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TRANSCRIPT

HOUSE OF ASSEMBLY

FOR THE PERIOD:

2:00 P.M. to 6:00 P.M.

MONDAY, 20TH. NOVEMBER, 1978

The House met at 2:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER:

Order, please!

I am pleased to welcome to the galleries a group of fifteen students from Lyndale Elementary School in Bay Roberts accompanied by their teacher, Mr. Wesley Stagg. I know all hon. members join me in welcoming these students and their teacher to the House of Assembly.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

I am also pleased to welcome on behalf of hon. members the council from the town of Durrell. The councillors are Mr. Clarence Rogers, Mrs. Earle, Mr. Bob Stockley, Mr. Lloyd White, and the Town Clerk of the Durrell Town Council, Mr. Dave Burton. I know also that hon. members join me in welcoming the councillors and town clerk.

SOME HON. MEMBERS:

Hear, hear!

PRESENTING PETITIONS

MR. SPEAKER:

Hon. member for St. George's.

MRS McISAAC:

Mr. Speaker, I beg leave to present a petition on behalf of one hundred and seventy-three householders in the Codroy Valley area. This is from the North side of the Codroy Valley area. The prayer of the petition is: "We, the concerned residents of the Codroy Valley in the electoral district of St. George's, do hereby petition the Government of Newfoundland and Labrador to repeal the 1976 amendment to the Waste Disposal Act allowing the said act to stand as it was stated in 1973. We feel that there was sufficient legislation in the original act to safeguard our environment from the abusive disposal of waste materials and benefits to the people of the Codroy Valley would be threefold: firstly, to repeal this said amendment would permit many Valley residents to dispose of waste materials in the manner they chose provided that they do not violate subsection (2) of section 4 of the act and without the extraction of fees for a service they may not want; secondly, the

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MRS McISAAC:

would help to subdue the anger and
resentment of other residents who may wish to freely participate in
the existing waste collection service but who object to feeling
obligated to doing so. thirdly, this would also release

Mrs. McIsaac:

the Codroy Valley Waste Disposal Committee from the unpleasant task of taking civil action against residents who refuse to pay collection fees ultimately resulting in the imposition of fines or possibly imprisonment of these innocent people.

"We petition the Minister of Consumer Affairs and the Environment to see the wisdom of this move and speedily act upon it so as to prevent problems similar to those which have beset the Codroy Valley in recent months from occurring in other non-municipal areas throughout Newfoundland. We ask our member to present this petition during the present session of the House of Assembly."

I have had this petition, Mr. Speaker, in my possession, or parts of it, since June, but it dribbled in in different sections; in fact, there are still three sections to arrive. In speaking to this petition, I have nothing against Waste Disposal Committees although I support this particular petition because of the way in which the Waste Disposal Committee was formed in the Codroy Valley area. And in 1976 there was an amendment to the Act making the payment of fees compulsory whether or not garbage or waste disposal was collected. The people in this area were not advised-up until June of 1976-it was on a voluntary basis-and they were never advised of this legislation. They did not know the Waste Disposal Committee was informed and asked to pass it on; it was never passed on to them. And the next thing they found out about it was when they received a summons in July of 1977, a year later, notifying them that they would have to pay the fees for the previous year. And in this particular area waste disposal is a problem, and I think it has been confirmed by the Department of Health that it has created pollution to the water system in the area

MRS. MCISAAC: and residents on the north side of the Codroy Valley are very upset and this is why they are looking to have this part of the act repealed. I am not asking that it be repealed, I think it is a good thing, but in the meantime my stand is that the Department of Environment should become more involved in setting up those waste disposal committees and have public meetings where people are elected to the committees rather than appointed. And I think this is the whole problem here. The people were not elected, they were appointed and this was more or less - the people feel crammed down their throats and for that reason they are very, very unhappy out in that area. The area is polluted, there is garbage all over the place, and it is certainly not what you would expect from a disposal committee, an open waste disposal pit. Along with the fact that the water is polluted, I have contacted the Department of Environment, Department of Health, and the Department of Municipal Affairs a couple of weeks ago and asked that the three departments get together with the hope that maybe they could resolve the problem that exists there with polluted water. So I still do not know if there will be a meeting or when it will be, but I would like to ask that this petition be placed upon the table of the House and referred to the department or departments to which it relates. Thank you.

SOME HON. MEMBERS: Hear, hear!

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. SPEAKER: The hon. Minister of Education.

MR. W. HOUSE: A question that was asked by the hon. member for Baie Verte - White (Mr. Rideout) on the Workmen's Compensation review. This review was completed by the committee and presented to government some time ago for the required action. Such has been dealt with and all the decisions have been made on it. Most of the legislative requirements are included in the present bill 76 which is now on the Order Paper in that there are 17 amendments there dealing with financial matters as well as some coverage changes.

MR. HOUSE: The remainder is embodied in the Occupational Health and Safety Act and the regulations that are now in process.

ORAL QUESTIONS:

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

MR. W. ROWE: I wonder, Mr. Speaker, if the House Leader could tell us whether the Premier is going to grace the hall this afternoon?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, the Premier is attending a funeral and I would seriously doubt he will be here within the next half hour.

MR. NEARY: He is attending what?

MR. W. ROWE: A funeral.

Mr. Speaker, then in his absence I would like to direct a question to the hon. the Deputy Premier. The word is going around, Sir, that Abitibi Price have been the ones who have been chosen by the government to take over the Linerboard mill. I do not know if that is true or untrue. Would the hon. the Deputy Premier indicate to the House whether in fact a decision has been made and if so if Abitibi Price are the ones who have been chosen by the government to take over the Linerboard mill?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, there has not been a government decision to date, to this minute, as to who has been the successful bidder and/or proposer to buy the Linerboard mill at Stephenville.

MR. W. ROWE: A supplementary, Sir.

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

MR. W. ROWE: Would the hon. Minister of Finance indicate to the House when a decision on the takeover of the Linerboard mill is anticipated by the government? Are we talking about days? Are we

MR. W. BOWE: talking about weeks? Are we close to a decision having been made on that?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: We are reasonably close, Mr. Speaker, to a decision being made. The hon. gentleman will appreciate that before that decision is made, and before that decision is announced, certain regulatory bodies, such as security commissions, have to be advised in advance. Hence the difficulty in getting a precise time. But there are certain very rigid requirements that major corporations must meet. But I repeat

MR. HICKMAN: it will not be very long,
it will not be a month.

MR. W. N. ROWE: Mr. Speaker, a supplementary question.

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

MR. W. N. ROWE: In the general area of the
takeover of defunct plants, would the hon. Deputy Premier
indicate to the House whether the government have made a
position known to Peat Marwick and Mitchell or to the first
mortgagees, Kleinwort Benson and those others like Kleinwort
Benson, ECGD in the U.K., whether the government have made
a position known to them regarding the announcement made by
Peat Marwick last week that they at least up to now have
favoured the proposal made by First Arabian or have the
government merely stayed back and away from the situation
altogether?

MR. SPEAKER: The hon. the minister.

MR. HICKMAN: Mr. Speaker, to my knowledge,
certainly not as a matter of government policy, the
government have not indicated to Kates, Peat, Marwick and
Company, the trustee - the receiver rather, not the trustee
- the receiver with respect to the Come By Chance bankruptcy
what our position is. I note by this morning's press that
the receiver indicates they have several months of hard
bargaining with the First Arabian Bank before they reach
a final conclusion. In the meantime, as to the details,
if there are further details with respect to government
policy on that matter, I think that the House, if there is
any additional information to obtain, could obtain that
more properly from my colleague, the hon. the Minister of
Industrial Development, who is very close on a day-to-day
basis with matters of that kind.

MR. W. N. ROWE: A final supplementary, Sir, which
arises out of the answer.

MR. SPEAKER: A supplementary.

MR. HICKMAN: To me or to the Minister of Industrial Development?

MR. W. N. ROWE:

I will direct the question to the hon. the Minister of Industrial Development, the question being the one that I asked the hon. the Deputy Premier, but added to it the following: Does the government intend to take a position on one or other of these proposals and make its position known to Peat Marwick or to ECGD or to any other party involved in the

Mr. W. N. Rowe: Come By Chance bankruptcy or will they wait the outcome of the proposal which has now been accepted by Peat, Marwick before they make a decision one way or the other? What is the government's position, in other words, Sir?

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

MR. DOODY: Mr. Speaker, the Premier made, I thought, the position of government abundantly clear on Friday in this particular area. The government's position on this is the position that we must look after the people of the Province first and our involvement and the Province's involvement first whichever -

MR. NEARY: What are they going to do about it?

MR. DOODY: Kotter is back, Sir. Excuse me. Do you want to add something?

MR. NEARY: I will later on.

MR. SPEAKER: Order, please!

MR. DOODY: Excuse me, Sir.

The point is that we are looking at the situation very carefully. The receiver is keeping us informed as things go along. They have expressed their preference for a particular proposal which was offered to them. On the surface there appears to be nothing detrimental to the Province's interest in that particular proposal. We look at it from a day to day position. If things change, if it appears as though the Province is being short-changed somewhere along the line, we will have no more hesitation about voicing our concerns in this area than we did when the Ultramar proposal came in a few months ago. The first decision, the first choice, the first interest that has to be expressed is that of the receiver working on behalf of the first mortgage holder. Obviously the Province's position is a great deal stronger and heavier and more involved than that of a second mortgage holder. The refinery, the asset is obviously here in the Province and we have our people to consider as well as our investment.

So to that end, as I say, we are monitoring the situation. If it appears that it is getting out of hand, that the Province

Mr. Doody: and its people are not getting the best deal, then we will certainly express our opinion at that particular time. To date we have no reason to interfere with what appears to be a reasonable procedure.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary, the hon. member for LaPoile.

MR. NEARY: Could the hon. gentleman indicate to the House what happens in connection with the wharf that was built by the Government of Canada, paid for by the taxpayers of Canada to the tune of twenty-odd million dollars at Come By Chance? Has First Arabian or any other person who is making proposals, have they cleared the way to use that dock in Come By Chance to the minister's knowledge? What will happen in the

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MR. NEARY:

case of the wharf? Can the Government of Canada, if they want to, shoot down the deal by saying, "Well, you cannot use that wharf," or "You can use that wharf." Who has the authority over it? And what about the wharf? What future, what role would it play in any deal that is made as far as Come By Chance is concerned?

MR. SPEAKER:

The hon. Minister of Industrial Development.

MR. DOODY:

I think the position of the Government of Canada with respect to that wharf was expressed by a Liberal Minister of Public Works some years ago, which I probably should not get into because that is history now and it really is not completely relevant.

The Government of Canada obviously has a very real concern, and a very real interest in the disposition of the asset which they control. What arrangement they make with whomever the successful bidder for the refinery asset is is something obviously that we have no control over. We will certainly be involved, I would hope, in any decisions that the Government of Canada makes in that regard. The asset is in the Province of Newfoundland and is an integral part of the community of Newfoundland and I would hope that the Government of Canada will consult us and talk to us about whatever decisions they make with regard to the wharf. The wharf, as I understand it, was built on a user pay concept and I would think that that same arrangement would be transferred to whomever the successful bidder on the refinery asset is. But that is something that will have to be worked out between the Government of Canada and the receiver acting on behalf of whomever they think is most suited to take over that asset.

MR. NEARY:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. member for LaPoile.

MR. NEARY:

Mr. Speaker, the hon. gentleman in his answers seems to be taking a very wishy-washy position for some reason

MR. NEARY: or other and I would like to try to pin the minister down if I can. As far as this Government of this Province that is supreme in Newfoundland is concerned, can the minister tell us for sure, to assure this House definitely, that before any move is made for the takeover of Come By Chance by anybody, that this government will be the one that will say yes or no, that this government has the authority because we own the land that the oil refinery is on although the minister and his colleagues transferred the shares of Provincial Refinery back in '75 to Newfoundland Refining?

AN HON. MEMBER: Why did they do that?

MR. NEARY: That is what I would like to know, why they did it. But I will come to that later. The terms and conditions of purchasing that refinery, of Newfoundland Refining purchasing that refinery were not met and so therefore we still own the property and why could not the government direct who gets that oil refinery? And if it is Mr. Shakeen who has the best deal, why does the government not say yes or no? That is all we want to know. Never mind wishy-washy answers.

MR. SPEAKER: Order, please! Order, please!

I must point out hon. members really must keep their remarks to asking questions rather than debating the issue on which information is sought.

The hon. Minister of Industrial Development.

MR. DOODY: I must first of all, Sir, congratulate the member for LaPoile (Mr. Neary) on his maiden speech of this session of the House. We are delighted to have him back and I think that somewhere in the heart of that diatribe there was a question and I am trying to locate it now. I think it was something to do with whether or not the Province of -

MR. NEARY: When is the government supreme?

MR. DOODY: - was whether or not the Government of Newfoundland, representing the people of the Province, had authority over the land out at Come By Chance.

MR. NEARY: Oh, no. That is part of it.

MR. DOODY: Well I better sit down and ask him to rephrase the question, Sir. I misunderstood it in the diatribe.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, just to clarify the question. Would the minister tell us if the government in this case, if the government is supreme as far as the future of the Come By Chance oil refinery is concerned? Is this government supreme? That is all I want to know.

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

MR. DOODY: Mr. Speaker, if I subscribed to that theory I would be a member of that party. The government is not supreme, Sir, the people are.

SOME HON. MEMBERS: Hear, hear!

MR. DOODY: It is the sort of theory, and the sort of philosophical approach that the ultimate leader of this party, the hon. gentleman in Ottawa, takes from time to time, 'Since the press are against us, and since the Opposition are against us, therefore society must be against us. But we must press on anyway because Liberal thought is good thought and good thought then has to be the people's thought.'

MR. W. ROWE: What is this, Mr. Speaker?

MR. DOODY: I do not think, Sir, that that is completely relevant to this particular situation. Our responsibility is -

MR. SIMMONS: You are making a fool of yourself

AN HON. MEMBER: High heels is up.

MR. SPEAKER: Order, please! I will recognize the hon. gentleman from Burgeo-Bay d'Espoir (Mr. Simmons) followed by the hon. gentleman for Trinity-Bay de Verde (Mr. F. Rowe).

Order, please!

MR. SPEAKER: Actually I have already indicated that I would recognize next another hon. member. Unless he yields, then obviously I will have to stick with that decision. What I was going to say was that I will point out to hon. members on both sides that the Question Period has quite specific rules and they are outlined in our Standing Order 31, especially (c) and the essence of what it boils down to is that questions should really ask for information without debate and that ministers, if giving answers, should give the information, if they intend to answer it, without debate. It should not be a period during which members debate different points of view on the subject.

I have indicated I think that I will recognize the hon. member for Burgeo - Bay d'Espoir so I recognize him.

MR. SIMMONS: Mr. Speaker, I would still very much like to hear the answer from the Minister of Industrial Development. We will give him time to think about it but in the meantime I would like to raise a question to the Minister of Mines and Energy. I wonder would he tell us whether or not he has been misquoted in the press over the weekend? Is it in fact true that the minister in Quebec City committed this Province to being in support of an increase in the price of a barrel of oil as of the first of January?

MR. SPEAKER: Hon. Minister of Mines and Energy.

MR. PECKFORD: Mr. Speaker, this Province has taken the position that the federal government has broken an agreement with the province of Alberta as related to ongoing prices in the price of hydrocarbons at the wellhead in Alberta and Saskatchewan and that the methodology used by the federal government, which was unilateral and which broke an agreement with the province, is contrary to good federal-provincial co-operation. It was on that basis that we wanted to rediscuss the whole question with the federal government.

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MR. SIMMONS: A supplementary.

MR. SPEAKER: A supplementary.

MR. SIMMONS: Mr. Speaker, I assume, I guess I can assume from the answer that the answer is yes, they have agreed to an increase in the price of oil as of January. That is what I got from the news and the minister has not contradicted that.

MR. WHITE: Three cents a gallon in Newfoundland.

MR. SIMMONS: Mr. Speaker, perhaps a supplementary should be directed to the Minister of Finance. It is supplementary to the one I have just asked. I am tempted to say first that perhaps we should be fighting our own battles at these conferences instead of Alberta's battles.

SOME HON. MEMBERS: Hear, hear!

MR. SIMMONS: Mr. Speaker, I recall the \$50 million loan of sometime ago from Alberta. In light of the Province's stand at Quebec City over the weekend, could the Minister of Finance indicate to us whether this now is the other half of the deal? That the Province obtained the loan from Alberta having made certain commitments to support the Alberta position on oil prices even if that position flies in the face of our best interests as a Province, which is clearly the case right now, Mr. Speaker?

MR. SPEAKER: Hon. Minister of Finance.

MR. HICKMAN: Mr. Speaker, in the second half of the question I may have to defer that to my hon. colleague the Minister of Mines and Energy, but I want to assure this House that the money that was borrowed on very good terms, but at the going market rate at the time, from the Alberta Heritage Fund had but one condition attached, which the government of this Province will meet without any difficulty, and that is the repayment of the loan, principal and interest, and no other. We have a responsibility as the government of this Province to look with apprehension upon every move by the national government to take away more and more provincial control over our natural resources. And we must learn - and I thank the hon. gentleman for St. John's West (Dr. Kitchen) for nodding his head in agreement as to what I am saying -

Mr. HICKMAN:

we must learn from the experience of what has happened so tragically to Alberta and to the province of Saskatchewan where slowly but surely, but with malice of aforethought, their resources are being taken away, the control of their resources are being taken away from them either by way of federal taxation or either by way of the regulatory powers. And if we have the kind of resources that I believe we have and hope we have, then the people of this Province and generations yet unborn would never forgive us if we abdicated our right

MR. A. NICHMAN: and said, 'We agree with the attitude you are taking, Mr. Government of Canada, towards the western provinces; because unquestionably if we strike these resources our turn will be next. That, as I understand it, is the position that was put by the Province of Newfoundland consistently, consistently for the last five years. I am optimistic enough to believe that as a result of the -

AN HON. MEMBER: (Inaudible)

MR. A. NICHMAN: Well, I did not ask the provocative question, Mr. Speaker. It is my obligation to try to give the shortest possible answer I can. I do believe that as a result of the position of this Province as put out the recent First Minister's Conference by the Premier that we are going to see some meaningful negotiations with this Province in a leadership role with respect to some constitutional entrenchment of resource rights in the provinces. If we do not have that then, Mr. Speaker, we will unquestionably face the same problems as the western provinces are facing today.

MR. SIMMONS: A supplementary.

MR. SPEAKER: A supplementary.

Hon. member for Burgeo - Bay d'

Espoir.

MR. SIMMONS: I say to my colleague for Conception Bay South (Mr. Nolan) you did not worry about them getting on the bench. If he does nobody will ever get to jail because he will never finish a sentence.

