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VERBATIM REPORT

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SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House met at 10:30 A.M.

Mr. Speaker in the Chair:

HON. J. R. SMALLWOOD (Premier):

Mr. Speaker, the House, I am sure, will hear with profound regret of the sudden death, at 1:00 A.M. this morning, of Mr. Ross Young.

Mr. Young was stricken with a heart attack two or three days ago, was rushed to the hospital where he was put in the Intensive Care Department of the hospital, but died at 1:00 A.M. this morning.

He was one of the most distinguished of all the public servants of this Province. He was a man of quite extraordinary energy. He did the work of several men. He was constantly on the go. He virtually commuted back and forth between St. John's and Ottawa and Montreal. He was the principal adviser to the Government in all matters concerning the fisheries. He was a very valued adviser of the Canadian Government. He had a very special relationship with all the high-ranking officials of the Department of Fisheries and associated departments at Ottawa, where he was greatly trusted and highly respected, and the slightest bit of advice that he ever gave them was received with confidence and respect in Ottawa, as it was here in this Government.

He was trusted by the fish trade, by the Fishermen's Organization and by the two governments.

It will be quite impossible to replace him. There is no man that I know anywhere, on either side of the Cabot Strait, who can take the place of Ross Young. He worked years ago in the office of the Royal Stores. He moved from there to the office of Crosbie & Company, where he worked up during the years when Crosbie & Company were in the fish business, worked up to a position of eminence and became the

first person ever to become a director of the Crosbie Business Enterprises who was not a member of the family. He was the first non-member of the Crosbie family ever to become a director. It was from that firm that I invited him to join the government as a high-ranking civil servant.

As a member of the Fisheries Development Authority, he served the fishing industry of this Province in a remarkably able and satisfactory manner.

I knew him personally for a great many years. I knew his father well. I knew his grandfather well. And I know his son, Mr. Victor Young, the Associate or Deputy Secretary of the Treasury Board of this Province, of this Government, and one of the most promising civil servants we have in Newfoundland today. A man of extraordinarily fine character, integrity and ability.

They do not come very often like Ross Young, and the loss is a terrible one for this Province and for this Government. To his family, I know our hearts go out as we mourn the loss of a great Newfoundlander.

While I am on my feet I would like to report what I have learned of the matter that was raised in the Committee of the Whole yesterday or last night with regard to buildings of the Newfoundland Liquor Commission that are rented to the Commission by the Royal Trust Company.

In most, if not all, of these cases where it is the Royal Trust, the actual construction was done by the Firm of Lundrigans; and the initial contact with the Liquor Commission was made by the Lundrigan Firm, one or other member of that firm.

The same firm have built the Royal Trust Building on Water Street, and I believe, they are building a Royal Trust Building, at the present time, in Halifax. And they seem to be the builders for the Royal Trust in quite a number of cases.

The rent is paid to the Royal Trust. The Royal Trust presumably are the owners of these buildings, but they were constructed by the Lundrigan Firm in all the cases. There are some, I think, thirty-five or forty buildings in the Province, that are owned or rented by the Liquor Commission and some five or six of them are these Royal Trust Buildings.

MR. A. J. MURPHY (Leader of the Opposition):

Mr. Speaker, I would like to join with the hon. the Premier and the rest of the House in saying how very sorry I am personally and, as a matter of fact, we all are in the tragic death of the very fine man in the person of Ross Young.

When I went to work on Water Street, some forty years ago, Mr. Young was then a very valued employee of Crosbie & Company. I knew him very well. I knew his father, Mr. Hiram Young, and his brother, and Mr. Young's own family.

The Premier, of course, is in a far better position to let us know just how valuable he was in the Public Service; and I am sure we must all agree that, to my knowledge and from what I have seen of Mr. Young, I could never understand what kept him going. He seemed to be perpetual motion. Whenever you saw him, he was running with a bunch of papers in his hand. Possibly this might be one of the means of hastening his rather premature death. They tell me he was a man who took his work very, very seriously. He carried a lot himself perhaps, rather than share it with other members of his staff down there.

