR. NOLAN: Oh, you bought them for charity.

MR. HICKMAN: I did not buy them for charity. I bought them because I thought I was going to become a millionaire and I must have bought a whole of \$500 worth and, lo<sup>9</sup> and behold, the shares, -

MR. NOLAN: What are they worth now?

MR. HICKMAN: They went off the listing about two weeks after I bought it.

MR. NEARY: Not like the Minister of Finance who is holding in \$800,000 worth.

MR. DOODY: Who me?

MR. NEARY: The former Minister of Finance.

MR. DOODY: What? Me?

MR. HICKMAN: I did not know that.

MR. DOODY: I hold no shares in that -

MR. NEARY: In behalf of the government.

MR. DOODY: - organization, Sir.

MR. HICKMAN: Anyway, Mr. Chairman, all I can say so that there would be -

MR. DOODY: Mr. Chairman, on a point of order, on a point of clarification, I hold no shares in any of these -

MR. NEARY: Not presently, Mr. Chairman.

MR. DOODY: - none of these penny ante companies. I have many idiosyncrasies

MR. DOODY: and some idiocies, but none of them have been involved in the Doyle or other companies.

MR. NEARY: Mr. Chairman.

MR. HICKMAN: Is that to the point of order?

MR. NEARY: No, it is not to the point of order.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. NEARY: I did not refer to the hon. gentleman personally. The government is holding -

MR. DOODY: You pointed at me.

MR. NEARY: The government is - the former Minister of Finance was holding on behalf of the government, behalf of the Province 200,000 shares of Jubilee, \$800,000 worth. And the minister has shares and all the other people, these hundreds of people whose names should not have been bandied about and made public -

MR. HICKMAN: I have not mentioned them.

MR. NEARY: And I want to tell the minister that this information that I just gave the House did come from Washington.

MR. HICKMAN: Is this on the point of order?

MR. NEARY: That a third party - the minister is finished now, is he?

MR. HICKMAN: No, no!

MR. NEARY: That a third party was given these documents illegally. And the minister -

MR. DOODY: What about the ruling?

MR. NEARY: And the minister as the Attorney General and the Minister of Justice for this Province, is the minister not suppose to take action against law enforcement officers who are under contract to the Province, responsible to the minister, for illegal acts, for violations of the Criminal Code? Or are they above the Criminal Code?

MR. CHAIRMAN: Order, please! I do have to respond to a point of order that was raised. The Chair is not aware that a point of order is before us.

MR. HICKMAN: May I repeat.

MR. CHAIRMAN: The hon. Minister of Justice.

MR. HICKMAN: You know, I do not want anyone to go out of here with any misapprehensions.

MR. DOODY: I have no shares.

MR. HICKMAN: The hon. gentleman, well, number one, the shares that he is talking about, the few that I was unwise enough to buy long before I went into politics -

MR. NEARY: No, no, Mr. Chairman.

MR. HICKMAN: It was before I went into politics.

MR. NEARY: No, it was not.

MR. HICKMAN: Well, I went into politics July, 1966.

MR. DOODY: You got seduced.

MR. HICKMAN: And I can tell the hon. gentleman -

MR. DOODY: You were seduced.

MR. HICKMAN: No, no.

AN HON. MEMBER: You were seduced.

MR. HICKMAN: No, no. And I can tell the hon. gentleman that I have not bought any shares in anything since I have become a member of this hon. House. And that is not because of any great morals -

MR. NEARY: I better check my records.

MR. HICKMAN: - yes, you better check them. You had better check them very carefully - not because of any great principles, but as any hon. gentleman knows that when one is unwise enough to come into this place you are lucky if you can buy your way home let alone get in and play around with the stock market.

MR. NEARY: When did the hon. member come into the House?

MR. HICKMAN: July or August of 1966.

AN HON. MEMBER: (Inaudible).

MR. NEARY: I am reasonably sure -

MR. HICKMAN: You are reasonably sure!