Mr. Speaker, that is a red herring, an absolute red herring. The question I put to the Minister of Finance, and perhaps he can answer it this time: Was there any deal with Alberta to subvert, to undermine our best interest as a Province in order to support Alberta on this red herring resource issue? The real question, Mr. Speaker, why is it? Why is it, Mr. Speaker, that a government representing the people of this Province, if you believe

MR. SIMONS: the Minister of Industrial Development, has gone to Quebec City and committed our people to pay an additional three cents a gallon as of the first of January. Is it because there was a deal -

MR. WHITE: Why?

MR. SIMONS: - are we going to pay an extra three cents a gallon because there was a deal with Alberta in order to get this \$50 million? Is that the issue, Mr. Speaker? Let the minister answer if that is the case or not, then we will have a few more questions for him.

MR. SPEAKER: Hon. minister.

MR. HICKMAN: The answer, Mr. Speaker, is an emphatic 'No'.

MR. SIMONS: A supplementary.

MR. SPEAKER: A supplementary.

MR. SIMONS: Mr. Speaker, will the minister confirm that it is going to cost the consumer an additional three cents as of the first of January or is there some -

MR. F. WHITE: Because of the Quebec agreement.

MR. SIMONS: Exactly, because of what was undertaken by the Province in Quebec this week? Is it going to cost the consumer an extra three cents a gallon as of the first of January?

MR. SPEAKER: Hon. minister.

MR. HICKMAN: Mr. Speaker, I cannot answer that question because no arrangement has been made. The position that this Province has taken in the past has been twofold: one, that additional federal taxes coming out of the production of oil in Alberta and imposed upon that production should be used to subsidize petroleum products and/or the price of crude oil that is imported to try and keep the price in Canada uniform. Without that, if there is no agreement, then I can tell you, Mr. Speaker, that the price of oil in this Province will absolutely skyrocket.

MR. SIMONS: What a red herring!

MR. HICKMAN: And this is our concern, that when there is an agreement made and I was present at that agreement. It was made in the Prime Minister's residence about three years ago that this policy on the part of the Government of Canada would be followed. When we see that that has now been varied, all we can try and do is maintain still some equilibrium with respect to the price of oil in Canada, because if we ever get totally out on our own, all by ourselves, the price of petroleum product in this Province will be absolutely horrendous.

MR. F. WHITE: On the backs of Newfoundlanders.

MR. HICKMAN: And that is exactly why, because we cannot afford to allow the Government of Canada to ride on the backs of Newfoundlanders by breaking agreements with the Government of Alberta.

MR. SIMMONS: A supplementary.

MR. SPEAKER: Final supplementary. Hon. member then the hon. member for Trinity - Bay de Verde followed by St. John's West.

MR. SIMMONS: Mr. Speaker, why does not the Minister of Finance stop misleading the House on this one and give us some answers. Ottawa wanted to keep the price of oil down, and I asked the minister -

MR. HICKMAN: A point of order.

MR. SPEAKER: Hon. minister.

MR. HICKMAN: On a point of order, if the hon. gentleman wants to get into a political harangue on the instructions of Prime Minister Trudeau there is a time and forum to do it. But I do submit that suggesting that I have been misleading the House is a flagrant breach of the rules and I ask Your Honour for the protection of the rules.

MR. SPEAKER: Hon. member.

MR. SIMONS:

On the point of order, Mr. Speaker,

I have not said he has been deliberately misleading the House because that would attribute a certain skill to him. All I said that he is misleading the House, he is not telling the House the entire truth about this issue.

MR. SPEAKER:

Order, please!

Our precedents are certainly

quite clear that any allegation of deceit is unparliamentary and must be withdrawn by any hon. member

MR. SPEAKER: who alleges that a member is deceiving the House or is wilfully or knowingly misleading. We do have precedents whereby an hon. member accused another of misleading the House. There is not necessarily any connotation of deception. The House could be misled for a number of reasons: perhaps the House misunderstands what somebody says, or if an hon. member puts forward what he purports to be facts which may or may not be facts or may be understood differently. So as long as there is no connotation of deception then the House has generally regarded the term 'misleading' as neutral.

SOME HON. MEMBERS: Hear, hear!

MR. SIMMONS: Thank you, Mr. Speaker.

My supplementary for the minister: Ottawa wants, and wanted over the weekend at Quebec City, to keep the price of a barrel of oil down, to keep the price of a gallon of oil down.

AN HON. MEMBER: Both.

MR. SIMMONS: I understand that our government, or a spokesman for the government of this Province, committed this Province to a higher price and that the net effect of that is that the consumer will pay three cents additional per gallon as of the first of January. Now, Mr. Speaker, my question, I really fail to see how that can accrue to the benefit of any consumer in this particular Province -

AN HON. MEMBER: Hear, hear!

MR. SIMMONS: - and the question really is: What is the government doing in bed with Alberta? Why does it not get in bed with our own people? And specifically, what will it cost the consumer? Will the minister confirm that it will cost the consumers of this Province an extra three cents per gallon as of January as a result of the irresponsible action taken by his colleague in Quebec City

MR. SIMMONS: this weekend?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. minister.

MR. HICKMAN: I am going to defer to my colleague, the Minister of Mines and Energy to answer the second part of that question, but may I repeat again, Mr. Speaker, what has transpired to date. Number one, the tax that has been collected from the Province of Alberta on its oil by the Government of Canada pursuant to an agreement entered into between the Government of Canada and the ten provinces was used to subsidize imported crude into Eastern Canada at the Venezuelan price.

AN HON. MEMBER: The world price.

MR. HICKMAN: The world price. And this was, we thought, a very salutary thing to the Province of Newfoundland, because even though the price of oil was going up, it was not going up with the same rapidity that it would have gone up if that agreement had not been entered into. Now the Government of Canada has indicated that it has unilaterally broken that agreement. But what we are concerned about is that it has not indicated to the Province the methodology it will follow and what kind of an agreement it will replace it with; and unless and until that is done the Government of Newfoundland together with the governments of all the other provinces is not in a position to say yes or no. But we do have a right to say to the Government of Canada, 'We find it most unacceptable that you will break an agreement unilaterally that was entered into in good faith following intensive negotiations with the ten provinces,' an agreement which has been, in my opinion, beneficial to Newfoundland. No agreement has been accepted. I repeat, no agreement has been accepted yet, and unless and until that is done then it would be impossible for anyone to say what the increase in the price of oil in Atlantic Canada

MR. HICKMAN: and in Newfoundland will be this year.

MR. WHITE: Three cents a gallon.

MR. HICKMAN: It may very well be, I do not know, but just think what it would be if there were no agreement amongst provinces at all and there would be no subsidization.

MR. F. ROWE: Mr. Speaker.

MR. SPEAKER: I will recognize the hon. gentleman from Trinity - Bay de Verde.

MR. F. ROWE: Mr. Speaker, I ask this question for the tenth time during this session and I am hoping to get an answer to it before the end of the session. And I ask the Government House Leader in the absence of the Premier. The Premier promised to table the contract for the Chairman of the Action Committee on six or seven occasions and it has not been done, Sir. I was wondering if the Government House Leader could undertake to make a commitment to this House that the contract of the Chairman of the Action Committee, the length of that contract, the job description, the pension rights, any life insurance rights and all of the things that are involved in that particular contract will be tabled before this House before the House prorogues?

MR. SPEAKER: The hon. minister.

MR. HICKMAN: The only undertaking I can give is that I will bring the hon. gentleman's question and request to the attention of the hon. the Premier as soon as he takes his seat later on this afternoon.

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

MR. SPEAKER: A supplementary.

MR. F. ROWE: Could the Government House Leader indicate - he is a member of the Cabinet -

Mr. F. Rowe: who is producing the various radio and T.V. ad? How much it is costing the Province for this particular Action Group? And are these films and tapes to be canned and saved for political purposes such as those films that were taken for the Fisheries Conference?

MR. SPEAKER: The hon. Minister of Finance.

MR. HICKMAN: I, not being in that business myself, despite what hon. gentlemen said about my Budget Speech which was so well put together -

AN HON. MEMBER: (Inaudible).

MR. SPEAKER: Order, please!

MR. HICKMAN: - I cannot answer that question. But like all other Newfoundlanders I find the programmes most impressive and factual -

MR. NEARY: The Minister of Tourism cannot get his film.

MR. HICKMAN: - and accurate. But I cannot answer .
The other part; Who made them? Who they made them for? Whether they are going to be canned in the hope that we get an Oscar? I do not know. I suspect we will.

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

MR. SPEAKER: A supplementary, the original questioner. I think then I will recognize the hon. member for St. John's West.

MR. F. ROWE: Mr. Speaker, I find it passing strange that the Government House Leader, the Deputy Premier, does not know what is going on in his own Cabinet. Minister of Finance -

MR. NOLAN: He does not want to find out.

MR. F. ROWE: The minister of practically everything.

AN HON. MEMBER: That is why he is there.

MR. HICKMAN: I do not know why I am there either, so that makes two of us.

MR. F. ROWE: Could the minister indicate, Sir, why another little subtlety is going on with respect to the advertisement with respect to the Action Group. The people are asked to call 737-3800, Your Government of Newfoundland. Why is it not called the Action Committee? It might sound like a minor detail but it smacks of a paid political

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Mr. F. Rowe: advertisement to me.

AN HON. MEMBER: The Moores Administration.

AN HON. MEMBER: (Inaudible).

MR. F. ROWE: Equally embarrassing.

MR. SPEAKER: The hon. Minister of Finance.

MR. NEARY: Send for George McLean.

MR. HICKMAN: I have never been embarrassed, Mr. Speaker, and I am sure that nobody in Newfoundland has been embarrassed over an advertisement that starts off by saying, "This is your Action Committee working for your Government of Newfoundland."

MR. NEARY: That is not what they say.

MR. HICKMAN: Well, how do they say it?

SOME HON. MEMBERS: No. No.

MR. NEARY: They say Government of Newfoundland.

MR. HICKMAN: Government of Newfoundland.

MR. F. ROWE: The Action Committee has disappeared altogether.
now.

AN HON. MEMBER: (Inaudible).

MR. HICKMAN: Oh well, I see what you mean. Oh I see-

MR. NEARY: We have two Premiers now.

MR. HICKMAN: - the Government of Newfoundland. Ah, ha!

I have got to start listening.

MR. F. ROWE: Not the legalist jargon.

MR. HICKMAN: I have got to start listening to the radio or the television or the media. The Government of Newfoundland, Your Government of Newfoundland, is soliciting enquiries from Newfoundlanders. I have not heard the advertisement, and I have not consulted Cabinet.

AN HON. MEMBER: You said you heard it.

MR. HICKMAN: I have not heard that advertisement, that particular advertisement -

MR. F. ROWE: You said you were very impressed.

MR. HICKMAN: I have not heard that one, but if that one is on I can say without consulting Cabinet that that is the kind of participatory democracy that we want.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. gentleman for St. John's West.

DR. KITCHEN: Mr. Speaker, my question is directed at the Minister of Housing, the new Minister of Housing.

SOME HON. MEMBERS: Hear, hear!

DR. KITCHEN: And in view of the desperate conditions of public housing in this city where we have a profusion of authorities, The St. John's Housing Authority, The St. John's Housing Corporation, The Department of Social Services, The Heritage Foundation, the City Council, which administers various housing programmes, in addition to these and other profuse authorities, each with its own policies about renting, rental, confused, profused, I wonder if the minister is contemplating any rationalization of the structures, any change in the structures by which the housing programme, if you can call it such, of the Province is administered? Any change in the structures, any change in the confusion of rates that the various authorities use whereby some people, for example, in the St. John's Housing Corporation, in Pleasantville, who are fairly well off get better subsidies than the people in the public housing authority, is there any attempt on his part now, now that he has been in the Portfolio now for a little while, to eliminate some of this profusion and confusion and unfairness? And is he going to set up some sort of a committee or a royal commission or a conference or something to do something about this very serious situation confronting the people of the city of St. John's.

MR. SPEAKER: The hon. Minister of Housing.

MR. HICKEY: Mr. Speaker, the only thing that I can say in response to one part of the number of questions that was asked by my colleague across the way, and that is that it is government's intention hopefully to remove all the confusion and if there is any duplication. That is one of a number of reasons for the establishment of a full-fledged, vigorous Department of Housing. We are pursuing that goal right now, and I hope that in the not too distant future when we are able to clearly articulate the structural set up of that department that a lot of the other questions will be answered.

ORDERS OF THE DAY

MR. W. N. ROWE: Mr. Speaker, on Orders of the Day if the hon. House Leader will forbear, I think it is important, Sir, that the House go on record in view of recent tragic happenings down in South America involving this congressman, Leo Ryan, well known to my hon.

MR. W. ROWE: friend from Grand Falls, who was killed by a group down there along with some newsmen, that we go on the record as taking notice of this tragic accident, or this tragic action having taken place, and that the House send a tribute to the family of this congressman, a man with whom every man in this House, every woman in this House, every person in this House, had taken strong exception to with regard to the seal hunt and the position which he took on that seal hunt, which was completely, diametrically opposed to our position.

But, Sir, I think we all should be big hearted enough, and broad minded enough, and obviously we are rational human beings enough to send to the family of Congressman Ryan a letter or telegram of condolences from this House, expressing our admiration for the other activities that that gentleman had been involved in which of course included prison abuse reforms, the Watts riots and other things that he had been involved in. We thought he was misguided when it came to the seal hunt and the position he took there. And I personally, and a number of my colleagues, and the member for Grand Falls (Mr. Lundrigan), forcefully brought it to the attention of him and through him his colleagues in the United States Congress. We were against that aspect of his activities. He did however take part in other activities which we could all become associated with.

I for one would like to rise here in the House and go on record as sending tribute to the man's political life and condolences for his tragic death.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, on behalf of government we certainly will join with the hon. the Leader of the Opposition in sending through the proper channels, which I think is through the American US Ambassador in Ottawa for conveyance to the family of

MR. HICKMAN: Congressman Ryan, our sympathy in their bereavement.

I think we should in doing that take note of the state of uncertainty that seems to be existing in the world today -

MR. NEARY: Shocking!

MR. W. ROWE: That is right. Three of them.

MR. HICKMAN: - when honourable, duly elected representatives of a freedom loving country, democratic country such as the United States, in simply carrying out their duty to enquire into and protect US citizens, which is what Congressman Ryan was doing, finds himself, as well as others, as well as members of the media and others, subjected to a very brutal murder.

It sometimes then points up just how miniscule our little problems are when you look at it on a global basis. And certainly, I am sure, Mr. Speaker, that your office can, through the appropriate diplomatic channels, convey the sympathy of the entire House.

MR. NEARY: Hear, hear!

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

MR. W. ROWE: Sir, may I just add - I forgot when I rose first, the two NBC newsmen and the newsmen from the San Francisco Examiner, I believe, if Your Honour would not mind including that, our condolences to the families of those people as well because of course the media and political figures are closely associated in public life and they themselves run equally grave risks with the political figure and of course came to the same tragic end, and I would like to see them included in the message if Your Honour would see to it.

MR. SPEAKER: It will be noted the wish of the House that a communication be made with the House's condolences with respect to the death of Congressman Ryan and the members of the

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MR. SPEAKER:

media who accompanied them.

ORDERS OF THE DAY:

MR. HICKMAN:

Committee of Supply.

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

MR. CHAIRMAN:

Order, please!

The hon. member for LaPoile.

MR. NEARY:

Mr. Chairman, during my absence -

MR. CHAIRMAN:

Bill 56 we were discussing.

MR. NEARY:

I presume we are continuing debate on that loan bill for the government to borrow \$150 million. I do not think, Sir, that this government is fit to borrow 150 cents let alone \$150 million. During my absence, Sir, I am told that everything has been sweetness and light, everybody is almost kissing cousins in the House and I hardly know what to say this afternoon. I feel so nervous standing in my position here, Sir, I feel so nervous that I might rock the boat. But I hope, Sir, before my time is up that I will have riveted a message to the people of this Province that this government, Sir, are not fit to borrow \$150 million, they have not shown good stewardship, they have not shown good management in the past, over the past six or seven years and I hope to prove it in a few minutes. I will give the House an example of the kind of mismanagement that we have seen in this Province in the last six or seven years. I have already given outside of the House a number of examples of why I think and our party feel that this government is not fit to be entrusted with \$150 million.

Mr. Chairman, if I wanted to this afternoon I could give you a list of reasons the length of this Assembly of why this government have mismanaged the affairs of this Province and are not fit to go to the bond market to borrow \$150 million. Although I understand, Sir, I understand full well that the government, when the House was arbitrarily closed by the Premier, abruptly closed by the Premier, arbitrarily closed down when the Government House Leader was away, that the government got themselves boxed in so to speak. They \$150 million to carry on a capital works programme and all of a sudden the House is closed and they have no authority to borrow the money. So what have they been doing in the interim, in the intervening period? What have they been doing?

AN HON. MEMBER:

That is the question.

MR. NEARY:

That is the question, my colleague said. That is the question. Did the Minister of Finance go down to the banks and arrange interim financing to carry on the government programme? If so, Sir, then the people of this Province are paying through the nose for that interim financing. Or did the government have enough money, sufficient money in the bank to tide them over, They did not have to go to the banks to arrange interim financing? We would like to know. Because if they did arrange interim financing, Sir, that is another reason why the people of this Province are paying such high taxes. As I say, I can go on and on, Sir, and I can give all kinds of reasons why we cannot trust this government with 150 cents let alone \$150 million. and I hope to prove it in a few moments, Sir. I will prove it by talking about a situation that has arisen in connection with the Labrador Linerboard mill. Hon. members, Sir, will recall that on November 1, 1978, I forwarded to the Minister of Justice documents pertaining to the peculiar relationships between Labrador Linerboard Limited and its sales agents, International Forest Products of Boston, Massachusetts.

Now, Mr. Chairman, since these documents - and the Minister of Transportation, I believe it is now, the hon. gentleman said from Ottawa, "Oh, it is one of Neary's pipe dreams, just another Neary dream." The former Chairman of the board, Mr. Crosbie, viciously reacted like a wounded animal. "He thinks that he doth protest too much" for some reason or other. And the Premier went out in Gander - and the hon. Minister of Finance is continuously reminding the House that it is we who raise the personal character assassination and the smear tactics, and let me remind the hon. gentleman what the hon. the Premier did out in Gander when I raised this matter on behalf of the people of this Province. Who was the smear artist and who was the person then whose character got attacked? Mr. Chairman, let me remind the Premier of this Province that we may not in this Province practice the same kind of politics

MR. NEARY:

as they do in Manitoba for the simple reason we do not have the same kind of a Premier and the same kind of a government, and I hope he will communicate that message to the person who made that statement, and I am sure he can.