But it is with deep regret, Mr. Speaker, that I rise to support this motion of sympathy, to his family, possibly, in the first instance, but I am sure that his loss is a very great one indeed to this Government, and we can ill-afford to lose such outstanding men, with the talents which they possess.

MR. J. C. CROSBIE:

Mr. Speaker, I too would certainly like to join in the remarks made by the Premier and the Leader of the Opposition about Mr. Ross Young.

My first memories of him, and they have never changed, his appearance hardly ever changed during the last thirty years, were when he was manager at Crosbie & Company., when I was a boy and used to go in there occasionally. I think he was the same then as he was certainly last week, a dynamo, always moving, having his fingers on everything, efficient and always pleasant. I think that was one of the characteristics of Mr. Young. No matter how busy he was, at least my experience of him was that he was always pleasant and polite to everyone.

In those days Crosbie & Company were in the herring and whaling business and salt fish. Mr. Young, I think, was a Certified Public Accountant. It was the Premier who enticed him away from Crosbie & Company. I do not know when that was. I think it was in 1953.

I know that since he went with the Government he was certainly one of the main-stays, not only of the Department of Fisheries but I know the Premier relied on him to a great extent. In the two years that I was in the Government he was certainly very much in evidence on all matters to do with the fisheries or finances. He was a tremendously hard worker, knowledgeable, and his death at this time (and Mr. Young was not all that old. I suppose he was in his sixties) is certainly a great loss to the Province, Mr. Speaker.

He has left behind him an extraordinary family, I believe. This is another one of his great accomplishments. Of his children, two were doctors, one Dr. Bob Young, whom I suppose is certainly one of the top in Newfoundland in his speciality, which is Internal Medicine. He has another son who is a doctor, I believe a general practitioner.

The Premier has mentioned Mr. Vic Young, who is a very, very promising public servant here in Newfoundland, now with the Treasury Board. Another son, Howie Young, who is, I believe, a Druggist, and now looks after the Dale Carnegie Courses, here in Newfoundland.

So Mr. Young has left behind him an extraordinary family, all of whom are going to make a great contribution to the life of this Province, in their own fields, in the next twenty or thirty years. That is certainly a great monument to him.

We certainly join in extending our sympathy to Mrs. Young and the family and to the Government in the loss of such a valuable and faithful, hard-working, top-notch civil servant.

HON. E. WINSOR:

Mr. Speaker, I would like to join with the other hon. gentleman in paying respect to Ross Young.

I knew Ross Young first, as others, when he worked with Crosbie & Company, on Water Street, and several times I had dealings with him. I always found him to be a very pleasant, congenial and co-operative. But, Sir, I got to know him best just recently, when I took over as Acting Minister of Fisheries.

He was a very reliable and dependable man, with a terrific amount of knowledge. He developed a wonderful relationship, as the Premier pointed out, with the Fisheries Department at Ottawa. That was quite evident to me at least, during the Fisheries Council Meetings, which took place here a couple of weeks ago.

It was only on Friday afternoon he came to see me and he said that he had a bit of a cold but he thought he would fight it off over the weekend. And I said to him: "Ross, I think you are rushing around a little too much. Why do you not take it easy?"

MR. WINSOR: But that was not the nature of Ross Young. And, Sir, in the Department of Fisheries he is going to be greatly missed and he is going to be a very difficult person to replace.

Sir, on behalf of the Department of Fisheries and myself, I would extend our condolence to Mrs. Young and the family, and as I said, he is a great loss to Newfoundland and to the Department of Fisheries in particular.

PRESENTING PETITIONS

HON. J.A. NOLAN: (MINISTER OF SUPPLY): Mr. Speaker, I have a petition that I have been asked to present to this hon. House by the Retail Sales Personnel in St. John's and the immediate area. And it is signed by 700, and indeed had time permitted, I am informed by the people concerned that this petition could very easily go to 2000, it is only a matter of simply having more names added to the petition.

The prayer of the petition is that the maximum opening hours of six days and two nights, Monday, Tuesday, Wednesday, Saturday, 9:00 A.M. to 5:30 P.M.; Thursday and Friday 9:00 A.M. to 9:30 P.M., Christmas opening hours; December 10th. to December 23rd. inclusive. Christmas Eve 9:00 A.M. to 5:30 P.M. The holiday is as presently proclaimed .