MR. NEARY: - that these shares since the member became a member of this House.

MR. HICKMAN: No, no, Sir.

MR. NEARY: Well, I will double check.

MR. HICKMAN: You double check. Triple check. Quadruple. Keep on checking. I can tell you it was not.

MR. NEARY: But anyway that is -

MR. HICKMAN: But that is totally irrelevant.

MR. NEARY: Yes, irrelevant. But what about the illegal act?

MR. HICKMAN: Now I repeat, because I do not want anyone - You know, look. The hon. gentleman made the statement here two or three days ago, I did not know if it had any significance or not, but being prudent I went and asked to have it checked, And I will repeat that a check has been made of all sources, Royal Canadian Mounted Police, SEC and Government files, and nothing is found to suggest that any documents that were seized under warrant were given to the SEC with any approval. Now the RCMP were checked. Now, you know, the RCMP were checked. I am not talking about a letter from Senator Lewis to a magistrate, The magistrate's articulation of the law is very clear, and very correct as he interprets it, and I would not take issue with it, you know. You know, I do not see the point of all of this. Is the hon. gentleman for LaPoile (Mr. Neary) suggesting that if, for instance, the Attorney General of Canada was carrying out an investigation into restricted trade practices, you know, under his responsibility to the Restricted Trade Practices Commission, and if in the course of his investigation they discovered that other crimes were committed or may have been committed or breaches of the law by a person, that if some other person coming along and enquired and asked about that that his people should not discredit that? Is that -

MR. NEARY: That is right. It is illegal under the Criminal Code.

MR. HICKMAN: It is not illegal under the Criminal Code -

MR. NEARY: It is illegal and the minister should know that.

MR. HICKMAN: Mr. Chairman.

MR. DOODY: Most things under the Criminal Code are illegal.

MR. NEARY: Yes, but there are things that are illegal under other acts, but this happens to be a violation of the Criminal Code.



MR. HICKMAN: Mr. Chairman, while I was speaking, you know, I also found a note I had on that too, that the only time a third party can acquire these documents is if that third party is an agent of the Crown. For instance, if documents were seized by the RCMP, and as part of the investigating process on the part of the Crown, that is a Provincial Crown, if it was seized by the Attorney General in the right of the Province, and an accountant was necessary as part of that investigation, that accountant as agent of the Attorney General has an absolute right to go in and examine the documents. There is no question about that at all.

MR. HICKMAN: if someone else wants it I repeat what our practice is. That is what the courts are for, you make application, you convince the court. I do not think it is too difficult to convince a court that it is necessary to investigate a possible misdemeanor or a breach of the law, that the courts will very readily and very quickly give it.

Now the hon. gentleman is going to disclose to me something that I await with some interest on the auxiliary of the RCMP.

MR. NEARY: That is right.

MR. HICKMAN: Because I know they are doing a first-class job as volunteers in traffic control and that sort of thing around the Province. My only regret is that the Solicitor-General of Canada has not been able to find sufficient funds to pay them, but I like what they are doing.

MR. NEARY: Well, Mr. Chairman, I would like to ask the minister - but first of all I should like to dispose of this matter, Sir. This is a very, very serious matter, it is a violation of the Criminal Code on the part of somebody who had possession of these documents.

These two letters I have, Sir, came from Washington.

MR. HICKMAN: How do you know they were not sent down by Senator Lewis, which he has a perfect right to do, at the consent of his client?

MR. NEARY: Mr. Chairman, I have other documentation, Sir, that I will present at the appropriate time to indicate that the information was sent by the people who seized the documents.

MR. HICKMAN: The RCMP.

MR. NEARY: Mr. Chairman, the hon. Minister of Justice should immediately launch an investigation.

MR. HICKMAN: Into what?

MR. NEARY: Into the -

MR. HICKMAN: If the hon. gentleman will give us an indication as to whether or not - for instance, the allegations he is talking about are not allegations of illegality.