I do not intend, Mr. Speaker, to dwell on these documents that I passed over to the Minister of Justice, who was shrewd and cute enough not to make any statement, no reaction. The minister said, 'I will not react until I read the statements.' Maybe the Minister of Transportation should have followed him in that example and maybe the Premier and Mr. Crosbie should have followed that example. Was it a pipe dream, Sir, when the minister immediately launched an RCMP investigation, called in the RCMP commercial and fraud squad? Was that a pipe dream? I am not going to dwell on the documents now, Sir, since the Royal Canadian Mounted Police are presently investigating these matters and I do not wish at this moment to comment further on them. I do, however, Mr. Chairman, want to table now in this hon. House another document, an affidavit from a distinguished citizen of the United States, from a gentleman who is a resident of New York, which has a bearing on Labrador Linerboard, Sir, where some of this money was squandered and wasted. And I want to comment on its choice of international sales representatives as well as the peculiar game, Sir, of musical chairs that was played by the top management of both International Forest Products and Labrador Linerboard while the mill at Stephenville was the direct responsibility of Mr. John Crosbie as its chairman and executive director, coincidental with his Cabinet responsibility as Minister of Finance in this Province.

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MR. NEARY:

And before I get to the document, Sir, I want to draw to the attention of the hon. members of the House why it is so difficult to get the Minister of Justice and his colleagues to move on investigations into the Labrador Linerboard that we have been calling for for four or five years in this House. One investigation, I understand, involving the purchase of equipment, another capital outlay, has been going on for some time. And the minister has been asked for advice by the Royal Canadian Mounted Police. What kind of advice? And has the minister given the advice? That investigation is ongoing now for three years uncovering all kinds of dirt and scandal. Why, Mr. Chairman, is it so difficult to get a judicial inquiry or a Select Committee of the House that we have asked for so often, which we have repeated in this House? Why is it so difficult, Sir? Well, I will tell the House why it is so difficult, why I think it is so difficult. Mr. John Crosbie, who was the chairman of the board of directors and the chief executive officer at that time, had as his board of directors the hon.

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MR. S. NEARY: T. Alex Hickman. According to the registry office, Sir, back in those days the hon. T. Alex Hickman, it says on this document, Confederation Building, St. John's was a member of the Board of Directors of Labrador linerboard. What? No wonder, Sir, no wonder we cannot get at the truth. And who else was on that Board of Directors at the time? None other, Sir, than the hon. gentleman who has moved from just inside the rail directly now behind the Minister of Justice and Minister of Finance. It says the hon. William Marshall, Confederation Building, was also a member of the Board of Directors that allowed this extravagance and waste and conflict of interest and dereliction of duty on the part of the people that were employed by that mill. No wonder, Mr. Chairman, we cannot get an inquiry and an investigation and a select committee of the House. And not only that, Sir, that was 1972: in 1973 John Crosbie, William Doody, Ed. Maynard, Howard E. Ingraham, a name that I am going to bring up shortly, and Robert Kraft. Here we have on the Board of Directors, Sir, Robert Kraft, our sales agent on the Board of Directors of Labrador linerboard, that was 1973; 1974 the hon. John Crosbie, C. William Doody, hon. Ed. Maynard, Howard E. Ingraham and Robert Kraft; 1975 hon. John Crosbie, hon. William Doody, hon. Ed. Maynard, Howard E. Ingraham, and I might say, Sir, in passing about the hon. William Doody who is mentioned in this document that so far in this hon. House I think I can say without fear of contradiction the only minister, the only one that I have been able to get straight answers from on the government side of the House, is the hon. gentleman and I hope the hon. gentleman will be equally as straight when it comes to the scandal involved in Labrador Linerboard.

And then in 1976, the hon. gentleman was the Chairman of the Board. Mr. Ingraham and Mr. Kraft are kicked off now and replaced with Mr. Lundrigan and Mr. Rousseau.

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MR. S. NEARY:

And then in 1977 we have Doody, Lundrigan and Rousseau. These, Sir, these are the documents and I will table them to show who the Board of the Directors of the linerboard mill, who the board members were at that time according to the registry office

MR. NEARY: which comes under the Minister of Justice, so these documents cannot be questioned. I lay it on the table of the House, Sir, for members to have a peep, to have a look in their spare time.

Now having presented that background, Mr. Chairman, let me come back to the tabling of an affidavit. But even before I do that, Sir, let me remind the House, let me refresh the minister's memory on a press release that was made by the hon. the Premier back on November 17th., 1972. "Following is a statement by Premier Frank D. Moores at a press conference. Premier Frank D. Moores," and Mr. Moores, by the way, it says in this statement and all the other statements I have seen, that the Premier was the man who handled this deal, who handled it, not the ministers. It was handled personally by the Premier himself for some strange reason back in 1972. "Premier Frank Moores announced that the government and Labrador Linerboard have completed arrangements to appoint a sales agent for the marketing of the Labrador Linerboard product of Labrador Linerboard Limited." And it goes on to say that, "International Forest Products was selected only after extensive negotiations."

AN HON. MEMBER: (Inaudible).

MR. NEARY: Well, we will come to that in a minute. And it says further down that "International Forest and its organization will provide Labrador Linerboard upon request with expert technical help and assistance in the operation and maintenance of the mill and the start up." And I will come to that, Sir, because that is misleading and untrue. And then, Sir, over on the next page of that statement that was made in November, 1972 by the hon. the Premier at a news conference, "The government and the consultants,"-who were the consultants?- "The government and the consultants." We were never told who were the consultants and we do not know to this day, but in my research I have a pretty good idea who they were and I will tell the House in due course.

MR. NEARY:

"The government and the consultant acting for the government have discussed marketing arrangements." And then further down, Sir, it says, "International Forest Products Corporation and its related company have been investigated thoroughly." That is just not true, Sir. That is misleading. International Forest Products were not investigated thoroughly as this statement indicates, probably written by Mr. George McLean, who was the party's PR man at that time and has been jammed in the middle of every

Mr. Neary: big deal ever since, every ripoff that has taken place ever since. Thoroughly by the government, and it has been found that they have an excellent reputation." International Forest Products did not exist before the Linerboard deal. The Premier is telling us they are thoroughly investigated and they have an excellent reputation. What foolish nonsense! "Also an organization has been formed for marketing in the United States and Europe with persons and agents of proven capacity"- now listen to this; this is very important what I am going to say in a few minutes "also an organization has been formed for marketing in the United States and Europe with persons and agents of proven capacity in that field." And then the mention the name, "Allan E. Miller will be participating with Robert K. Kraft in the capacity of Executive Vice-President, Allan E. Miller"- listen to this now -"Allan E. Miller will be participating with Robert K. Kraft in the capacity of Executive Vice-President." Mr. Chairman, that is completely false, misleading, and untrue.

And I will tell the House why it is untrue. I dug out all of the statements and all the documents in connection with International Forest Products and the Linerboard mill right from day one, and that is how I came across this, and I ring the name of Mr. Allan E. Miller, and I got in touch with Mr. Allan E. Miller to find out if this statement was correct. And Mr. Miller was good enough to fly up from Florida on Thursday, where he is living, where he has an estate, fly up from Florida and meet me in New York, and I flew down to New York, in case my hon. friend is worried, at my expense, flew down to New York where I met Mr. Allan E. Miller, and I had a long, long conversation with Mr. Miller, if I told everything that Mr. Miller told me that is not in the affidavit it would make the hair of ministers and the Premier of this Province stand on end. And I will deal with that in due course, too, and that information will be put in the appropriate place.

Mr. Miller, by the way, Mr. Allan E. Miller is a

MR. NEARY: distinguished businessman in New York who belongs to the most exclusive clubs in New York including some of the millionaires clubs. The man is a millionaire himself who at one time ran seventeen businesses and is today under contract with a paper company in Chicago, under contract and therefore he cannot work for other firms. He is in demand. The man has an impeccable reputation. Wherever I have gone with Mr. Miller, businessmen, industrialists, embraced him and shook his hand and said, 'How are you, Allan?' He is well known and he is also, by the way, in case the hon. gentleman is worried about Mr. Miller's credentials, he also has a degree in law and a degree in business administration, I believe, from Harvard University, who played on the same football team with President Ford, and he is no slouch, this man. The minister looks up at me, Mr. Chairman. That gentleman, Sir, could have ignored me and he could have said, 'Look, go back to your little old island province! Go on back. I do not want to have anything to do with this.' But thank God, Sir, as I have said before, once in a while you meet a person with a social conscience. And when this gentleman told me about all the goings on in connection with Labrador Linerboard, Sir, I could hardly believe it. And I asked Mr. Miller if he would be kind enough on behalf of 535,000 poverty stricken people in Newfoundland to put some of his statements in writing for me, because, Sir, that is the only way it would have any credibility; otherwise it would be just word of mouth, heresay. And the gentleman was good enough to do it.

And, Mr. Chairman, before I read the document I want to say this. This affidavit is submitted to the House in the sincere desire to assist the Royal Canadian Mounted Police in their investigation into the possibility of crimes being committed against the people

MR. NEARY:

of this Province.

Mr. Chairman, I do hope, as I said earlier, that the hon. the Minister of Justice, who was a member of the board of directors of Labrador Linerboard Limited at the time when these events occurred, covering the time that these events took place by both the affidavit and the documents that are

MR. NEARY: already in the hands of the RCMP, that the Minister of Justice will be extremely concerned and will expedite in every way possible the current investigation so that his own name and the reputation of those who were close to him may be cleared of any intentional involvement in this sad story as it unfolds, Sir. And as I say, the best course of action for the minister to take, Mr. Chairman, is to recommend to this House immediately, without one more moment's delay, Sir, that a Select Committee be appointed independent of the late Public Accounts Committee to investigate this whole matter for operational irregularities and to set up guidelines that will preclude such happenings in the negotiation for the sale of the mill that is now going on. The frightening part of it, Mr. Chairman, is that these same gentlemen today are out negotiating the sale of that mill.

Now, Sir, the document. I know my time is limited and I do not want to take up too much time this afternoon. I want to say first, Sir, that I want to table the envelope because there is a label on the front of the envelope that the Minister of Justice will understand. It says, 'To be tabled in the House of Assembly for Province of Newfoundland and for no other purpose.' I want, Sir, to table the envelope first, and then I will read the document which I am going to table. And this is the original, and it is the only signed, notarized copy that is available on the face of this earth. "State of New York, county of New York: Allan E. Miller, being duly sworn, deposes and says: one, I reside at 900 Park Avenue, City of New York, State of New York, United States of America. Two, I have been requested by Stephen A. Neary, a member of the House of Assembly of the Province of Newfoundland and Labrador, to furnish an affidavit regarding certain matters which I have

MR. NEARY: voluntarily related to him and which are contained in this document. Three, it is my understanding that all statements being made in this affidavit are for the sole purpose of transmittal by Mr. Neary to the House of Assembly in session." And the reason for that, my hon. friend knows that this man does not want to be harassed by people. He was good enough to make this--

MR. HICKMAN: (inaudible) if there is anything in that document with relation to the investigation -

MR. NEARY: No, harassed by news media etc., etc. The gentleman is a very, very respectable, dignified American businessman who has to go about his business, who was good enough to make this affidavit and as far as any enquiry or any investigation is concerned let me put my hon. friend's mind at ease, that I believe that Mr. Miller would make this look like a bible if he ever gets a chance to get before an enquiry. But the minister will not give us an enquiry. Give us the enquiry. Let us find out if Mr. Miller is prepared to make certain statements. Let us have it and not be harassed or controlled by an investigation that the minister can control. The minister knows what I am talking about." Three, It is my understanding that all statements being made in this affidavit are for the sole purpose of transmittal by Mr. Neary to the House of Assembly and for no other purpose whatever except for consideration as the House may see fit in the prosecution of its legislative duties, and, further, with the understanding that this affidavit will not be furnished by Mr. Neary to any other persons other than heretofore set forth."

Now I made a commitment that this document would be brought and laid on the table of the House of Assembly and I am fulfilling my commitment to Mr. Miller who was so kind to do this. "It is my understanding that the contents of this statement are therefore privileged in the circumstances and are to be restricted only for the purposes herein described. Four, In 1972, I was solicited by one Robert K. Kraft to become a stockholder of International Forest Products Corporation and to manage the marketing of that company with relation to the sale of all its products, which, to begin with, consisted of linerboard and subsequently included pulp and any of its derivatives." Now I did not know, this is the first indication that I had, although I do not know everything, it is the first indication that I had that the Labrador Linerboard mill sold pulp. Perhaps the minister knows about it. But I can talk about a very peculiar deal involving pulp that

MR. NEARY: is not in this affidavit, that I am prepared to talk about in the House at a later date, a very, very, strange deal indeed. We always thought - I do not know if my hon. friend knew they were marketing pulp?

AN HON. MEMBER: Yes.

MR. NEARY: My hon. friend says yes. That is fine I accept that. "The breakdown of distribution of its products, as expressed by Mr. Kraft, was to be approximately 40 per cent in the United States and 60 per cent elsewhere. He proposed to me" - that is Kraft - "that I would receive twenty-five per cent of the capital shares of International Forest Products Corporation, that I would have an employment contract for four years and the option to renew that contract for an additional four years. The contract in question would provide for my representation of International Forest Products in the sale of the entire output of the Labrador Linerboard Mill, Limited at Stephenville on the West Coast of Newfoundland. I would be paid a salary and perquisites which together would exceed \$100,000 per year, that I would function out of an office to be opened in New York city and the stock would be delivered to me without any payment of cash, security, or consideration other than my services. Furthermore, Mr. Kraft told me that he had an option to acquire the Labrador Linerboard mill and in the event he exercised that option, he would give me the opportunity to participate in that option to the extent of twenty-five per cent thereof. This latter factor did not weigh in my consideration to associate with the company since as a businessman and a professional, a long time in the industry, I regarded such a proposal as ludicrous, taking into account the vast sums of money involved in such an acquisition and my knowledge of Mr. Kraft's own net worth." Five, After having this conversation with Mr. Kraft, I then went about investigating his background and credentials." "Something that the Premier told us in his new release that he had done very thoroughly, "I found that he" - Kraft - "was the son-in-law.

MR. NEARY:

of an old friend of mine, Mr. Jacob Hiatt, a man who was worth in excess of \$3 million and the President of Rand Whitney Container Company of Worcester, Massachusetts, a company engaged in the manufacture of corrugated boxes. In my conversations with Mr. Hiatt concerning his son-in-law," Mr. Kraft" Mr. Hiatt assured me he was one hundred per cent behind his son-in-law in this venture in the linerboard business. Beyond Mr. Hiatt's personal assurance, I can say that I was totally unimpressed with Mr. Kraft's background in the linerboard field. He was a man in his late twenties who, to the best of my knowledge at the time and as later confirmed, was completely incompetent and inexperienced in the field of marketing linerboard, or anything else, having only recently finished school. I agreed, however, to undertake employment with this company, having been firmly assured that I, as executive vice-president, would be completely in charge of the marketing of the products produced by Labrador Linerboard Limited.

"(6) Immediately thereafter, on November 17, 1972 in a press release which I have seen, Premier Frank D. Moores of the Province of Newfoundland, announced that I would be participating in the operation of International Forest Products Corporation, with Robert K. Kraft, in the capacity of executive vice-president. Now, Mr. Chairman, listen to this, "This statement was not accurate and misleading.

"(7) At the time, I learned from Mr. Kraft that one Howard Ingraham, who was then an employee of the Mead Corporation, also producers of linerboard, had entered into an arrangement with him whereby Mr. Ingraham would help to see to it that the Mead Corporation supplied Rand Whitney Company with a greater uninterrupted flow of raw material for their corrugated box needs. For this favour to him, Kraft promised Ingraham a position as top executive of Labrador Linerboard Limited, which was then being formed.

MR. NEARY:

"(8) Upon the execution of the contract between Labrador Linerboard Limited and International Forest Products Corporation, that very job of top manager became available and Mr. Ingraham, coming out of nowhere, having no credentials, having no background in the production of paper or in the marketing of paper, became General Manager of Labrador Linerboard Limited, of which, I understand, Mr. John Crosbie was Chairman of the Board. Knowing this, I asked Mr. Kraft, "just listen to this Mr. Chairman" "Knowing this," says the affidavit, "I asked Mr. Kraft how such a man could be appointed to the top administrative position in the company. Mr. Kraft told me not to be concerned with this, that Mr. Ingraham is 'in our pocket' and that he would do precisely what he was told. "We were taking care of various problems in his life, such as paying for his income taxes." Is that what the off-shore company was set up down in Bermuda for, to pay Mr. Ingraham's taxes?

"(9) Subsequently, in a conversation with Mr. Jacob Hiatt, he made me aware of the need to guarantee the credit of Labrador Linerboard Limited, which had no credit." And I do not understand why the marketing agent, Sir, why the marketing agent should be going around trying to peddle the Linerboard mill, trying to borrow money because they had no credit. This is the sales agent. Is that a part of their agreement? "To do that," so the affidavit says, "it was necessary to place several millions of dollars in security in escrow, as collateral for loans." And I would love to be able to tell the House, I am just getting away from the affidavit for a moment, I would love to be able to tell the House what Mr. Miller told me the escrow was. I would love. I cannot do it at the moment. "Mr. Hiatt told me that he expected me, as a condition of my employment, to contribute one half of that security which would be on deposit for at least a year. I advised Mr. Hiatt that I would not participate in

Mr. Neary:

"Ten. Thereafter, I met with Mr. Hiatt and Mr. Kraft at their attorneys' office in Boston, Massachusetts, to close the contract for my employment. My attorney was also present representing me. It was at that time that I learned for the first time in perusing the draft contract which was submitted to me, that my stock interest in International Forest Products Corporation was to be 10 per cent instead of 25 per cent. I objected to this sudden reduction in my stock interest and Mr. Kraft attempted to justify the modification by telling me that I was not aware of all the other expenses the corporation would incur, including payments to Mr. Theodore Sorenson of New York City and many others." Payments! Payments" including payments to Mr. Theodore Sorenson of New York City and many others."

I have my own theory, Sir, of who the many others are. Getting back to the affidavit - incidentally, in case anybody does not remember Mr. Sorenson, he was the solicitor. By the way, Sir, it is illegal, it is a crime in the United States for a solicitor to act for two parties, and in this particular instance Mr. Sorenson, who used to be with Mr. Kennedy, President Kennedy at one time, the late President Kennedy, was acting for two parties, acting for the Newfoundland Government and acting for International Forest Products, which is a crime in the United States.

"Afterwards, I was told by Mr. Kraft that the expense to Mr. Sorenson was to consist, in addition to his normal legal fee, of a commission of fifty cents a ton for all products shipped by International Forest Products." Not a bad legal fee, Sir. My hon. friend will be glad to participate in that, I am sure, if it is straight. "At the time I did not know that Mr. Sorenson was also acting as counsel for the Government of Newfoundland. To me this is a highly irregular method of doing business. I had never heard of a lawyer in the paper business being paid, in addition to his legal fee, a percentage of tonnage produced by the client. This unusual practice, revealed to me by Mr. Kraft, was one of the deciding factors

Mr. Neary: leading me to remove myself from proceeding further in the execution of the contract.

"Eleven. Upon until this meeting in Boston when the contract was to be formalized, I had been performing my duty for the company pursuant to our oral agreement. In the course of my work, I had occasion to meet Mr. George McLean"-a gentleman whose name has risen in this House on numerous occasions. "I knew him to be the public relations man for Labrador Linerboard Limited but that is all I knew about him." Does my hon. friend know that Mr. McLean was the PR man for Labrador Linerboard?

AN HON. MEMBER: (Inaudible).

MR. NEARY: No, Sir, this is the first indication we had.

AN HON. MEMBER: Now!

MR. NEARY: "I did not know"- listen to this -"I did not know who paid his salary nor to whom he was responsible. When I inquired of Mr. Ingraham as to why he was working for the company, Mr. Ingraham told me that he was enhancing the company's image in the European market so that we could sell our product there. To me, the affidavit says, 'this seemed to be an anomaly since in my experience in the trade, there was no evidence to my knowledge anywhere of any bad image of Labrador Linerboard Limited. To the contrary, it was accepted and known as a welcome new source of raw material in a very tight period in the paper industry,' And it was tight at that time.

And today, Sir, I might say in passing, linerboard is in demand all over the world, right at a time this government are going to give the mill away in Stephenville.

"Twelve. The employment of Mr. McLean in such a function struck me as being odd in view of the fact that Mr. Ingraham insisted on cutting the price in the European market on the premises that they had to overcome a bad existing image, which proposition ran counter to the justification for Mr. McLean's employment. Furthermore, the cut in price in Europe ran counter to my business judgment since the company's product could be sold in the New England market on an acceptable basis, despite the fact that there was a freight differential

Mr. Neary: involved. This surely was one of the great mysteries of the trade at that time, why Labrador Linerboard Limited was selling at cut prices to the European market, when they could get a higher price in the New England market. Finally, the extragant costs of having ships locked into port by ice for weeks at a time, with their consequent demurrage charges was a cost factor which could not be borne

MR. NEARY:

by a company that was to be profitable in this business. This technique was undoubtedly one of the main reasons why Labrador Linerboard Limited failed in its business endeavours." And, Sir, the affidavit is signed by Allan E. Miller and it is sworn to by a Notary Public in the State of New York. And I want to lay this on the table of the House, Mr. Chairman.

Now, Mr. Chairman, to wind up, as I said earlier. After hearing the sad story that I just related, Sir, and after reading the documents - and I have sent them to all members of the House - that the RCMP are investigating, can you trust this government, Sir, to borrow one cent, let alone \$150 million? And the best course of action, Mr. Chairman, for the minister to take is to recommend to the House of Assembly immediately, without a moment's delay, that a Select Committee be appointed to investigate this whole matter. Those individuals, Mr. Chairman, who were responsible for this horrible mess and directed the individuals who work for Labrador Linerboard and who gave the contracts and who ran the operation and who sold the paper, they must pay the penalty and not be allowed to walk away scot-free with heads held high and erect, run off to Ottawa, when we have ample evidence, Sir, of costly mismanagement such as has surfaced in this whole sad affair. Mr. Chairman, the dire cost to the taxpayers of Newfoundland and Labrador during Mr. John Crosbie's connection with successive departments of government is devastating in the extreme - the Fisheries Department gear replacement scandal, the needless and costly takeover of the Churchill Falls organization, the potentially - worst of all - mismanagement of the Labrador Linerboard mill and the sabotaging of the oil refinery at Come By Chance.

MR. NEARY: So, Mr. Chairman, I do not think it makes any difference whose toes we walk on, Sir. The people of this Province are paying the highest taxes in Canada because of the kind of situation that I just related to the House, and it has to be investigated. The RCMP will only look at the criminal aspects of it and probably limit their investigation to this one case with Stirling International in San Francisco. There is much more to it than that, Mr. Chairman, and when I get a chance I will tell the members of the House and the people of this Province how they financed a professional tennis team down in Massachusetts, but that is another story, Sir.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: (Mr. Young) If the hon. the minister speaks he closes the debate.

MR. HICKMAN: Mr. Chairman, not being a professional tennis player, I will not respond to the last comment of the hon. gentleman from LaPoile.

The affidavit that he has just tabled in this House, in my opinion, contains nothing more than some negotiations going on between two managers trying to acquire the services of a Mr. Miller, whom the hon. gentleman says is highly competent. And if he is one-third as competent as the hon. gentleman from LaPoile says he is, then he was underselling himself when he was offering his services for \$100,000 per annum plus 25 per cent stock in a new company.

In any event, so that there can be no misunderstanding, that document is now the property of the House and it is a public document and it can be used as anyone deems it appropriate so to do in dealing with matters that may be of interest with respect to Labrador Linerboard Limited.

MR. HICKMAN: The other great revelation by the hon. the member for LaPoile (Mr. Neary) was the names of the directors of Labrador Linerboard Limited, names that have been given here time after time after time, people who were appointed pursuant to the Act that the hon. gentleman supported in this House in 1972, the Labrador Linerboard Act creating the Crown corporation which provides that there must be ministers of the Crown on that board. And these ministers come and go in accordance with the portfolios that they hold. So there is no great revelation there, nothing sinister, just carrying out the duties of the ministers as imposed upon them by legislation which was greeted with enthusiasm at the time it came before this Legislature.

Now, Mr. Chairman, there are two or three other questions, most of which I think I had answered in responding to questions put by other hon. members. The hon. the Leader of the Opposition - I apologize to the House as my throat leaves something to be desired today by being somewhat slow in getting this out - the hon. the Leader of the Opposition made reference to the fact that this Province has a Baa Provisional I rating. Well, Mr. Chairman, that certainly, and I agree, is not the best rating enjoyed by governments in Canada, but may I remind this Committee that it is an improvement, and a very substantial improvement, in the rating from that

MR. A. PICKMAN: which the Moores administration inherited, because in 1968 this Province was assigned a Baa rating and a Baa provisional one rating, which we have managed to maintain since July 1974, is a miniscule step below that A rating for which we all hope and I have reason we will see this Province reach in the foreseeable future. There is made public - they are public documents and I will not bore the committee by reading them in detail right now, the basis upon which these two ratings houses Moody's and the other one, Standard and Poor, arrive at -

AN HON. MEMBER: (Inaudible)

MR. A. HICKMAN: - that they have when they arrive at these ratings. One of the comments in the Moody bond survey with respect to the Province's, Newfoundland's Baa I rating said "it reflects the Province's still unrealized resource potential, the modest economic prospects, the high death burden and servicing costs, and also considers the impact of major federal revenue sharing programmes and the fiscal realism and control evidenced by the present administration." And that is a very significant statement, Mr. Chairman, because I do believe that this administration and this government and this Province do have the confidence of both Moody's and Standard and Poor at this time. There is a whole multitude of -

MR. S. NEARY: You will stake your life on it.

MR. HICKMAN: Well, I will not stake my life on it but one thing is a fact that we have improved the rating since 1968. In 1968, Mr. Chairman the rating for Newfoundland was Baa.1 - 2 - 6 - 8: 1974, six years, later it moved up from Baa to provisional one.

MR. S. NEARY: Standard and Poor says that the economy has deteriorated since 1972. I beg your pardon, I have it down in my office in a brochure.

MR. HICKMAN: That, Mr. Speaker, is an improvement in the credit rating and I would hope, and I would not want to cast reflection on Standard and Poor, that they would increase their

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MR. HIGGINS:

rating for us if indeed the economy was deteriorating.

And another fact, Mr. Chairman,

that should be made known to this Committee is that even though the agencies have rated the Province of Newfoundland at a lesser credit rating than Quebec, who is Aa, Newfoundland's bonds are presently trading at a much better price than Quebec's. This in itself indicates that the rating agencies may have underestimated investor confidence in the Province's ability to repay. But the price of the pudding is in the eating and I repeat that Newfoundland bonds have been trading at a better price with our Baa provisional one, improved under this administration to provisional one, than the Aa rating of the Province of Quebec. I also indicated the very satisfactory and salutary sale that we had in Europe in the Spring and out of all Canadian municipalities and governments in there our acceptance was better than any of the others.

The hon. Leader of the Opposition asked if I would obtain information with respect to when there is some major debts maturing in this Province. There will be one maturing. The big year is 1981. These were monies borrowed some years ago and in that there will be \$25.4 million Canadian; \$1.6 million U.S. ; 12 million Deutchmarks; 24 million swiss francs; 34 British pounds for a total of \$67 million :

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MR. HICKMAN: falling due in 1981, and that is based on the historic prices for that day.

Mr. Chairman, I am somewhat at a loss to find out what the position of the Opposition Party is with respect to our rating. The hon. the Leader of the Opposition adopted a statesmanlike approach and expressed great concern over the rating and Newfoundland's ability to maintain that rating, that increased rating, and he put it in proper perspective. But then he was followed by the hon. the member for St. John's West (Dr. Kitchen) who articulated the views of the Opposition, otherwise if he did not articulate the views of the Opposition someone would have had to rise in his seat and say that what the hon. gentleman said was not true, did not reflect the views of his colleagues. In referring to the rating he said - and it is on Tape 5201 of yesterday's Hansard at the bottom of the page - "But the reason we are borrowing - I do not care if we slip from Aa to Bb to Cc, we will borrow it if we can sell to the bond markets or anywhere else what it is we are doing and it will pay off at the end. If you have a good idea we can do it. And that is what is going to happen."

Now is the position of the official Opposition, as articulated by their leader, that they are concerned that we maintain and hopefully improve our rating in the bond market or is it the position articulated by the hon. the member for St. John's West? The answer has been provided by the hon. the member for Bellevue (Mr. Callan). He has lifted the banner high with a picture of 'Bill Rowe'. So I say to the hon. the member for St. John's West that he did not articulate the views of the Opposition, he is totally and absolutely out of step with the policies enunciated by his leader, and I would suggest to his leader that he view with the gravest disquietude the possibility that the hon. gentleman

MR. HICKMAN: from St. John's West is on his back, and if he wants any advice as to how to guard himself, I offer Exhibit A, the hon. the Premier of Newfoundland.

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: Other than that, Mr. Chairman, I think in concluding this debate - and it has been a good one; there has been by and large a very concerned rational approach to the economies of this Province and the borrowing policies of this Province - may I, in concluding, say that I believe I have now answered in my modest way all the questions that have been put to me to the absolute satisfaction of all hon. gentlemen.

MR. LUSH: Hear, hear!

MR. HICKMAN: I thank the hon. the member for Terra Nova (Mr. Lush) for confirming and corroborating that statement.

SOME HON. MEMBERS: Hear, hear!

Motion, that the Resolution be submitted to a Committee of the Whole House in relation to the raising of funds by the Province, carried.

On motion, Clauses 1 through 5, carried.

Motion, that the Committee report having passed the Resolution and a bill consequent thereto, carried.

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

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MR. SPEAKER: The hon. Chairman of Committees.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report it has adopted a certain resolution and a bill consequent thereto and recommends that said bill be introduced to give effect of the same.

MR. SPEAKER: The Chairman of the Committee reports that they have considered the matters to them referred and have passed a certain resolution with a recommendation that a bill be introduced thereto and ask leave to sit again.

On motion report received and adopted now.,
Committee ordered to sit again presently.

Motion, a bill, "The Loan Act, 1978", (Bill No. 56)
read a first, second and third time, ordered passed and its title be as
on the Order Paper.

MR. HICKMAN: The House resolve itself into Committee of
Supply.

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

COMMITTEE OF THE WHOLE

MR. CHAIRMAN: Order, please?

MR. HICKMAN: Motion 4, Bill No. 39

Resolution: That it is expedient to bring in
a measure respecting the gasoline tax act.

MR. CHAIRMAN: Shall Clause (1) carry?

MR. HICKMAN: Mr. Chairman, purely for the record the reason
why I call this bill right now is to give hon. gentlemen a slight
respite before we move on to another. This bill does not involve any
increase in taxes. Well, I should not say that now, I am not being
critically correct. It does involve an increase from five-point
nine three nine cents to six cents per litre. That should work out to
about once a year you pay an extra cent, but this is something to do with
metric conversion. I am being technically correct here. But I did

Mr. Hickman: indicate to this Committee earlier this session that under the leadership of Mr. James Ryan, Q.C. and Mr. Ronald Penney, the Legislative Counsel it was decided to try and unify the language in several tax bills. We did it with respect to the income tax, not so much the retail sales tax, and this bill presently before the House. I do not think there is anything really new in the Act. It is not anything that goes beyond administrative procedures and policies that have been recommended by officials as a result of their years of experience but it does not increase the burden on the taxpayer of this Province.

MR. CHAIRMAN: Does the resolution carry?

On motion resolution carried.

The hon. Leader of the Opposition.

MR. W. N. ROWE: Just very briefly, Sir. As the hon. Minister of Finance has said this is purely a housekeeping bill in order to make some changes which are necessary, especially with regard to the change to the metric system. It should be noted, however, that there is an increase in taxation, gasoline, not counting the three cents increase that we are going to have on the 1st. of July as a result of the agreement made by the government to support the position of rich Alberta as against supporting our position here as a have-not Province whereby we should not have any increases in fact we should have decreases where these necessities of life. In addition to that three cents per gallon that is likely to come, we should note that in Clause (3) because of the change over from gallons to litres, which necessitates a change in the amount of tax to be collected on the litres as against the gallons, there

MR. N. ROWE: will be an increase of 1.061 cents per litre, sixty-one/ten thousands of a dollar. I did not think that that increase in taxation should go unnoticed, Mr. Chairman.

I take the hon. member's word, obviously, having looked at the previous act and looked at this one, that there are no other substantive policy changes that need much comment. I might make mention just going through the act here that in certain other of the clauses, which I will not refer to when the clauses are called, but in certain other of the clauses certain things are exempt from gasoline tax. For example, gasoline used by aircraft is exempt from gasoline tax. Perhaps the minister might indicate why air craft should be exempt from gasoline tax. Clause (11), "The tax imposed by this act is not paid in respect of gasoline used by Her Majesty's Government or used by any department of government, St. John's Municipal Council," and then "gasoline used by aircraft," section (c). Why would that be so because it is important I think that we should have some consistency of thought on that? Or "gasoline delivered as ships' stores to any commercial vessel normally operating in extraterritorial waters," another example of an exemption which on first blush at least, Mr. Chairman, does not indicate why there should be that kind of an exemption available to those people.

The hon. minister was correct I believe in saying that none of the other matters mentioned in the act are of any substantive nature and therefore do not require any amount of detailed debate in this hon. House.

On motion resolution carried.

Motion, that the resolution be resolved in- to a Committee of the Whole House in relation to a measure respecting the Gasoline Tax Act.

On motion clauses 1 through 23, carried.

MR. HICKMAN: In 24 (b) "in the hands of any trustee" is deleted. I take the hon. gentleman, the Minister of Industrial Development, moved that deletion. Yes, he did.

MR. CHAIRMAN: Does the amendment as stated to clause 24, carry? Carried.

Does the clause as amended carry?

Carried.

On motion clauses 24

through 40, carried.

MR. DOODY: Mr. Speaker, I move an amendment to this particular act, this section (3), "When he has reasonable cause to suspect that gasoline is kept, sold, purchased or used or dealt with in any way whatever, on or in any premises, motor vehicles, ship or boat contrary to this act or the regulations, inspector may without a warrant, but upon production of evidence of his authority, enter and search premises, motor vehicles, ships or boats."

MR. CHAIRMAN: Does the amendment to clause 41 as stated carry? Carried.

Does clause 41 as amended carry?

Carried.

On motion clauses (42) through (57).

Carried.

MR. CHAIRMAN:

The hon. minister.

MR. DOODY:

In Section 58 (1), Mr. Chairman, "An appeal may be taken from a decision of a judge of the District Court upon any point of law raised upon the hearing before the judge." The words 'to the Court of Appeal' should be inserted between the words taken and the word from.

MR. CHAIRMAN:

Does the amendment to Clause (1) of Clause 58 carry?

On motion Clause (1) of Clause (58) as amended, carried.

On motion clauses (59) through (79) carried.

Motion that the Committee report having passed a bill, "An Act Respecting A Tax Upon The Consumers of Gasoline And Other Like Liquids." (Bill No. 39) Carried.

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

MR. SPEAKER: The hon. Chairman of Committees.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report as adopted a certain resolution and a bill as amended consequent thereto and recommends that said bill be introduced to give effect to same.

On motion report received and adopted. Committee ordered to sit again presently.

On motion, amendments read a first and second time.

On motion, bill No. 39 read a first, second and third time, ordered passed and its title be as on the Order Paper.

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

COMMITTEE OF SUPPLY

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MR. HICKMAN: Motion 2, Bill No. 40.

MR. CHAIRMAN: Order, please!

RESOLUTION

That it is expedient to bring
in a measure respecting The Insurance Premium Tax Act.

MR. CHAIRMAN: Does the resolution carry?

MR. HICKMAN: Mr. Chairman.

MR. CHAIRMAN: The hon. House Leader.

MR. HICKMAN: This bill, bill No. 40,

"An Act Respecting A Tax Upon Persons Who Pay Certain Insurance Premiums," this act again is an attempt to try and make uniform the taxing legislation in the Province. The main principle of the bill is to give effect to the increase in insurance premiums tax announced by me as Minister of Finance on March 17, 1978 and which has been collected pursuant to parliamentary practice and custom and good law ever since.

Mr. Chairman, other than that any other provisions in that act which are not contained in the old act are purely administrative. There is a slight change with respect to the filing of a certificate with the Registrar of the Supreme Court, an amendment authorizing the issuance of a third party demand on the person who is indebted to an insurer's agent, an amendment to require an insurance agent to deposit a bond with the minister as security for the tax collected. None of these, as I say, impose upon the taxpayer and/or the tax collector any additional burden, the only burden that is imposed is the increase in the tax upon the insurance premiums which had been announced by me when the budget was brought down on March 17.

MR. SIMMONS: Mr. Chairman.

MR. CHAIRMAN: The hon. member for Burgeo -
Bay d'Espoir.

MR. SIMMONS: Mr. Chairman, it is now a number of months since we were, in this Province, aware of the government's proposal to increase the insurance premium's tax.

MR. SIMMONS:

They have the legislative clout, or the parliamentary numbers to do so assuming we can keep them in the House, and I must say, since the member for Bonavista North (Mr. Cross) has been given the extra cap, the extra hat, he seems to be keeping the fellows in the House just a little better. Perhaps he just needed that little bit extra incentive and now he has it perhaps he will do his job a little better.

We have demonstrated in this House that despite their greater numbers we find them at times not in the House in sufficient numbers to be able to pass their legislation. But I have no doubt that this bill will pass. It will not pass with our blessing, Mr. Chairman. We have already said in this budget debate and at other times in this House over the past few months, that we were very much against this particular increase. We understand that it is the government's intention to get authority for its present financial programme and we also understand that the government is intended that it will give us another Speech from the Throne fairly soon if we can dispense with some of the items on the Order Paper. It is in that spirit that we will not be saying very much about this particular tax bill. It is not because we do not have strong objections to it, we do, and these are in the record and have been stated during the budget debate some months ago.