MR. NEARY: But, Mr. Chairman, it is illegal. Let me go through it again, Sir. Magistrate O'Neill gave the RCMP a search warrant to seize documents from Parsons and Landrigan that found their way to the SEC in Washington. Now I want to know how they got there?

MR. HICKMAN: We know how they did not get there, do we not?

MR. NEARY: No, we do not know how they did not get there. The minister better go back and check his sources again, because it got there through one of the sources that the minister was told it did not get there through. We have a situation nationally now where the RCMP are up to their ears and we do not want it in Newfoundland. It was an illegal act.

MR. MARSHALL: How does the hon. member know? Do we have to be obsessed -

MR. NEARY: The hon. gentleman -

MR. MARSHALL: A point of order, Mr. Chairman.

MR. NEARY: The hon. gentleman -

MR. MARSHALL: On a point of order.

MR. CHAIRMAN: A point of order has been raised.

MR. MARSHALL: Mr. Chairman, I do not know if this is relevant, and I do not know whether - do this Committee and the House have to be obsessed with the hon. member's defence of Messrs. Doyle and Shaheen day after day?

MR. NEARY: Mr. Chairman, a point of privilege.

MR. MARSHALL: Or is the Leader of the  
Opposition going to -

MR. NEARY: A point of privilege, a  
point of personal privilege.

SOME HON. MEMBERS: Order! Order!

MR. NEARY: A point of personal privilege,  
Mr. Chairman.

MR. CHAIRMAN: Order, please! Order, please!  
A point of privilege has been  
raised.

MR. NEARY: Mr. Chairman, the hon. gentleman  
just made -

MR. MORGAN: A point of order supercedes.

MR. NEARY: No, Sir, a point of privilege  
supercedes a point of order. The hon. gentleman just  
made a vicious personal attack on me, Your Honour. I am  
defending nobody except the people of this Province and  
I ask the hon. gentleman to withdraw his charges, Sir,  
his accusations.

MR. CHAIRMAN: Order, please!

A point of privilege has been  
raised by the hon. member for LaPoile in which he charges  
that the hon. member for St. John's (Mr. Marshall) had  
accused him of having unavowed motives in his conduct  
during this debate. I think that is the substance of his  
point of privilege.

It is a violation of parliamentary  
usage and it is unparliamentary to ascribe unavowed motives.  
It does not, I believe I am correct in saying, it does not  
fall clearly into the category of prima facie case of  
privilege, but it is unparliamentary and on that basis I  
would ask the hon. member for St. John's East if he would  
withdraw the implication.

MR. MARSHALL: Mr. Chairman, obviously I will

MR. MARSHALL: withdraw if you tell me to withdraw, but I made no allegations of any motive with respect to the hon. member, I was just stating what my impression was of the tenor of the debates he has had since this session started. He seems to be dwelling on Mr. Doyle and Mr. Shaheen. I make no allegation of motives.

MR. NEARY: Mr. Chairman, a point of privilege, Sir. Mr. Speaker, I ask you to either ask the member to withdraw that or name the member. It is a very serious charge, Sir.

MR. CHAIRMAN: Order, please!

SOME HON. MEMBERS: Do not be so touchy. Sit down!

Sit down!

MR. CHAIRMAN: Order, please!

The Chair can only go on what

it understands to be the rules of procedure and that is that a point of privilege was raised, that a prima facie

MR. CHAIRMAN: case for privilege did not exist, but that a point of order existed, And the hon. member for St. John's East (Mr. Marshall) was asked to withdraw his remarks as being out of order by being unparliamentary. My understanding was that he did withdraw them, and then he did go into an area of explanation which was not necessary, but he did withdraw his remarks. J

MR. NEARY: So anyway, Mr. Chairman, just to finalize my few remarks on this, Sir. I think it is incumbent upon the Minister of Justice to find out how these documents got to the SEC in Washington without the approval of the magistrate who issued the search warrant. It is a very serious matter. Any member of this House, any citizen of this Province could be the victim of this very same procedure if we do not take steps -

MR. HICKMAN: No, no.