There is, Mr. Chairman, an item apart from the fact of the increase, or the proposal to increase, there is another item that is germane here and which, perhaps, needs mentioning once again and that is the collection rate, the success the government is having collecting insurance premium taxes. Now I have no doubt about its success rate insofar as companies licenced in the Province are concerned but as you know, Mr. Chairman, there are a number of companies which are not licenced to do business in the

MR. SIMMONS:

Province which actually operate from some office outside the Province, Halifax, for example, or Moncton or Montreal, and a number of such companies are peddling insurance through the mails to bona fide residents of the Province.

MR. NOLAN: What happened on that taximan deal, 'Roger', do you recall? Remember when they got stabbed or may have been stabbed?

MR. SIMMONS: My colleague from Conception Bay South makes reference to the taximan issue which is an important one, but quite a different one from the one I am raising here. The taximen were dealing through a local company, or at least a company licenced to do business in the Province. But I am talking rather about companies which are not licenced to do business in the Province, that are not established in the Province, indeed, they are operating in other jurisdictions, in Nova Scotia, New Brunswick, Quebec and in some cases from positions in the United States, and they are selling insurance policies to bona fide residents of this Province. And in many, many cases, I am told, the tax on the premiums that these companies collect are never collected, the taxes on these premiums are never accrued to the provincial Treasury.

MR. HICKMAN: These are sold from outside the Province.

MR. SIMMONS: Yes, sold from outside the Province. Again, I wanted to be clear that I am not in any way criticizing or casting any aspersions on companies in the Province in this respect; they are not the culprits here. I am talking about companies operating from headquarters outside the Province who are collecting premiums from residents of this Province but are not transmitting the tax due on these premiums to the provincial Treasury.

The last time I checked into this matter, which would have been seven, eight or nine

MR. SIMMONS: months ago, there was then no mechanism in place at the provincial level to insure that these taxes were being collected. I understand that the amounts I am talking about are substantial. I would not want to give a ballpark figure now because I may well be quite off the mark, but the amounts I am talking about are substantial, amounts which should accrue to the provincial Treasury, which would be extra money in the pocket for us as a Province, but these amounts are not forthcoming because the mechanism does not exist.

Now the Minister of Finance might want to comment on this particular one. I know the amounts are substantial. I recognize that because of the difficulty involved in ascertaining just who it is outside the Province who is selling insurance, it might be fairly costly from an administrative standpoint to set up the proper mechanism, but that aside, I would like to hear from the minister what has been done or if the idea has been abandoned altogether. The minister is aware of the item to which I am alluding, is he not?

MR. HICKMAN: Right.

MR. SIMMONS: And perhaps later in the debate he might want to comment on it.

Other than that, Mr. Chairman, on behalf of my colleagues, I just want to say that in the interest of expediting the business, we will not be saying very much more about this particular bill. That should not be construed to mean that we do not object to it; we object to it very, very strenuously, and aside from a few comments about specifics that one or two of my colleagues will be making, including for example, my colleague from Baie Verte - White Bay (Mr. Rideout), we will be saying very little else about it, but we will be voting against the bill.

MR. RIDEOUT:

Mr. Chairman.

MR. CHAIRMAN: (Mr. Young) The hon. the member for
Baie Verte - White Bay.

MR. RIDEOUT:

I just want to raise a question here and I will do it now before we get into it clause by clause so the minister can respond to it.

I am worried about Section (51).

It says, "From and after the 18th day of March, 1978, subsection (1) of Section (3) of the former Act is amended to read as follows." And it goes on with, "Every person in the Province who enters into a contract of insurance shall pay a tax of 11 per centum of the premiums for such insurance and shall remain liable for the tax until it has been collected and remitted and paid to the minister." Now looking at that in light of Section (52), says, "This Act, except Section (51), comes into force on the 1st day of July, 1978." Part two says, "Section (51) comes into force on the day that this Act is assented to." Now Section (52) means, as I understand it, that all the Act except Section (51) did come into force on the 1st July. Section (51) says that the rest of the Act which is only Clause (51) itself, does not come into force until the Act has been assented to. Now does that mean that the 11 per cent tax on insurance has since the

MR. RIDEOUT:

budget came down on the 17th, of March, been illegally charged by insurance companies in the Province? Well, I would like the minister to explain it. I do not profess to be learned in the law.

MR. HICKMAN: That is tax wording that is used to ratify, that is the way you ratify the budget.

MR. RIDEOUT: You can get up -

MR. HICKMAN: Well, if I may, just for a second and I will not take away from the hon. gentleman's time. Obviously, when the Minister of Finance brings down his budget the tax must come into effect immediately, otherwise people would be taking advantage of the situation and, in order to avoid the tax between then and the time the Legislature passes the act, it would reach inequities. So in every parliament that I am aware of in the British system, the minute the Finance Minister brings down his budget these taxes are payable. It is subsequently ratified; that is the time honoured, tried and true and interpreted wording that is used for the parliament to ratify what has been done since the date of the budget speech. So nobody has been illegally collecting a tax.

MR. RIDEOUT: Very good, Mr. Chairman. I thank the minister for the explanation. I know that and I understand it, but then it did not seem to make sense to put in section (52) which says, "All of the bill except (51) comes in force the 1st. of July - or whenever you bring down the budget - but the rest does not come into force until the act is assented to." That was the part that I found rather bothersome.

MR. HICKMAN: Yes.

MR. RIDEOUT: I thank the minister for the explanation.

MR. HICKMAN: Mr. Chairman - Do you want to?

MR. DOODY: I just wanted to comment briefly,

MR. DOODY: Sir, on the point raised by the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons) which is a very legitimate and reasonable point which deals with the collection of taxes, insurance premiums taxes which are collected, or at least which are owed by companies from outside the Province. It has been a matter of contention and concern for quite awhile.

In many cases the amounts are relatively small but the sum total of the amount is rather large. I know that there are insurance companies in Australia and New Zealand and all over the place who sell policies to people in the Province and in theory, and indeed in fact, should indeed pay the government, pay the Province the tax due thereon. The collection of that tax in many cases, it has appeared to us as we have gone into it over the years, it would cost more than the actual value of the tax itself.

In the Dominion of Canada, in the country itself, from Province to Province, it might very well be that we can get into some sort of a reciprocal tax arrangement with the other provinces as we have with the SSA which works well with all the provinces with the exception of the Province of Quebec, which always seems to be an exception. Perhaps somewhere down the line we can work out an insurance premiums tax collection operation with these provinces, that is the majority of the money that has not been collected up to date, as have these companies selling from outside the Province and do not have an office in the Province. The nuisance taxes the ones that the Auditor General very often refers to, the cost of collecting them, in the judgement of the minister and of these advisers, is very often more onerous than the value of the tax itself. And that is kind of an unfortunate situation because those people who do pay, obviously are penalized by the cost of

MR. DOODY: collecting from those who do not.

I do not honestly know what the answer is or how you can go about correcting it. There has to be a limit or there has to be a reasonable demarcation line whereby you can say it just does not pay us to send people to Australia or to wherever to take legal action against some company who owes the government \$200, or \$300, or \$400, or \$500. I do not really know what the answer to that is, but it is a question that has been plaguing the Tax Division of the Department of Finance for quite a while and it is one that they are not unaware of and one which, hopefully, we will be able to correct over the years as we go through. That was the only comment I wanted to make on that, Sir.

MR. RIDEOUT: I thank the hon. member.

MR. CHAIRMAN (Young): The hon. member for St. John's West.

DR. KITCHEN: I have a question as to how much money is involved in these out-of-Province potential taxes. Are we talking about hundreds of thousands or thousands or hundreds?

MR. HICKMAN: Mr. Chairman, I do not know the amount, but as the hon. Minister of Industrial Development, who was in the Finance Portfolio at the time this came - I think it was discussed in Finance at the Public Accounts Committee and I believe it is contained in their report. I do know -

AN HON. MEMBER: It is.

MR. HICKMAN: It is in the report which was tabled in the House. I do know that as a result of discussions that were held flowing from that report, the machinery has been tightened as much as it can be, and there has been an improvement. But I would be hesitant to give the amount and then find that what I am saying is not

MR. HICKMAN: in accord with what is in the Public Accounts Committee. But it is in the House.

On motion, resolution carried.

Motion, that the resolution be submitted to a Committee of the Whole House in relation to a measure respecting the Insurance Premiums Tax Act, carried.

A bill, "An Act Respecting The Tax Upon Persons Who Pay Certain Insurance Premiums."

On motion, clauses 1 through 16, carried.

MR. CHAIRMAN: Shall clause 17 carry?

MR. HICKMAN: Mr. Chairman, strike out the words 'in the hands of any trustee' in 17(2)(b) and in 17(3)(b) as moved by the Minister of Industrial Development.

On motion, amendment carried.

On motion, clauses 18 through 33, carried.

MR. CHAIRMAN: Shall clause 34 carry?

MR. HICKMAN: Again in 34, (inaudible) taking the first line 'to the Court of Appeal,' which again the Minister of Industrial Development moves.

On motion, amendment carried.

On motion, clauses 35 through 52 carried.

Motion, that the Committee report having passed the bill with amendment, carried.

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

MR. SPEAKER: The hon. member.

MR. CHAIRMAN (Young): Mr. Speaker, the Committee of Supply reports having considered a certain resolution and a bill with amendment thereto and recommends that the said bill be introduced and ask leave to sit again.

On motion, report received
and adopted.

On motion amendments read a
first and second time, bill ordered read a first time now,
by leave.

On motion, bill No. 40 read
a first second and third time ordered passed and its
title be as on the Order Paper.

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

COMMITTEE OF SUPPLY

MR. HICKMAN: Motion 1, bill No. 37,
"An Act Respecting A Tax On Users Of Tobacco."

MR. CHAIRMAN(Young): Order, please!

RESOLUTION

That it is expedient to
bring in a measure respecting The Tobacco Tax Act.

MR. CHAIRMAN(Young): Shall the resolution carry?
The hon. the member for
LaPoile.

MR. NEARY: Mr. Chairman, I just want to
say a few words on this bill. This is one, perhaps if I can
have a few brief remarks, the Government House Leader and
myself might have a few words behind the curtain.

The last tax bill just a few
moments, Sir, slipped through. Oh, yes, slipped through
while I was out doing some interviews. Yes, I know, then
it slipped through -

MR. SIMMONS: We allowed it to slip through
on a condition.

MR. NEARY: Right. That is right. I am
coming to that. It slipped through while I was out on a
condition, and I have to start communicating with my
colleagues as soon as I am in a position to do so. But
the tax bills, Sir, are a real golden opportunity for
members in this House to have a minute budget debate, really,
if you want to.

AN HON. MEMBER: A mini budget debate.

MR. NEARY: A mini budget debate, if you
want to because what you are doing, you are asking - although
it is a tobacco tax - if you are going to charge a tax
probably the best place to put it is on booze and tobacco
but the tax bill that just went through is one that will

MR. NEARY: affect the consumers. You could say that the people who drink booze and who smoke and use tobacco are also consumers but they are consumers in a different way. Insurance is almost something that is compulsory whereas you do not have to smoke and you do not have to drink. It is a luxury tax and, if you are going to put a tax on, probably that is the best place -

MR. H. COLLINS: (inaudible)

MR. NEARY: Is the hon. Minister of Health concerned about me not being on the subject, or what? The hon. gentleman should pay attention and be very concerned about the effects of alcoholism in this Province.

Mr. Chairman, I do not want to repeat myself on what I said earlier this afternoon. Newfoundlanders are now paying the highest taxes in Canada. We have the highest gasoline tax. We have the highest income tax; if not the highest, the second highest. We have the highest S.S.A. tax. We have the highest insurance premium tax. We have practically all around, with maybe one or two exceptions, we have the highest taxes in the whole of Canada. And why do we have the highest taxes, Mr. Chairman?

In my opinion, the reason we have the highest taxes is because of the squandering and the extravagance and the waste of this Administration.

Now, here we are back again, Sir. The Government is collecting this tax, I might say, in my opinion, illegally, although the Minister of Justice, then the Minister of Finance will give us an argument that is traditional to collect the tax and then get the legislation for doing so ratified in the House at a later date. In my opinion, that is not the way to do things and certainly not the way this Administration said they were

MR. NEARY: going to do things. They used to always condemn the Smallwood administration for running the affairs of the Province that way, and when they came in nothing was going to be done in the way of increasing taxes, or going to Ottawa with hat in hand and begging, or any other thing was going to be done without the approval, without the authority of the Legislature. And the Government, the Minister of Finance has been collecting this tax now since the 1st of April and anybody in this Province could have gone down in the court and could have protested and said, "This is illegal." The Government has no authority to collect these taxes, the increase in the S.S.A. tax, the tobacco tax, the insurance premium tax, the gasoline tax because we also have a bill before us, Sir, which on the surface appears to be an innocent type of a bill to change, to convert, the distribution of gasoline to the metric system. And what it does, Sir, and the Minister of Finance, I believe, will be the first to admit that - what it does, it increases the price of gasoline by one cent, .9 cents a gallon, one cent, in the conversion process to the metric system. A kind of a hidden, a little sneak-it-in sort of tax.

So, Sir, we are opposed to any increases in taxes by this Administration. As a matter of fact,

MR. NEARY: what we should be adopting in this Province is the same thing as they did in California, Proposition 13 - issue an ultimatum to this government to lower taxes, cut taxes. And as the Minister of Consumer Affairs, who should be in his place in the House and says he would not gratify the House by coming here because it is so undignified, who used to always go to bat for the poor man's champagne, who now will not even bother to come to the House because he is going to retire the end of December, should be here to participate in this debate and bring us up to date on his latest thinking on all these increases in taxes. We should be doing what they are doing in California, Proposition 13. Cut the public service - and I do not mean lay people off either - get rid of the dead weights, get rid of the political appointments, get rid of the Action Group crowd, get rid of all that crowd down in Newfoundland Hydro who failed in business and were pulled in off the streets and shoved down in Newfoundland Hydro, given made jobs, top positions, \$20,000 and \$25,000 a year and then maybe we can lower the electricity rates in this Province. Get rid of all the Nutbeems and the Rex Murphys and all that crowd. Get rid of them all. Kick them off the payroll. They are not doing anything to justify their existence. And, Mr. Chairman, the hon. gentleman, the hon. Minister of Fisheries may look at me and say, "Well, but they are not on the payroll." They are Sir. They are feeding at the public trough either directly or indirectly. They are either getting it through the front door or the back door, and they have the services of the helicopters to take them back and forth with their little puppies. A helicopter lands at Mount Scio house, off to Carbonear for dinner. And then they come in, they have the gall to come in and ask us for increases in taxes. Helicopters! The most luxurious and expensive helicopter service in the whole world. Shunting people back and forth for Sunday dinner, lugging puppies around and taking - what is the fellow's name? - Charlie Pride, taking him aloft on a Sunday

MR. NEARY: morning at public expense with a portable bar, put a portable bar in the helicopter to take Charlie Pride on a tour of Trinity Bay and the Conception Bay. And then a round of golf. Down for a round of golf with his royal highness who gets so upset. He says do not take to the open lines to criticize Neary, do not take to the open lines. Our politics here is not the brand that you find in Manitoba. And as I said earlier, we do not have the kind of a Premier or the kind of a government you find in Manitoba, either. Our politics is strange and peculiar. We complain, Mr. Chairman, we complain about increase in taxes because of all the squandering and the extravagance and waste, and for that we are condemned. We are not like Manitoba. They do not do that in Manitoba. Only in Newfoundland that happens. And so Sir, before the government get these bills and have the gall to come in and ask the consumer, the ordinary person in this Province, to put up any more money, let them cut out their extravagance and their squandering and their waste and let them get these deadbeats off the government payroll and off the payrolls of the Crown corporations. You cannot beef up your image - Mr. Chairman, does the Premier realize that he is running such a sloppy administration, careless administration he cannot beef up his image by hiring on all the newsmen in the Province. You could hire all the newsmen down in the United States and across Canada and you still cannot beef up your image unless you do things right. You may buy off a newsman or two momentarily to try to help you beef up your image, you might. You might be able to rob a PR man from Canadian National to try to beef up your image. But they cannot do it when they do not have anything to work with. Mr. Chairman, here you have a government asking for increases in taxes that in my opinion, Sir, is one of the most corrupt in

MR. NEARY: the history of Newfoundland and in the history of Canada.

MR. MORGAN: What about your P.R. man in the Trades College.

MR. NEARY: Ah, my P.R. man at the Trades College has retired a fine, decent, honourable gentleman who has never put his hand down in the public treasury like the hon. gentleman's friend that he is carrying on a controversy with to try to get a film that he will not give up that he was paid for.

MR. MORGAN: He is not my friend.

MR. NEARY: Ah, Mr. Chairman, my hon. gentleman says Mr. McLean is not his friend. Mr. McLean is not his enemy either and dare not the hon. gentleman ever say a word. Mr. Chairman, I wish I could tell all I know. My hon. friend would not be - well the hon. gentleman might be sitting there, Sir, because part of the increase in taxes that they are asking for, Sir, is to take care of all the members except two. Do you realize, your Honour, that every member on the government side except two are getting paid off extra remuneration and extra salary? Why? Why? You remember what they used to say about Joey, Sir? Do you remember? Joey has them all bought off to keep them quiet, bought their silence. Now, what are they saying? They take their thirty pieces of silver and sit over there like mutes while the corruption and the squandering and the waste and the extravagance and the mismanagement and the conflict of interest and the dereliction of duty goes right on right underneath their very noses.

MR. SIMMONS: At least Judas had the decency to hang himself.

MR. NEARY: A few more colourful adjectives that I could used to describe the situation, and I am surprised and amazed, Sir, that some of the people on the government side can be conned into thinking and believing that everything is alright, this is all politics, this is all propoganda. Who are they going to blame Allan Miller's statement on? Are they going to blame that on John C. Doyle, who seems to

MR. NEARY: be the scapegoat for everything in this Province? Is that who they are going to blame it on? Blame - that's right, John C. Crosbie - John C. alright, a man who is up in Ottawa now waving around a piece of paper saying "What about Mr. Doyle's taxes?" What, about Mr. Crosbie's taxes down in City Hall, where they are ripping off a couple of million dollars of the taxpayers of this city. What about that? Nobody waves that around. His companies, Mr. Crosbie's companies benefitting by a two million dollar tax exemption, and, Mr. Chairman, do we hear a peep out of the Minister of Municipal Affairs or the former minister of municipal affairs? No, Sir, not a word, not a sound, not a peep, because they say "Well, that is alright. If the City Council needs more money, we will increase the taxes." Put up the taxes - let the ordinary people pay for it. The ordinary people now have had enough. They have paid enough. They have paid through the nose. They are fed up. They have had enough of this administration. Enough is enough, and they cannot wait to get to the polls, cannot wait. My hon. friend will not get the opportunity before the next election to offer himself as the leader of this party. The hon. gentleman had the opportunity to do it and blew it. It is too late. Are you going to let the Opposition drag him down first? And then try to slip up the middle instead of taking them on head-on and try to clean up - clean up the administration and clean up politics in this Province? That would have been the manly thing to do. Do it man- fashion. Take them on. Never mind leaving it to poor little old Gordon Dawe.

AN HON. MEMBER: There were several good men over there.

MR. NEARY: There are some good men over there, sure there are. And that is why I do not understand how they can sit there, how they can stay over there day in and day out.

MR. NEARY: Well, what do you have to do, Mr. Chairman, to show these hon. decent gentlemen, that they profess to be, to show them about all the corruption that is going on under their noses and who they are being conned. Do you have to put it up in neon lights? Do you have to get a film and bring it in to the Assembly and say "Look, there it is". What do you have to do? Are they going to ride it out hoping that it will go away and people will forget about it and they will form the next administration and it will all be covered up again. No way, Sir, there will be a day in this Province, Mr. Chairman, when the government will change and I guarantee you when it does all these things will be trotted out, and if the Minister of Justice happens to be on the bench or wherever he is and if he has been derelict in his duty, or done any other thing, then it would not be the first time. I have a book home, I am reading it, called The Appearance of Justice. It was a book written down in the United States about judges and about appointments to government jobs and boards and so forth and judges - judges who have been hauled down off the bench -

MR. MORGAN: Where do you find time to read books? During the last Cabinet or what?

MR. NEARY: No, Sir, I read the book only - I only got it a month ago. Judges have been taken off the bench. Mr. Chairman, listen, Mr. Chairman, we hear this argument: 'What about the former administration?' And I say to my hon. friend "What about it?". As I have indicated to this House before and I tell the hon. gentleman again, Sir, I do not know of any minister

MR. NEARY: in the former administration there was a bagman that acted as a party bagman. Does the hon. gentleman know of any? I know a few on that side of the House, the ministers who acted as their own little bagman for the party.

AN HON. MEMBER: Name names.

MR. NEARY: Yes. I will name names. Do not worry about that. My hon. friend knows that I do not bluff.

AN HON. MEMBER: You are bluffing now.

MR. NEARY: I am not bluffing, Sir, and I can tell you this that in connection with Egret - if my hon. friend wants to think about something - Egret, Sterling International, International Forest Products, Labrador Linerboard - Money, Sir, money, money, money that should have gone into the Linerboard came into this Province into private pockets. How does that suit the hon. gentleman?

MR. HICKMAN: That is a very serious charge.

MR. NEARY: Yes, it certainly is a very serious charge but it is a true one.

MR. HICKMAN: Can you back it up?

MR. NEARY: I will -

SOME HON. MEMBERS: Oh, oh!

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

MR. HICKMAN: That is a very serious charge.

MR. NEARY: What do I have to do to back it up, Mr. Chairman?

Do I have to bring in, as I say, the neon lights and put them up for the hon. gentleman? I would suggest to the hon. gentleman that he get behind my request for a select committee of this House, preferably, or a judicial enquiry into this whole sorry, sad affair of Labrador Linerboard. And the hon. gentleman might get the surprise of his life. The hon. gentleman might find out who has been conning the hon. gentleman, who has been saying, "Oh, this is all Neary and Rowe and Simmons, their smear tactics, their character assassinations. It must be getting crowded down in Panama." The hon. gentleman will find out that that is a smoke screen.

MR. NEARY: Mr. Chairman, the last thing in this world that certain members of that side of the House want is Mr. Doyle to return to Newfoundland. That is the last thing, Sir. They have been offered a chance to give him diplomatic immunity. I heard the statement publicly. "Give the gentleman immunity and let him come and make his case." And the hon. gentleman has reneged. I heard this statement made publicly.

AN. HON. MEMBER: (Inaudible)

MR. NEARY: Well, the hon. gentleman did not take Mr. Doyle up on it.

MR. HICKMAN: I offered immunity?

MR. NEARY: Offered? No, the hon. gentleman cannot do it. The hon. gentleman has very good reason for not being able to do it.

MR. HICKMAN: (Inaudible) back away.

MR. NEARY: Oh, is that so? Well, maybe you will. Maybe you will. I wish you luck.

MR. HICKMAN: Why would he be offered immunity?

MR. NEARY: So that the man can come back and tell the truth and not be the victim of political persecution.

MR. HICKMAN: This is very serious.

MR. NEARY: It certainly is very serious, Sir, and there are a few more little serious things that have to come out yet. But, Mr. Chairman, the only way to get at the truth is to have an enquiry. Have an enquiry. I mean, if the hon. gentleman is so innocent and so lily white and so pure, why would he not agree to have an enquiry? Would the hon. gentleman agree? Would the hon. gentleman try to persuade his colleagues to do it? Or, is the hon. gentleman afraid, not personally - I do not mean that the hon. gentleman would be afraid personally-but would he be afraid of what might happen to the Administration in the process? The Minister of Justice is not his job to - well, he may be - he is not in his job as far as I am concerned to protect the Administration. The R.C.M.P. do the best they can but every time there is an enquiry or an investigation involved, involving the public Treasury, involving ministers and people in high places, they do not seem to get anywhere. Why?

MR. NEARY: Why do they not get anywhere? Because, Mr. Chairman, in my opinion, people in very influential positions think their job is to protect the Administration. Protect the Administration.

Their first job, as far as I am concerned, is to protect the public Treasury, not to protect the Administration. And if there are grafters and if there are people who are corrupt who are dipping their hands down in the public Treasury and who have dipped their hands down, and who have taken kickbacks - and I am not talking about the ordinary campaign fund; until we clean that up there is not much we can do about that. I am not talking about that kind of a kickback. - I am talking about Swiss bank accounts. We used to hear so much from Mr. Crosbie when he was here and I do not know but we heard from one or two other members on the Government side of the House about Swiss accounts. We do not here much about it today, Sir. All we hear about is increase in taxes to fatten these Swiss bank accounts.

Anyway, Sir, I did not mean to get so carried away in this debate. I want to have a meeting and while I am having a meeting with my - Yes, and there are a few other things if my hon. friend would just look me straight in the eye - there are a few other things I have to,

MR. NEARY:

before this session is over or if we get into a new session, that I would like to lay on the table of this House that are pretty serious. The con job has gone far enough. I have seen it, Mr. Chairman, in this hon. House when I have laid out a prima facie case involving corruption and graft and fraud and I have seen people go into the Tory caucus and I have been told by people in the caucus, I have been told, do not worry about it, that is all Neary's smear tactics and that is all Simmons and that is the Rowses and that is the Doyles when in actual fact, Sir, the gentleman who made these statements knew the difference. The gentleman was covering up and setting up a smoke screen, did not answer the charges. Were the charges of Sterling International answered in Gander? No, Neary's smear and the Simmons and the Rowses and the Doyles. Who started the smear campaign and the character assassination? Was it me? I merely did my duty by laying out a case and there was only one name that I recall mentioned in that, Mr. John Crosbie. How can you talk about Labrador Linerboard at that time without identifying it with Mr. Crosbie, who was Chairman of the board and executive director of that mill? How can you? Can the hon. gentleman do it? I cannot.

So the next time hon. members sitting on the government side hear these statements, it is only Simmons and Rowe and Neary and it is only the Doyles of the world and we are not going to put up with this, I would look a little deeper, I would look beneath these statements and see who is trying to cover up and who is trying to weasel his way out. Mr. Allan Miller, who, by the way, I forgot to mention this afternoon was wined and dined by the Premier of this Province down at the Starboard Quarter, wined and dined back in 1972 and Mr. Allan Miller is not a gentleman who makes a statement without thinking very, very seriously about it first of all.

So, Sir, when we see these bills coming in for increases in taxes the only thing that I can say is the gall, the nerve, the audacity of this administration, to come in and ask for an increase in taxes when the people of this Province, the poor old ordinary Newfoundlander has had his pocketbook sucked dry by

MR. NEARY:

this administration mainly to feather the nests of their buddies like we saw in connection with this Linerboard Mill. Mr. Chairman, what a sad story! Look, it is only the tip of the iceberg. I have not told half I have been told, not half, not one-tenth, as I indicated this afternoon. I will tell the House about the professional tennis team sometime that Mr. Kraft bought down in Massachusetts. You would say, well Mr. Kraft could use his own money, do what he likes with it, build a big mansion with a swimming pool and he never had a pot to do something in as we say in this Province. His father-in-law ran a little two-bit outfit. Mr. Kraft had nothing, married Hiatt's daughter and all of the sudden he owns a professional tennis team, compliments of the taxpayers of Newfoundland.

Mr. Chairman, I tell you something, I wonder if the people of Newfoundland, say, they had been consulted and they had any say in that, with the climate that we have in this Province, Sir, and with our interest in hockey would not the people have said, well do not let Mr. Kraft buy a professional tennis team, let him buy a hockey team and put the reports in the sports pages of The Daily News and at least we will be able to read about our team, find out how they are doing, see what is happening to our money.

MR. RIDEOUT: See if they are performing.

MR. NEARY: See if they are performing. Maybe we could trade off a few players from the St. John's Caps or the Corner Brook Royals. So if we are going to make these fat cats down South of the Border - my hon. friend the Minister of Tourism I am

MR. NEARY: sure did not realize that Linerboard, the people of this province, and we were sucking the money out of the people, pouring it into the Linerboard, listening to the arguments that it is in the wrong place, listening to the fact that somebody was a crook and a gangster in the beginning and all this stuff this bunch inherited. Did Mr. Doyle get the tennis team down in Massachusetts? My hon. friend could have put it in his brochures, his tourist brochures on this province. And my hon. friend the Minister of Consumer Affairs and Environment who used to go out and have bingo games for sport and recreation could have a few more bingo games to help out the poor old tennis team that we are paying for down in Massachusetts. Now, Mr. Chairman, this is the problem that are coming in and asking us for another increase in taxes, it does not make any difference what kind of taxes they are. I have not even got a full head of steam up yet, Mr. Chairman, and I am so psyched up since the House adjourned, since the Premier arbitrarily adjourned the House and abruptly brought her to a close because the hon. gentleman could not take any more and did not know what was going to turn up and he was having it rough so he says: "I might take to the open line, I might go on Bas and tell you what we think of Neary's politics, but this does not happen in Manitoba but in Newfoundland, boy, it is shocking, Shocking." But we do not have the same kind of a Premier and the same kind of a government as they have in Manitoba, and I do not intend to put up with that nonsense and any time anybody wants to debate that with me I would say step out in the arena and I guarantee you that I will match them ten times for every one thing, every bit of dirt that they will bring up I will match it ten times and I mean what I am saying. I have no intention, or my family, of putting up with that kind of innuendo, slander, or dirt from anybody, and the hon. gentlemen better remember that. Anybody, and I mean anybody, I will not tolerate it from anybody and I hope that somebody will set the record straight, I always

MR. NEARY: thought the first lady in province was down in Government House, Maybe I can learn something new every day.

AN HON. MEMBER That is not what Bas says, boy.

MR. NEARY: No, that is right. So anybody who wants to take me on, go ahead and do it, do it. Yes, Sir, I will say it inside, outside of the House, I have said it inside and I have said it outside, I have been the victim of a couple of libel charges and I guarantee you when they come up with the information that I have gathered in the last couple of years, the hon. gentlemen's eye glasses might fall right down off his nose. It is scandalous, Sir, it is absolutely shocking and disgraceful, it would turn your stomach if hon. gentlemen ever knew what is going on. It is all covered up because "old Neary and old Simmons and old Rowe, who cannot be positive, who are always negative, who are always trying to smear people, who are always attacking peoples character; Doyle is down in Panama so it is all their fault." Well, Mr. Chairman, let hon. gentlemen remember who started the smear when I brought up the Stirling International transaction. When that surfaced, who was the one, Sir, who started to smear? The hon. Minister of Justice (Mr. Hickman) got my letter, Did the hon. gentleman see any smear in there, any character assassination in there? Did the hon. gentleman, in all fairness, see any inuendos in there? The hon. gentleman saw a bunch of facts in there that prompted the hon. gentleman to move swiftly to call in the P.C.M.P. Commercial and Fraud Division when I had taken the abuse from Gander about my smear tactics and my character assassination and my association with Mr. John C. Doyle and everybody else under the sun, but sir, the charges

MR. NEARY: were just now answered, and the Minister of Transportation said "It is all a pipe-dream". It is an expensive pipe-dream - about thirty million dollars worth of a pipe-dream. If this session lasts long enough. I got a few more goodies that I am going to fling out on the table of the House, not, Mr. Chairman, to smear anybody. I have not smeared anybody or I have not attacked anybody's character. I will do my duty for the people of this Province and when I see the public treasury being looted and has been looted like it has since 1972 I intend, Sir, to do something about it. And I am not talking about ordinary campaign funds either, that both parties received, and unless and until the system is cleaned up. Do not let that fool you either. Let us sell the Labrador Linerboard mill or give it away. Let us bring in a bill to clean up election expenses. And all the past is supposed to be forgiven. No way, Mr. Chairman. The people have paid for this in their taxes. No way! Sure, get Labrador Linerboard open - by all means - we all want to see it open. But do not let the graft and corruption and fraud and mismanagement, dereliction of duty, conflict of interest that has taken place, do not let that be swept under the rug because of all the fanfare of getting the Linerboard mill opened up again.

Anyway, as I say, I did not mean to go on so long, but I tell you this, I have not even scratched the surface and that is not a threat. Hon. gentlemen can say "Ah, he is bluffing". Hon. gentlemen should know by now in this House that I do not bluff.

AN HON. MEMBER:

Last year's speech.

MR. NEARY:

I do not have a speech in front of me.

AN HON. MEMBER:

Last year's Hansard.

MR. NEARY:

No, I do not have a Hansard in front of me, and if I had it here I would read it and the hon. member would find out that if he read last year's Hansard and the year before and the year before that that I have not attacked anybody's character in this House, that I have come in and laid out the facts, laid out the facts. And the charges that I have made over the years have never been answered. They have never been answered. They have been answered with a smokescreen. They have been answered by saying, as I indicated a few moments ago, "Who is going to elect the Rows and Simmonses and the Nearys of the world?" Well, Mr. Chairman, who is? I do not know; only time will tell. I hope, Sir, that I will be re-elected. I hope that I will go down to Lapointe and that I will be re-elected. And if I am not, so be it. There is nothing I can do about it. I believe in the democratic system, but I also believe in justice, and justice is not being done. Not even the appearance of justice is being done in this Province. There is too much covering up and too much stalling and too much sidetracking. The R.C.M.P. must be completely frustrated. They must be frustrated beyond words. The hon. gentleman is coming back to make a note now, I suppose. I do not know if they are, but I would only assume that when you get near people in high places, and when you start looking at looting the public treasury of this Province that has been done in the past five or six years, the R.C.M.P. are absolutely helpless - helpless.

Maybe what we need, Mr. Chairman, in this Province is a Keable - is that the right pronunciation - commission. Maybe we need that in Newfoundland to determine the relationship between Canada's finest and the government and the Minister of Justice.

MR. NEARY:

Mr. Chairman, all this is said in the interest of objecting to further increases in taxes, further increases in taxes, Sir. What a nerve and what a gall that administration must have. How can they be so brazen as to ask the people of this Province - the ordinary people that are the highest taxed in Canada - to cough up more money so that they can look after more of their buddies, so they can get more helicopter contracts, so they can rent more office space, so that they can funnel money in various directions and syphon off funds.

MR. NEARY:

Mr. Chairman, I often wondered to myself, and I am sure hon. members of this House often wondered, why when the administration took over they were so anxious to get control of that linerboard mill. And all the contracts, as my hon. friend the Minister of Transportation and Communications (Mr. Doody) knows, the contracts were pretty well all in place, the marketing contract was in place with Mr. Heinzl in Vienna. That was cancelled - cost one quarter of a million dollars, one quarter of a million dollars it cost the tax payers of this province to pay off Mr. Heinzl, who was world renowned and who had a worldwide reputation for marketing paper and linerboard and so forth, get rid of him and take on this two-bit outfit down in Massachusetts that only had been incorporated long enough the ink was not even dry on the paper when they had an agreement with this government. Did hon. members ever stop to ask themselves why? Well, Sir, in the taking over of the linerboard and the cancelling of these contracts somebody found a juicy plum, somebody said: "Well look, there is nothing in it if you follow along with the same agreements, you do not have any room to compromise, you do not have any room to negotiate, you do not have any room to siphon off a few dollars for the campaign, we do not have that. So here are the juicy plums. Let us wipe them all out, we will start all over again and in the process we will loot the public treasury." \$30,000,000 I would think, Mr. Chairman, is a fair size scandal. It is the biggest in Newfoundland's history and probably one of the biggest in Canada and a good many states in the United States. Then the Minister from Ottawa when he is interviewed says: "Oh, it is one of Neary's dreams, pipe-dreams," some pipe-dream. Does the hon. gentlemen still think it is a dream? I am surprised at the hon. gentlemen, really amazed, and as I said earlier-I meant it this afternoon - the only man you can get a straight answer from in this House is the hon. gentleman and much of the time to his own

MR. NEARY: gentleman ever stop to think about that?
Are they being kind to anybody? Mr. Chairman, can you imagine the
Premier of this province, Mr. Crosbie, and the Minister of Justice
(Mr. Hickman) being kind to anybody, being kind, "Oh, we cannot
do that. That is not the thing." The milk of human kindness flows
from this crowd: the reason they have not done it is because they did
not want to hurt anybody. I would say the reason they have not done
it, Sir, is because there was nothing there to do and they found that
out with the Liechtenstein the thing that they gabbed and chewed about
so much in this hon. House and outside the House, and all the documents
had to be returned; there was not enough evidence to proceed with
proceccution for laying of charges.

MR. NEARY: Yes, Mr. Chairman, I am going to wind down my few remarks but I must say I regret to have to do so because I really have not gotten steamed up at all yet. And if hon. gentlemen think that is a big laugh, just try me out.

MR. SIMONS: Mr. Chairman.

MR. CHAIRMAN (MR. YOUNG): Hon. member for Burgeo-Bay d'Espoir.

SOME HON. MEMBERS: Hear, hear!

MR. SIMONS: Mr. Chairman, I spoke in the debate on the previous bill and I spoke briefly with the understanding that the Government House Leader had done his homework. I get the impression he is about to do it and -

SOME HON. MEMBERS: Oh, oh!

MR. SIMONS: We will find out. And at some point somebody should tell me whether he has done it or not because we are anxious, Mr. Chairman, to have the issues that affect this Province debated. We have, it seems, two options. We can close up this session of the House, have a new session next week, have a new Throne speech and find out what the Government has in mind, and then we can debate the issues affecting the Province in the new Address and Reply debate if there is going to be one. I would hope that would be the case. We in the Opposition have been calling all Fall for a new session of the House and that would give us, as I say, the opportunity to know what the Government's programme is.