MR. NEARY: - oh, yes, yes, yes! - if we do not take steps to safeguard against it any member of this House could be the subject of political persecution.

MR. HICKMAN: No, no.

MR. NEARY: Oh, yes, yes, yes, Mr. Chairman!

MR. HICKMAN: That is why we have the courts there.

MR. NEARY: The courts were not used; the procedure was not used. There has been a violation of the Criminal Code and the Minister of Justice should find out who did it.

MR. HICKMAN: Well, if you will only tell me who. You cannot go out and investigate the whole world.

MR. NEARY: There are only two parties involved, Sir, the court and the law enforcement officers, the RCMP.

MR. HICKMAN: So it is either the court or the RCMP?

MR. NEARY: And it was not the court.  
We found out here that it was not the court.

MR. HICKMAN: And it was not the RCMP because  
that was checked out.

MR. NEARY: Well, the minister had better  
double-check because I can tell the minister who it was  
if I want to now -

MR. HICKMAN: Well, why do you not?

MR. NEARY: - but I want the minister to -

AN HON. MEMBER: Tell us.

MR. DOODY: You are not taking on the RCMP, too?

AN HON. MEMBER: Why are you asking for  
it if you know?

MR. NEARY: Mr. Chairman, I am not going to  
get sucked in by hon. members. I have another important  
matter to raise -

MR. HICKMAN: Come, tell us. I want to hear  
about this.

MR. NEARY: - and it has again to do with  
the RCMP.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, it has to do with  
the auxiliary police. This applies, by the way, to all  
members' districts.

MR. HICKEY: Oh, heavens! I must go down to  
my district.

MR. NEARY: Mr. Chairman, I do not know if  
the minister is aware of it or not, but in the case of fires  
in this Province, when a fire occurs, whether it be a business,  
a house, a night club or whatever, there are a group of  
people who come into this Province after the fire, private  
investigators, auxiliary police, who come in and put the

MR. NEARY: owners of the property through a gruelling experience, through a harrowing experience.

MR. HICKMAN: Back up. Back up a bit.

MR. NEARY: Back up what?

MR. HICKMAN: You say?

MR. NEARY: Auxiliary police.

MR. HICKMAN: RCMP?

MR. NEARY: No, Mr. Chairman, Let me make it abundantly clear, these people use the facilities of the RCMP. Now nobody knows who pays them. We had a case in court recently. I read about it in the paper where a man was hauled into court. His premises burned down, he was hauled in before Judge McCarthy, I believe it was, and he admitted that he was harassed. He had such a gruelling experience from these private investigators, these auxiliary police -

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: Private investigators?

MR. NEARY: Yes.

MR. HICKMAN: That is right. And they are not police.

AN HON. MEMBER: They are private investigators.

MR. NEARY: Mr. Chairman, just hold on a minute now, let us get it straight -

MR. HICKMAN: Yes.

MR. NEARY: - that he had such a gruelling by these people, worse than could happen in Russia or Nazi Germany, and the gentleman ultimately, after months and months of interrogation, said he did it. And he was acquitted by the court.

MR. HICKMAN: He said he did it and he was acquitted.



MR. NEARY: That is right.

MR. HICKMAN: You mean a fellow goes in -

MR. NEARY: No, I am not -

MR. HICKMAN: Wait now, I want to get this straight. An accused person charged with, say, arson -

MR. NEARY: Yes.

MR. HICKMAN: - goes in before a judge and says, 'My Lord, I burnt her down,' and he was acquitted.

MR. NEARY: No, that is not what happened.

AN HON. MEMBER: I did not think so.

AN HON. MEMBER: That is right.

MR. NEARY: The gentleman said that he was interrogated, harassed, put through such a gruelling experience that he told them, 'Yes, I did it,' to get rid of them.

AN HON. MEMBER: Oh!