If, on the other hand, the Government will tell us that they are not prepared to have a new session of the House, then there is no rush to get out of here at all. No rush whatsoever. Let us debate the issues of the Province at this time. We are prepared to wait a week, Mr. Chairman, a week or a week and a half; we are not prepared to allow this session to die and then wait until perhaps the middle of March, or the 4th of March as it was a year or so ago, before we get another chance to talk about the issues that affect the people in my district and around this Province generally.

MR. SIMMONS: And, so, the options, Sir, are two: One, to have a new session if the Government is agreeable in which case we will co-operate to wind down this session fairly quickly; but, on the other hand, Mr. Chairman, let it be clearly understood that if the Government is going to just steer its way out of here and then give no undertaking as to when the House will resume with a new Throne Speech, then, Mr. Chairman, we have no intention of letting the House close and we will debate the issues and use these money bills to debate the issues. I gave notice a few minutes ago when I spoke on the other bill that we are quite accommodating. We are quite prepared to allow these bills to go through. We will vote against them, these tax bills. We are prepared to allow them to go through if there is a clear undertaking by Government that we will have a new opportunity in the next week or so to debate the issues under the new Address and Reply debate. It is just that simple. We thought we had gotten the message through to the Government House Leader but as we are finding sometimes it is fairly difficult to get a message through to him. But, perhaps, he has learned in the last few minutes and so he has gone behind the curtains and I hope he is working out with our House Leader, the member for LaPoile (Mr. Neary), some arrangement so that we can either debate the issues now - and we do not care, as a matter of fact we would much prefer to debate them now really, but if there is an undertaking to have a new session of the House next week or so, we are prepared to hold our fire until that particular time. We will know, hopefully, in the next half hour or so, and then we will decide where to go from here.

But, I would say to my colleagues who are within -

AN HON. MEMBER: You will see a puff of smoke.

MR. SIMMONS: We will watch for the colour of smoke behind the Provincial Arms there in a moment. I would say to my colleagues in the meantime, those who are within hearing of my voice that they

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MR. SIMONS: ought to get their speeches ready on the issues that affect their districts and affect the economy of this Province because there may be, before this day is out, or tomorrow, or Wednesday, or Thursday, they may well have an opportunity to address themselves to these particular issues. And there are many of them, Mr. Chairman.

 The latest one, but only the latest of many,

MR. SIMMONS:

is this issue in Quebec City over the weekend where a spokesman for the government of this Province has the unmitigated gall to commit this Province to even higher costs for oil. I never thought, Mr. Chairman, I would see the day where a Newfoundlander would so betray his Province as was done over the weekend in Quebec City. Disgraceful! And had it been one of those silver spoon types, you could understand it, I suppose. You could say he was out of touch but it was -

AN HON. MEMBER: The Premier?

MR. SIMMONS: No, it was the Minister of Mines and Energy who in some respects had a very ordinary upbringing. But like so many others he is after forgetting the base degrees by which he did ascend and he goes off to Quebec City over the weekend and in the interests of staying in bed with Alberta betrays this Province once again and the people of this Province, the people who have to pay that extra three cents a gallon on oil and the people who will have their electricity costs go up again as of January because of that nefarious decision in Quebec City over the weekend. What a disgrace!

And what reason did we hear from the Minister of Finance today? What reason? The reason as I heard it was that they wanted to continue to stay in bed with Alberta. Now what is it, Mr. Chairman, that we have in common with Alberta? What is it other than the novelty of flattering ourselves that somehow sleeping with the elephant means you are an elephant too? That is all, just the novelty the boys get out of rubbing shoulders with the blue eyed Arabs. That is what they are getting. They are on an ego trip, Mr. Chairman, on an ego trip, absolutely unprecedented ego trip where somehow they get a kick out of rubbing shoulders with the boys from Alberta thinking that by association some of the riches might rub off. I wish some of the common sense would rub off. I wish the people who represent this Province in government today were so adept at representing our people's interests as the government of Alberta has demonstrated it is at representing their people's interests. And that is the point that

MR. SIMMONS:

everybody is missing, that the interests of the people of Alberta in this matter are vastly different from those of the people of this Province.

I can well understand the position that the government of Alberta has taken on this and I do not score them for that. I understand it. I can see the wisdom of it. But I cannot see, Mr. Chairman, I cannot swallow, I will not swallow the insult that this government does to us by agreeing to another increase. And the argument has to do with uniformity. I cannot get excited about uniformity. It does not help my cause when I get the electricity bill, when I get the oil bill at the end of the month after January. It does not help my cause. It does not help my blood pressure when I look at that further inflated price at the bottom, the total. It does not help me. It does not help my blood pressure if I say to myself, well that is okay, they are paying the same amount in Alberta, they are paying the same amount in B.C. I dare say they have more dollars to pay it with in Alberta or B.C. than I have or other taxpayers have in this Province.

Perhaps, Mr. Chairman, it is the issue of the Quebec City decision, the additional three cents a gallon that we are going to have to pay as of January thanks to this government's policy -

DR. KITCHEN: Is that on the home oil or just gasoline?

MR. SIMMONS: We could not get many answers, Mr. Chairman, they weaseled on it today. You may notice the Minister of Mines and Energy for once in his life did not have too many words in his cheek this afternoon. He was suddenly deferring to his senior colleague, the Minister of Finance. He is usually crowding him out with the elbows and saying, I will answer this, I know it all, I will answer. Not today though, Mr. Chairman. Did not want to be identified with this one today. We will hang this albatross around his neck, Mr. Chairman.

MR. PECKFORD: I will answer you in due course.

MR. SIMMONS: We will hang this albatross around his neck. It is not me he has to answer to, Mr. Chairman, it is the people of the Province who are going to be paying the additional costs after January. That is the people, Mr. Chairman, who need the answer. The minister had a chance to give it this afternoon.

MR. PECKFORD: Simple minded statements can be answered very easily.

MR. SIMMONS: That is perhaps why he could not answer mine today very easily. That is why he choose not to answer, because it was not simple minded, because it bore in on the real issue, Mr. Chairman, that the minister -

MR. PECKFORD: Sit down and let me -

MR. SIMMONS: The minister had his chance during Question Period. Now he has collected his thoughts. He has been schooled a bit by the Minister of Justice who is much more adept at skirting the issue than the Minister of Mines is. I will say one thing for the Minister of Mines, he usually says what is on his mind. He does not look for a devious answer but he has been talking to some people who have given him a few devious answers and now he is all ready to launch forth.

MR. PECKFORD: You wanted to ask me about the Minister of Finance but you did not want me to answer.

MR. SIMMONS: I asked the Minister of Mines and Energy, Mr. Chairman, the first question this afternoon. Mr. Chairman, the first question this afternoon was to the Minister of Mines and Energy and we got a nonsense, skulking answer. He wanted to get out from under it and I could not stand to see the little fellow squirm. I could not see the poor little fellow squirm with no answers in his head.

It is not his fault, Mr. Chairman, if they are in debt with Alberta. He is not in that league, Mr. Chairman. He may be sitting at the footstool beside the bed but he is not in the bed, Mr. Chairman. It is the Premier who is in the bed. He is only doing the Premier's bidding, that is all. He has always been a good gofer. Always been a good gofer. Mr. Chairman, always a good messenger. And he performed his job well in Quebec City over the weekend. I should get off this kick, Mr. Chairman, the next thing he will be writing some more poison letters.

AN HON. MEMBER: And you might get one.

MR. SIMMONS: I was down to Green Bay the other day, Mr. Chairman, at a Liberal ball. What a time we had. Tremendous. A tremendous Liberal ball. The last thing I had to say to the editor of the paper was, "Please, as much as I know you are inclined to, please do not publish my picture in the Green Bay News. Do not do it because the last time you did it you caused quite a controversy. You upset your member that you actually published my picture in the paper. He wrote a letter to the editor about it. He is very upset." So, I said, "Let us not do it. Let us not upset him that way. Do not publish my picture in the paper, please, this time." And, of course, he acquiesced.

MR. SIMMONS: Speaking about the Liberal ball we had in Green Bay, I thought we had a fantastic ball the other night down at the Holiday Inn salon A, B, C, and D, and we had to put some downstairs besides. Two years ago, I remember, Mr. Chairman, we were hard-pressed to find enough to go - it must have been three years ago, two years ago - to find enough to go to the Liberal ball. We have to go around to give about a hundred tickets away free to get enough people to go, to get a couple of hundred there. The other night, seven hundred people came down. And I must say, I wish the House could have heard in particular the speech that Mr. Jamieson gave. I wish in particular -

AN HON. MEMBER: Did he mention the Minister of Fisheries?

MR. SIMMONS: Yes, he mentioned the Minister of Fisheries in despatches. As a matter of fact, he despatched him fairly well and disposed of him at the same time.

I wish the Minister of Fisheries, in particular, could have heard Mr. Jamieson's version, in much more eloquent terms than I was able to give the other day, but the same tone really, how the one-time Federal politician, the one-time Federal member who was then fighting for Canada has now come back to Newfoundland and now Canada, that foreign country called Canada, that foreign domain called Ottawa, is the big enemy, the great enemy. And he has demonstrated how by leaving the foreign soil and being repatriated, coming back to Newfoundland, he has done the Province a favour. But the rhetoric! Of course, in the rhetoric he fails to realize that in so arguing he cuts the legs under the guy who replaced him in that the person who went from being Provincial Minister of Fisheries to the Federal MP for St. John's West because he could do more, and you cannot have it both ways. But as I said the other day and as Mr. Jamieson said so much better the other night, if there is one person in this Province who is undermining on a daily basis the unity of the country it is the Minister of Fisheries. He is doing it as surely as he sits there. The Minister of Fisheries -

AN HON. MEMBER: Federal or provincial?

MR. SIMMONS:

I am surprised the Minister of Fisheries would admit that there is another minister of fisheries. That is a concession in itself. If I refer to a minister who does not sit in this House I shall qualify it by saying, Federal minister. When I say, the minister, I think about the minister who is in this particular House.

He, more than any other person in this Province, is undermining, wilfully undermining the unity of this country at a time, Mr. Chairman, when we cannot afford to have anybody in public life undermine it. He is wilfully undermining it and it is sad. He should know the difference because he did spend some time in Ottawa and he should have some perspective on the country as a whole. But for some reason he has buried any perspective he has and he is taking it on as some kind of a narrow patriot in the very narrow sense of that term, and expects at the same time that people around this Province are swallowing his rhetoric. Well, some of them may be swallowing his rhetoric but I say to him that it is at the expense of this country, it is at the expense of the unity of Canada that he does it, and I wish he would wake up, Mr. Chairman, and realize that because

MR. SIMMONS:

he is hurting the cause at a time when we cannot afford to have it hurt. The minister has something he wants to say? He said it anyway. What was it? What did he say?

MR. F. ROWE: He said he is the only true Newfoundlander in the Province.

MR. SIMMONS: Who is? The minister of Fisheries?

MR. F. ROWE: Yes.

MR. SIMMONS: Oh yes, yes, yes.

AN HON. MEMBER: Ask him how he is going to finance the fisheries development plan?

MR. SIMMONS: I would not ask him unfair questions like that. He does not know how he is going to finance the fisheries development plan. He never did anymore than the Premier ever knew how they were going to finance the trawlers and that is the whole point. That is the whole con job.

MR. W. CARTER: He might disappoint you, 'Rodger'.

MR. SIMMONS: No, Mr. Chairman, he will not disappoint me.

MR. W. CARTER: You might be disappointed.

MR. SIMMONS: He will not disappoint me if he -

MR. W. CARTER: Rompkey is your friend.

MR. SIMMONS: Rompkey is my friend. At least I know who my friends are and am prepared to say so. I do not double deal when it comes to my friends.

MR. RIDEOUT: If it does not fly blame it on the feds.

MR. SIMMONS: At least I do not double deal when it comes to my friends. I do not pat LeBlanc on the back when he is in front of me and then stab in the back when he is away from me. I do not engage in that kind of a thing. At least I do not double deal.

MR. PECKFORD: Want me to cite a few examples.

MR. SIMMONS: Yes, go ahead. I am listening. Well, tell some stories 'Brian' for the Lord's sake. You are always telling us about the stories you are going to tell. Tell a few stories, boy. Entertain at least yourself.

AN HON. MEMBER: There is a story in Ottawa about -

MR. SIMMONS: What hill?

AN HON. MEMBER: (Inaudible) cabinet (Inaudible)

MR. SIMMONS: Oh yes, yes. We could tell a few stories that we pick up when we go to Ottawa about the high respect in which the Minister of Mines and Energy is held. Now that would be a story if the Minister of Fisheries wants something to laugh about and then cry about at the same time, if you want a story. We could tell some stories.

Look while we are handing out bouquets, Mr. Chairman, I meant the first day while there was a lot of sweetness and light in this House, I meant last Thursday to use the occasion of my first speech since we resumed to thank two or three ministers for visiting my district since the House closed and I must say the Minister of Fisheries and the Minister of Industrial Development were both in Burgeo for the fish plant opening and seriously, if I could say so, did an admirable job and I want to thank them for it.

I was also rather pleased the other day with the visit of the Minister of Forestry to Milltown. I am glad he is here. I wanted to say this to him. I never got a chance the other day. He was down in connection with the forestry, the timber limit allocations, and a very good meeting I thought, but at one point he had somebody who I thought spoke to him a little bit out of turn and rather nasty, I thought. I remember the incident and I must say I admired the way the minister handled it because lesser people might have stomped out or called names, things of that nature but I was most appreciative of the way that the Minister of Forestry handled that particular incident in which he allowed it to pass by just averting the glance. Having said that, Mr. Chairman, I just wanted to acknowledge the presence of some ministers in my district during the interim.

The Minister of Fisheries, of course, made another visit to my district. And I should not announce my vocations on the air from now on because I was trying to get the minister

MR. SIMMONS:

for eight months to go and as soon as I went on vacation he grabs the helicopter and goes up there. Now I think I should tell you about his impact. He dashed into Ramea one afternoon. It was a nice day so all the people were out fishing. Nobody knew he was coming and they are still grumbling up there of course because they did not know he came and about the only people he saw were the fish plant people who were taken by so much surprise to see him they did not have their notes together as to what they wanted to say to him. He never quite got to Burgeo at all that time.

MR. W. CARTER: I did.

MR. SIMMONS: Tell the people in Burgeo that.

MR. W. CARTER: I was there.

MR. SIMMONS: Tell the people in Burgeo that.

MR. W. CARTER: I had a meeting with the union man there, Foley.

MR. SIMMONS: That is about the only one you met with then.

MR. W. CARTER: And the plants.

MR. SIMMONS: About the only person you met with.

MR. W. CARTER: He is a very important man up there.

MR. SIMMONS: Yes he is, a very important man up there, A very important man but the inshore fishermen never saw the minister on that occasion.

MR. W. CARTER: They were out fishing.

MR. SIMMONS: That is right. That is my point. I attempted for eight or nine months to organize a meeting of the minister at a time when the fishermen would not have been fishing and he elected -

MR. W. CARTER: I shall return.

MR. SIMMONS: I certainly hope he will return at a time when the fishermen can meet him. We have been trying for a year to get him up there so another few months will not hurt.

Now, Mr. Chairman, I still do not see any smoke. They are still talking, are they? Well, Mr. Chairman, while they talk

MR. SIMMONS: this bill on the increase in tobacco tax like the once which we have just passed over our objections in this side of the House on income tax, like the one which is to come on retail sales tax, Mr. Chairman, are all proposals which we are very much against. Until I can figure out what it is this government is doing with the taxes it now has, I am not prepared to vote one additional cent of revenue for this government to squander. I could get excited about fisheries programs. I really could, except we have heard it all so many times before. The trawler fleet in Harbour Breton five years ago, where is it? Where is the trawler fleet? Will the new fisheries program - the new announcements - go the same way as that trawler fleet went? Will it just be an announcement?

AN HON. MEMBER: The auction system.

MR. SIMMONS: Yes, the auction system was another one. You know I am sure the Minister of Fisheries will understand that we are a little skeptical, perhaps it is the experience that has made us skeptical. And will he at some point rationalize why it is the Premier speaking at a by-election rally got up and talked about the trawlers, and he said "This is not a political promise now. I have talked to the companies and we have worked out an arrangement". What happened to the arrangement? Where is it?

AN HON. MEMBER: We have had it eleven years now. 1968 was the first time that proposal came up.

MR. SIMMONS: That is right. Yes.

The Minister of Fisheries says that perhaps he will disappoint us. Perhaps he will surprise us. Perhaps the Minister will surprise us. I hope he does, but I tell you this if he pulls off any of it will be - no, he will not disappoint me - if he pulls off something in that

MR. SIMMONS: program. I am not sure about the superport because I do not know what is going on there, but then his colleague from Placentia does not know what is going on there. I will say this that until we get more details about the superport I have a feeling - I have a gut feeling - that one of the main offshoots of that superport, if it comes through in the version that is proposed in the document, will be to further destroy and erode rural life. He will create an urban ghetto. He will create an urban ghetto in Harbour Grace. He has yet to convince me and many other fishermen that the route to go is the superport route. So, he may surprise us, Mr. Chairman, but he will not disappoint if he delivers on some of the things. He will surprise us, Mr. Chairman, because of the record of this government when it comes to fisheries development, a record of promises that have never been kept - a record of spitting out press releases - lambasting everybody not present.

AN HON. MEMBER: The new Burgeo plant (inaudible).

MR. SIMMONS: Now, Mr. Chairman, the Burgeo plant. The Premier sent the former minister of industrial development up there to talk them out of the new plant, told them he was going to repair the old one. Remember that one? Well, a former minister - the member for Grand Falls - actually went to Burgeo and got just about run out of town when he suggested that he could save a few bucks, that it would only cost a million or two to repair the old plant. What nobody bothered to tell him is that the old plant was sinking - actually physically sinking into the water, and he was up there going to repair it. They almost lynched him when he suggested the idea, and he beat a fast retreat back to Confederation Building and finally, Mr. Chairman, got a message through to the Premier; but more important than that message was the message that we had all already gotten through the federal minister and the Minister of Fisheries can take

MR. SIMMONS: all the bows he wants and the Minister of Industrial Development. Let us never be under any illusion, Mr. Chairman, about who we have to thank for the fishplant in Burgeo, and it is not this administration. It is not this administration. This administration, Mr. Chairman, wanted to scuttle the plant. They wanted to go up and repair the old plant that was sinking into the water. That was their solution. If Jamieson had not stepped into the breach and bailed her out, as it were; they would not be up smiling at any official openings as they were three weeks ago. Let us not fool ourselves on that one. They played their part, Mr. Chairman, they played their part, but it was a part well scripted for them by the federal minister. All this hogwash about who we are supposed to thank on our knees suddenly for the Burgeo fishplant. How warped, Mr. Chairman, must the minds be, how deluded must they become? Don Jamieson is the man to thank for the Burgeo fishplant. If you want somebody to thank for not pursuing the matter of catch capability, you can thank the Minister of Fisheries; he wants something to be thanked for. If you want to thank somebody for the sweet deal they gave National Sea, you can thank the Minister of Fisheries

MR. SIMMONS: and the Minister of Industrial Development. If you are looking for somebody to thank for the reality, the fact of the Burgeo fishplant, there is one man you can thank: That is Don Jamieson. You do not have to thank the person who is going around this Province trying to destroy this nation with his rhetoric, trying to tear her apart, trying to play one against the other. Do not thank him. Do not thank him, Mr. Chairman. Thank Don Jamieson, the federal minister.