MR. NEARY: That is an absolute fact, Sir. I know two cases now. I am negotiating with two people whose premises burned down who are undergoing the worst kind of interrogation, they are subjected to lie detector tests of conversations that are put on tape recorders and taken over to Halifax and played into a lie detector and they are using the RCMP premises to do it.

MR. HICKMAN: They can only be subjected to a polygraph test if they volunteer to take it.

MR. NEARY: The minister does not have to tell me the procedure. I know more about the procedure than the minister does. I know more about law than the minister does -

MR. HICKMAN: I bet you do!

MR. NEARY: - and I was never inside a university.

SOME HON. MEMBERS: Oh, oh!

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AN HON. MEMBER: Admit him to the Bar!

MR. NEARY: Mr. Chairman, the situation is this, Sir, the situation is this, that these people are being used by either the insurance company or the RCMP.

MR. HICKMAN: Well, now, which is it?

MR. NEARY: Now I do not know.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: I am told, Mr. Chairman, from a very reliable source that they are not paid by the government, but they are camouflaging as auxiliary police, and in the case that appeared before court recently an arrest was made by one of these auxiliary policemen -

AN HON. MEMBER: (Inaudible)

MR. NEARY: - not in the presence of a uniformed officer of the RCMP.

AN HON. MEMBER: Not?

MR. NEARY: Not.

AN HON. MEMBER: Heave it out of you, Perry.

MR. HICKMAN: Wait now; wait now.

MR. NEARY: That is very funny, is it not? Very funny. I believe that one of the victims, by the way, happens to be a constituent of the hon. gentleman -

MR. HICKMAN: There you go.

MR. NEARY: - one of the victims that I am referring to -

MR. HICKMAN: Now!

MR. NEARY: - who was being harassed by these people, and the hon. gentleman does not care, does not seem to be concerned about this, that these private investigators are going around this Province every time there is a fire harassing people. They cannot collect their

MR. NEARY: insurance. I know one case that is ongoing for two years. Their reputation has been ruined in the region in which they live by these private investigators, these so-called auxiliary police. No charges laid, going on for two years -

MR. HICKMAN: No. No. No. You are all mixed up.

MR. NEARY: The hon. minister shakes his head.

MR. HICKMAN: You are all mixed up.

AN HON. MEMBER: - the auxiliary police?

MR. NEARY: Mr. Chairman, I can tell the hon. gentleman that letters have been written recently to the Attorney General of Canada about this matter.

MR. PECKFORD: Which one?

MR. NEARY: And the minister does not know anything about it.

MR. HICKMAN: I know that the hon. gentleman does not know anything about it. From what he is saying it is obvious.

MR. NEARY: Mr. Chairman, I am dealing, I told the hon. gentleman, I read the court case, I am dealing with two people now who are being subjected to this interrogation.

MR. HICKMAN: If there is any breach of the law in the mind of the hon. gentleman at all, all he has to do is send a copy of the letter.

MR. NEARY: I want to know, Sir, if this is legal and who is paying these people? Are they working for the insurance company or are they working for the RCMP.

MR. HICKMAN: They are certainly not working for the -

MR. NEARY: If they are working for the insurance company they should not be using the RCMP premises. Is that correct?

MR. HICKMAN: I am waiting to see your letters. Let me see your letters now.

MR. NEARY: I do not have any letters on this particular matter.

MR. HICKMAN: Will you write me a note?

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, I -

MR. HICKMAN: It is now one minute to eleven, we have four minutes left on my estimates.

MR. NEARY: Mr. Chairman, these auxiliary police, these private investigators are real. They do exist.

MR. HICKMAN: Oh, yes.

MR. NEARY: They are harrassing Newfoundlanders. If there is going to be investigation into fires for arson it should be done by the RCMP and not by these private eyes.

AN HON. MEMBER: That is right.

MR. NEARY: And I want to know who they are and what authorization they have to carry out these investigations. Who are they working for? Who pays their salary?

MR. CHAIRMAN: Order, please! Is it the consent that the clock be stopped?

MR. NEARY: No, Sir.

AN HON. MEMBER: Four minutes.

MR. NEARY: I do not have anything else to say. I am just waiting for the minister's reply.

MR. HICKMAN: We have got four minutes left on my estimates, we will be finished four minutes after eleven.

MR. NEARY: Well, give us a reply.

MR. HICKMAN: Okay.

MR. CHAIRMAN: Is it the consent of the House that the clock be stopped?

MR. W. ROWE: Yes, Mr. Chairman.

MR. HICKMAN: Thank you, Mr. Chairman.

Mr. Chairman, I have listened to the hon. gentleman very attentively, and not in a critical sense but with an anxiety to try and find out what it is he is talking about. And I am no wiser now than when I started except for one thing, I know that he is totally confused with the matter that he is trying to raise in this Committee.

MR. NEARY: I am not.

MR. HICKMAN: He talks about the RCMP Auxiliary Police. Now let me very briefly indicate to this House who the RCMP Auxiliary Police are. They are a group of Newfoundlanders, they are not in every constituency because we have not-the RCMP or the Solicitor General of Canada has not put

MR. HICKMAN: up enough money for their uniforms, etc., to have them all over the Country.

MR. NOLAN: What constituencies are they are?

MR. HICKMAN: I do not know what ones they are in. I know they are in the St. John's area. I know they are in the Corner Brook area. I suspect they are in Central Newfoundland. They are a group of very civic minded individuals who are volunteers, they do not get paid for this. But the uniforms are supplied out of the Solicitor General of Canada vote. My only involvement is that I have to sign an identification card with their names on it. They are used primarily in traffic control and they have done an excellent job in various parts of the Province on occasions when they need that kind of traffic control. They are also used particularly in the Conception Bay South area sometimes -

MR. NEARY: Who are these people?

MR. HICKMAN: Wait now, we are coming to that. The hon. gentleman is confusing the two.

MR. NEARY: No, I am not. No.

MR. HICKMAN: I am sure that there has been no harrassment by any member of the auxiliary of the Royal Canadian Mounted Police.

MR. NEARY: No, I did not say there was.

MR. HICKMAN: Right. Well then -

MR. NEARY: I said these private investigators.

MR. HICKMAN: So let us forget the RCMP Auxiliary. They are not relevant.

MR. NEARY: Well the court referred to them. I read it in the paper. They referred to them as auxiliary police. I think they are private investigators.

MR. HICKMAN: All right, now Mr. Chairman, then we come to the next question that the hon. gentleman has raised, it is a question of the private investigators. In this Province we have a Private Investigators and Security Act.

MR. NEARY: No, these are from Nova Scotia, from Halifax.

MR. HICKMAN: Well, if they are from Nova Scotia or from Halifax, unless they are licenced to investigate in this Province, then they are acting illegally within the Province.

MR. NEARY: Well the minister had better check it out.

MR. HICKMAN: And that is acting illegally not in their dealing with a particular individual, but working as private investigators in the Province.

MR. NEARY: Exactly what I am saying. It is illegal.

MR. HICKMAN: Look, the hon. gentleman is jumping to conclusions again. The Private Investigators Act, I know of a case where a couple of years ago two private investigators from Halifax came into the Corner Brook area at the request of an employer to investigate some suspected embezzlement going on within his firm. We found out about it just after they left. That firm has unsuccessfully been trying to obtain a licence in the Province ever since and they have not

MR. HICKMAN: and the two investigators know that if they return to this Province, which I am sure they never will, that action will be taken against them. Now when a fire occurs -

SOME HON. MEMBERS: Oh, oh!

MR. HICKMAN: Mr. Chairman, will the hon. gentleman listen to me? When a fire occurs in this Province and where the premises are the subject matter of a fire insurance policy, the police conduct an investigation only for one purpose and that is to find out whether or not any breach of the Criminal Code has occurred.