That is all I wanted to say,

Mr. Chairman.

MR. CHAIRMAN: Hon. member for St. John's West.

DR. KITCHEN: Mr. Chairman, a few remarks on this bill to charge the poor people who smoke a little more, so that this crowd can get a few more dollars to do what they do.

I was looking at the alternate ways to raise money rather than just tax people who happen to be caught with this habit of smoking and charging them more to live. I was looking at the statement that came from the Treasury Board the other day with the compliments of the President of the Treasury Board on Atlantic Loto. I do not know if members have had a chance to look at this report there with all the great people on the front part of the cover and statement from the chairman and a picture of all the pretty girls in their evening dresses and so on. This is a way that this government has of raising some money - participates in raising money through Atlantic Loto. I was looking at the pay-off here. The people of Atlantic Canada contributed 40.6 million dollars in purchases of tickets. We have bought something over five million dollars, but the rest of the total was 40.6 million dollars. I was just thinking looking at

DR. KITCHEN: some of the expenditures and so on and I come to the conclusion that this is not particularly an efficient way of raising money, and neither is it a particularly efficient way raising money through lotteries. I looked at some of the, for example, forty million dollars was raised but the actual amount that got into the provincial coffers - this is the real pay-off - how much came to the provinces - something like fourteen million, so that the actual pay-off was about 35%. It is not a particularly effective way of raising money; and if you look at it in a different way, actually the people bought forty million dollars - they gave back nineteen million in prizes which left about twenty-one million dollars that came from the people of Atlantic Canada - twenty-one million came into the coffers of this organization, and they gave fourteen million back to the provinces, but it actually cost them something over 6-1/2 million dollars to raise this paltry amount of money - 6-1/2 million dollars to give back fourteen million. This is a very, very expensive way of raising a little bit of money for the Province - very expensive way. And then I start looking at the 6.6 million dollars that was actually spent

DR. KITCHEN: on expences. I see here that the salaries for sales, \$700,000.00, commissions \$121,000.00, employee benefits \$83,000.00, travel \$167,000.00, that is on the people who sell, rent, promotion and leased vehicles \$217,000.00, advertising and public relations \$1,429,000.00. This is the kind of money that it cost to operate this great outfit that raises a few dollars and distributes a bit and gives a bit back to the province. What I am suggesting, Mr. Chairman, is that this whole question of raising and spending money through Atlantic Loto can very well be looked at rather carefully. I do not believe that this comes under the Auditor General, Would that be true, the Auditor General would have no way of looking at this corporation to see if the best interests of this province are looked at?

MR. HICKMAN: It does not operate only in this Province.

Dr. Kitchen: No, right, but we participating officially, this is being distributed by the President of the Treasury Board, Actually he sent me a complimentary copy with the compliments of the President of the Treasury Board, not of New Brunswick, the government of Newfoundland and Labrador. So presumably it is done with the blessing of the people opposite and I am suggesting that raising \$14,000,000.00 at a cost of \$6.6 million is a very poor way of raising money through taxes or any other way, not to mention the moral benefits of raising money in this fashion. The problem is, I believe, that there must be alot of hidden costs here, of the type that we have been referring to. We know how expensive it is to run Newfoundland and Labrador Hydro. It is run as a private corporation, a public corporation run as a private corporation, where people get all sorts of benefits, some of which we have been able to pare back but some of the more recent developments in the past year or so we have not been able to monitor properly yet. We noticed how Newfoundland Avalon

DR. KITCHEN:

Telephone Company, which is a private company which operates as a public company in many ways, spends money, they spend money like a drunken sailor. As a matter of fact the number of members were here, I am sure, and were invited to the splash that they threw up in the Aquarena last Summer. It turned my guts to see the money that was spent there on liquor, distributing liquor to all who might come, and I began to wonder, what about the phone bills that are going up next month as a result of the way that this company distributes money, passes it out? Is that coming out of their pockets? It is coming out of the backs of the people of Newfoundland and it is monitored by the Public Utilities Board? And I suggest that if the Public Utilities Board allows this amount of money to be charged up to phone bills, then we have to look carefully at the manner in which the Public Utilities Board operates and maybe we have to decide to see whether the Public Utilities Board is fulfilling its mission as far as this province is concerned. We have to watch these little corporations that are springing up all over the place pretending to operate for the benefit of this province. I am saying to you that when you have advertising and public relations \$1.4 million dollars to raise \$14,000,000.00, ten percent of the amount raised has to go in advertising and another ten percent in sales, then something very serious is wrong with the way we are raising money. Rather than to raise money through tobacco tax, I think the president of the Treasury Board, the Minister of Finance (Mr. Hickman), one thing he better look at is this whole question of the Atlantic Loto and is this province getting proper benefit from this or is another corporation that is a ripoff of the people. We have to look at that rather carefully. I wish some of the members opposite who are doing a lot of money raising through other lotteries would

DR. KITCHEN: be able to compare the amount of overhead gone into this one as opposed to the amount of overhead that goes into other lotteries. I think it is very unusual to have the amount of overhead this great, what I am commenting on is the tremendous amount of overhead that seems to be built in for the amount of return that we are getting and the other provinces of the Atlantic region are getting from this particular way of raising money and how nice it would be to be able to have an advertising contract from Atlantic Loto performing the noble service of raising money for the Newfoundland people, I would like to look into that. I wish our Auditor General had the power to look at the books and to see what companies and how things are operating up there, it looks to me as if the costs are a bit heavy and I would like for someone to look into it before agreeing to support any measure to raise the cost of tobacco tax or any other tax for this province.

SOME HON. MEMBERS: Hear, hear!

On motion, resolution carried.

A bill, "An Act Respecting the Tax on Users of Tobacco."

On motion, Clauses 1 through 13, carried.

MR. CHAIRMAN: Does Clause 19 carry?

MR. HICKMAN: I do not know how it even got in there. Strike out the words "in the hands of any trustee" in (2)(b) and (3)(b) as moved by the Minister of Industrial Development.

On motion, amendment carried.

On motion, Clauses 20 through 50, carried.

MR. CHAIRMAN: Does Clause 51 carry?

MR. HICKMAN: Hon. Minister of Industrial Development moves that there be inserted the words "to the Court of Appeal".

On motion, amendment carried.

On motion, Clauses 52 through 70, carried.

On motion, that the Committee report having passed the bill with amendment, carried.

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

MR. SPEAKER: The hon. Chairman of Committees.

MR. CHAIRMAN: Mr. Speaker, the Committee of Supply has considered a certain resolution and a bill consequent thereto, recommends that the said bill be introduced to give effect to the same.

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

On motion, amendments read a first and second time, bill ordered read a first time now, by leave.

On motion, Bill No. 37 read a first, second and third time, ordered passed and its title be as on the order paper.

Motion, second reading of a bill, "An Act To Amend The Financial Administration Act, 1973."

MR. SPEAKER: Hon. Minister of Finance.

MR. HICKMAN: Mr. Speaker, there is an amendment to this bill that I have submitted to hon. gentlemen opposite and the financial critic for the Opposition. As presently legislated, The Financial Administration Act set forth certain borrowings that the Province can buy, one of which is excluded for a reason beyond our comprehension. This one is not that important, it is the City of St. John's. I mean from the point of view of the amendment.

The Financial Administration Act is being amended now as a result of matters that were discussed and reported on in particular by the Public Accounts Committee and as is envisaged in their first report which was tabled in this House last year, or early in this session, I have forgotten which.

MR. SIMMONS: The previous session. *

MR. HICKMAN: The previous session. But it was tabled, I believe, in any event. It was tabled in this House. I am not sure when.

The Financial Administration Act, the bill that is before the House is not necessary to improve investment and corporate paper, hopefully to improve the investment yields, i.e., more income, also to carry out and to try and bring some realism into The Financial Administration Act with respect to placing orders for goods that are to be delivered in the next fiscal year. Right now, under strict interpretation of the Act, I am told we have reached this very ridiculous situation that if, for instance, in the town of Burgeo - and this was never intended by the drafters of the Act and I am sure it

MR. HICKMAN: was never intended by this Legislature - a tractor broke down necessitating the placing of an order in March which could not be delivered and it was known that it could not be delivered until the next fiscal year that there is some doubt as to whether or not this could be accomplished. In any event, the two servants of this House, the Comptroller of the Treasury and the Auditor General, have met and reviewed the proposed bill that is before the House and, in particular, the amendment which will be moved when we get into Committee, and I think now that bill accomplishes what has been set out to do. If there are any other questions I will do my best to answer them but I think the hon. financial critic opposite will agree that we have now reached that stage in life that we have been striving for.

MR. SPEAKER: Hon. member for Burgeo-Bay d'Espoir.

MR. SIMONS: Mr. Speaker, the bill, as I believe the minister in introducing the bill has mentioned, comes from a recommendation which came before the House from the Public Accounts Committee, its first report. That was the report for the year ended March 31, 1975; it is not the report which I have here which hon. members will remember I tabled in April of this year. It is the previous one which would have been a large blue volume and it had a number of recommendations. I believe the first one, or certainly one of the recommendations, related to this problem in the Financial Administration Act as it exists at the present time. We ran into the problem in Committee in hearing from

MR. SIMMONS:

witnesses about some expenditures that have been incurred in the Department of Health back in the 1975 year and we had before the Committee the Deputy Minister, Dr. Klippert, and also the then Comptroller, Mr. Martin, and as a result we came to the conclusion that there was a bit of a problem with the term 'commitment' particularly in the specific that it was not defined. The act used it a couple of places but there was no definition, period. There was no definition for the term 'commitment' and that meant of course that the reader of the legislation or the person applying the legislation, administering it, it was left to him to place an interpretation on what was meant by the word 'commitment' as it occurred in section 26, 27 and 28 of the act.

So the committee at that time made a recommendation to the House - and I am very delighted as the chairman to notice that the government has decided to bring forth the legislation. Just if I can get the minister's attention, the rewording is really what we are talking about. Now how has he handled the mechanics? Are we assuming that this has been amended?

MR. HICKMAN: From the point of view of the second reading debate the hon. gentleman is quite in order because one of the amendments is the definition section of 'commitment'. But when we go into committee I will have to get someone to move but we can assume that that is what is in it.

MR. SIMMONS: Okay. I have taken a look at the latest wording - and it has only been in my hands for the last hour or so - and it would seem to me that this new definition, the rewording that is not on the printed version which members will have but on the mimeographed version or the photocopied version which members may have now, that wording for B (1) seems to satisfy the concern of the committee and the members of the committee at that particular time. Only time will tell whether it does. But the concern at that particular time when we talked about it was that commitments made particularly near the end of the year, there were some grey areas as to what fiscal year they belonged in,

MR. SIMMONS:

whether they belonged in the expiring fiscal year or in the new fiscal year, the fiscal year in which the item was delivered or the year in which the government or the department of government took delivery of the item. While it is a housekeeping item it is a very important housekeeping item if you could have heard the rather extended debate that went on on this particular matter as it affected the Department of Health in the 1975 fiscal year.

Mr. Speaker, with these comments we have pleasure in supporting the proposed amendments to the act.

On motion a bill, "An Act To Amend The Financial Administration Act, 1973," read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 54)

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

MR. CHAIRMAN: Order, please!

Bill 54.

MR. PECKFORD: I move that section 1 be amended to read as follows, B (1). 'Commitment means an obligation arising out of an agreement between the government and another person to make payment from an appropriation to the Legislature.'

MR. CHAIRMAN: Shall the amendment carry?

MR. SIMMONS: Mr. Chairman, one further word now that we are in Committee. These amendments are the result of the kind of work that was being done by the

MR. SIMMONS: Public Accounts Committee when it was still allowed to function. I think the House would be wise to recall again that in May of 1976 we set up a very excellent vehicle to monitor the public accounts, a standing committee called, "The Standing Committee on Public Accounts". And this amendment, together with others which I hope will be brought forth in legislative form, this amendment demonstrates the kind of work that was being done by the Public Accounts Committee, and in the present controversy which has become polarized along completely partisan terms we should not forget that the committee has a very real function. And before all of us run to our partisan corners and say, "My party, right or wrong," we should bear in mind that we should get the Public Accounts Committee back on track. We are doing a very severe injustice to the system if you remove from it a mechanism to monitor the system, and that Public Accounts Committee demonstrated that it was able to do that. It had weaknesses. It had the weaknesses of the people on, it for that matter, including myself. But we should not lose sight of the vehicle itself. We should not throw out the baby with the bath water. And I fear that that is what we have done or what we are about to do in our rush to wave the partisan flag which we respectively carry. And I would hope that this particular amendment will help trigger for the members of the House the motivation that they must have had in voting for the setting up of the Public Accounts Committee in the first place. It is a very good vehicle and it has now been effectively destroyed, whatever you say in the partisan way, from a partisan stand point. The fact of the matter is the committee, for all intents and purposes, does not exist today or does not function today as a working committee of this House. It is not able to carry out its mandate. You can blame who you want, that is not the issue. The fact of the matter is the committee is not functioning and it is losing many, many valuable

MR. SIMMONS: months. Indeed, it really has not functioned in this calendar year. It has not functioned at all since last January when we put together this particular report for the year ending March 1976. It really has not functioned for an entire calendar year and we all have our allegations, our suspicions, our theories as to what the reason is for it.

The fact of the matter is, reasons aside, the fact of the matter is the committee is not functioning. And that I think is sad, that such a committee is not functioning. This is a good example of what a functioning committee can do. I have never been under the illusion that the Public Accounts Committee, or ~~any other~~ or any other standing committee of this House, I have never been under the illusion that a standing committee of this House is a non-partisan committee. I think that is hogwash, absolute hogwash! You cannot put seven or ten or twelve politicians, all of whom have party labels, together in a room, particularly a public room, and ask them to forget their politics, their partisan politics. The Standing Committee on Public Accounts on any other standing committee is not a non-partisan committee. What it is, is a bi-partisan committee. And the reason we put so many Liberals and so many PC's there is because we want as far as we can balance out the partisanship, not to get rid of it. And indeed, if I had thought for one minute that I was being asked to serve on a committee in which I was not allowed to stand up for the principle that the party believes in, I would not serve on the committee. I just would not do it. And so, if you are looking for somebody to serve on a committee that is going to be non-partisan, first, I do not think it is possible, and secondly, I do not want to be part of it. I do not think for a second the Public Accounts Committee is a non-partisan committee. It is a bi-partisan committee. It represents the various - as it happens, just two - it represents the various parties in this particular House and I do not think that

MR. SIMMONS: is a bad thing. I think it is a very good thing that the viewpoints of the various parties represented in this House have their input at the committee level.

Mr. Chairman, that is about what I want to say on the issue now. I think that is a good example of what the committee structure can do for us and I can only lament not only that the Public Accounts Committee is not working, but that the other committees of this House are not working either. Many of them have not been struck and those that have been struck have not met. We sometimes talk about how uninformed members of the House are, particularly opposition members or members not in government, backbenchers on the government side. And we have within our reach an excellent mechanism to see that these members, the backbenchers on the government side and the members on this side, to see that these members are more informed. I am talking about the committee system.

MR. SIMMONS: I would love to see it have a much wider application than it does in this House at the present time. The PAC demonstrated it could be done, and notwithstanding the present problems with the PAC, I still think this kind of amendment demonstrates the advantage of a full-fledged committee system.

On motion, clause 1, carried.

MR. CHAIRMAN: Shall clause 2 carry?

MR. PECKFORD: Yes, 15(1)(b) of the bill, Mr. Chairman, for amendment. Let me see if I can get that straight now. It is clause 2 section 15, subsection 1(b) and to be added after the words, 'Hydro bond of the City of St. John's'. So the amendment would read: 'Added after the word, 'Hydro' and the semi-colon removed, 'bonds, debentures and other securities of the City of St. John's'.

MR. HICKMAN: That will mean a re-numbering.

MR. CHAIRMAN: Shall the amendment carry?

MR. SIMMONS: I wonder, this clause 15, what is the numbering?

MR. HICKMAN: I do not know how the numbering is going to come out but the effect of the amendment is to add, 'The City of St. John's'.

MR. SIMMONS: Okay. Yes.

MR. HICKMAN: Okay? But I am not sure if it is going to be
night -

On motion amendment, carried.

On motion clauses 2 through 4, carried.

MR. CHAIRMAN: Shall clause 4 carry?

MR. HICKMAN: I am sure my colleague the Minister of Industrial Development would like to read - maybe I will read it and he can move it so he will not have to lug all of this over to his seat. The amendment which will be moved, Mr. Chairman, by the Minister of Industrial Development is that (4) read as follows: 4(1) This said act is amended by adding immediately after section (26) the following: "26 (II) each Deputy Minister or other officers charged with the administration of a head of expenditure shall notify the comptroller of any commitment chargeable against that head of expenditure. Two, a Deputy Minister or other officer charged with the administration of a head of expenditure

MR. HICKMAN: shall not enter into a commitment unless an appropriation exists or is in a sufficient amount to meet the commitment, Three, the Comptroller shall report to the board any commitment for which there is no or insufficient appropriation of the Legislature.' Would you move that?

AN HON. MEMBER: Very good, Sir. Very, very worthwhile.

MR. DOODY: I so move.

On motion, amendment carried.

MR. CHAIRMAN: Shall clause 5 carry?

MR. HICKMAN: Another amendment to clause 5, Mr. Chairman, moved by the Minister of Industrial Development. To try to read all that portion of the said act preceding paragraph (a) is repealed and the following is substituted: "29, the Comptroller shall ensure that no payment of any public money is made'.

On motion, amendment carried.

Motion, that the Committee report having passed the bill with amendment, carried.

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

MR. SPEAKER: Hon. Chairman.

MR. CHAIRMAN: Mr. Speaker, the Committee of Supply has considered a certain resolution and a bill consequent thereto with amendment and recommends the said bill be introduced to give effect to some.

November 20, 1978

Tape 5258

GH-1

On motion, report received
and adopted.

On motion, amendments read a
first and second time.

On motion, a bill, "An Act
To Amend The Financial Administration Act, 1973," read
a third time, ordered passed and its title be as on the
Order Paper.

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,
at 2:00 p.m.

On motion, the House at its
rising adjourned until tomorrow, Tuesday, November 21, 1978
at 2:00 p.m.