MR. NEARY: The hon. minister does not know the procedure. I am telling the hon. minister what is happening and the hon. minister does not seem to realize it. These private investigators are doing the investigating.

MR. HICKMAN: Now may I get back, Mr. Chairman -

MR. NEARY: But they use the RCMP passes.

MR. HICKMAN: - may I respectfully get back and give this Committee the facts. The police investigate to see whether or not a crime has been committed. With respect to any breach of a policy of fire insurance, and I say it modestly that I have had more experience in that than any practicing lawyer in this Province when I was in private practice. The procedure that is followed is that the insurance company, the insurer, which he has a perfect to do, appoints an insurance adjuster and/or investigator to investigate the facts surrounding the fire to see whether or not there was any breach of the fire insurance policy. Nothing to do with culpability, nothing to do with criminality, nothing to do with the Criminal Code of Canada, nothing to do with any breach of the law at all. I may have all kinds of responsibilities -

MR. NEARY: Well the minister better read that case was in the court recently.

MR. HICKMAN: -but one thing I have not got responsibility for is the relationship between an insurer and the assured.

MR. NEARY: Are they allowed to use the RCMP premises?

MR. HICKMAN: Mr. Chairman, if they have used the RCMP premises it has been with the consent of all of them.

MR. NEARY: All of who?

MR. HICKMAN: Of the insurer and the insured.

MR. NEARY: No. The insurer thinks that they are the RCMP. These two cases that I have -

MR. HICKMAN: - and the insurer's investigator. And I am sure that any suggestion that the RCMP auxiliary were involved in anything but the most scrupulous attention to the law and law enforcement would be totally erroneous, totally incorrect and not in keeping with the traditions of a great police force.

SOME HON. MEMBERS: Hear, hear!

On motion, 701-01, carried.

On motion, 701-02 through 712-03-11,

carried.

On motion, Head VII, Justice without amendment, carried.

MR. HICKMAN: Mr. Chairman, I move that the Committee rise, report progress, considerable progress, and ask leave to sit again.

MR. W.N. ROWE: Mr. Chairman, I know that motion is not debatable, but could the minister give some indication what headings he is going to call tomorrow on Supply?

MR. HICKMAN: Tomorrow is Mines and Energy and I think it is pretty well the whole day, but there may be an hour left over and as soon as I can get a chance to consult with my colleagues I will indicate as quickly as possible to the Opposition House Leader the other department to come on. But it will be Mines and Energy on tomorrow.

MR. W.N. ROWE: The Premier is absent again.

MR. HICKMAN: The Premier is assiduously working in the interest of this Province.

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



returned to the Chair.

MR. SPEAKER: The hon. Chairman.

MR. CHAIRMAN: Mr. Speaker, the Committee of Supply have considered the matters to them referred and have directed me to report having passed estimates of expenditure under the following Headings: No. 1 Consolidated Fund Services;

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No. IV Finance; No. II Legislative; No. VII Justice and to report having made further progress and ask leave to sit again.

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

MR. SPEAKER: The hon. Chairman.

MR. CHAIRMAN: Mr. Speaker, I have to report that I have made a clarification of a ruling previously made in Committee in regard to a point of order resulting in an hon. member graciously and in large terms withdrawing an unparliamentary remark.

MR. SPEAKER: The hon. Chairman of Committee reports that a remark which was deemed by him to be unparliamentary has, in fact, been withdrawn and therefore the matter raised in the House to me no longer is a matter in which any action is taken because the remark has been withdrawn.

MR. NEARY: I thank Your Honour very sincerely.

MR. HICKMAN: Mr. Speaker, I move that the remaining orders of the day do stand deferred and that this House on its rising do adjourn until tomorrow Tuesday, April 4, 1978, at 2:00 p.m.

On motion, the House at its rising adjourned until tomorrow Tuesday, April 4, 1978, at 2:00 p.m.