The request is that we give every consideration to this petition, which I am most happy to support, and indeed proud to have the opportunity of presenting this petition at this time in behalf of the 700 people who signed the petition. And in addition, of course, representing all those too who, while they may not have signed this petition at this time, would certainly do so at time permitted, and as I indicated earlier would be more than happy to sign a petition or another one, if necessary, in order to get this point across because I have met with many of the retail people and they are quite concerned about the hours that they have been requested to work.

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MR. NOLAN: I do know from my own that from my own experience, as Minister of Municipal Affairs, that in other areas of the Province where opening hours are effected, store opening hours, it is done through the store closing regulations in many areas. And perhaps this is the way it should be done in this particular instance also.

I am sure that perhaps, the hon. the Leader of the Opposition may wish to support the prayer of this petition. I would though at the request of the people concerned table this petition - ask your permission to table the petition, Mr. Speaker, and to have it forwarded to the department concerned.

MR. SPEAKER: Moved and seconded that this petition be received and referred to the department to which it relates.

MR. A. MURPHY:(LEADER OF THE OPPOSITION): I would like to support the petition very much. I do so with a powerful sense of frustration. As I look around this hon. House, and I think back, I think, it was three or four years ago, where a committee, I believe there were four of us under the Chairmanship of the hon. the Minister of Provincial Affairs. And we spent many, many hours, both inside and outside the House, I mean when the House was closed. And we had many briefs from various firms, not only employees at that time, but I think, a great majority of the firms in St. John's, particularly on Water Street at that time where very, very worried about the fact that stores were kept open much, much longer in the evenings and everyday of the week except Sunday.

We gave it awful lot of thought, an awful lot of discussion, but we ended up and the conclusion was arrived at by this Committee, and we are governed by the law relating to hours of work in shops, (I think, the hon. minister will bear me out on this) where we felt that we could only regulate the number of hours worked by employees. Now whether we can go any further or not, I do not know, and I think the hon. minister who presented this petition, I believe, maybe aware of this. I do not believe the hon. minister is in the House, I am not sure if he was at that time. Well, anyhow.

MR. MURPHY: But basically we gave it awful lot of thought, we received thousands of signatures, dozens of submissions from firms. And I feel myself that with this constant competition between stores and employees, as I see it now, are not in a position in most cases to know just what day of the week they are going to be off, what hours they will have to work because they are working apparently from 9:00 A.M. until 10:00 P.M. and 11:00 P.M. in the night, with the opening of the new suburban supermarkets and different outlets. So it is become

Mr. Murphy.

from a rather frustrated group of people who are the retail clerks in these stores. I certainly support it, and I would hope that this House can come up with something and give us the power to actually regulate store closing and store opening hours. But, as I say, up to the time that we had met on this committee (and there was a committee of five and as I said earlier) we spent many, many hours and heard many witnesses actually which were brought in to give evidence. We could only go according to the Act then set up - the hours of work in stores and that was to limit the number of hours that any employee worked and after that he received his overtime pay and so on.

Now there are members of the committee in this House and I think, particularly, the Minister of Provincial Affairs, who could perhaps give a more concise summing up of our findings and perhaps just let the House know and perhaps give us some direction. I would be only too happy to work on any committee to establish regular hours, because after all in these days, I feel that clerks are getting back to the position of being more or less slaves or serfs. They cannot get this time off to spend with their families like they should. Possibly, it is within our jurisdiction to do something about it and actually accede to the prayer of this petition.

MR. CROSBIE: Mr. Speaker, we would like to support the prayer of this petition received from the retail sales clerks, presumably in the St. John's area, which asks that the store opening hours be six days and two nights a week.

Now, Mr. Speaker, I think this whole issue is arising again, because of the pressure from shopping centres in the suburban areas about St. John's. Wherever shopping centres have developed, in the metropolitan areas, anywhere on the North American continent, this problem has arisen and has arisen, of course, again here in Newfoundland because of pressure for six nights opening a week. It is from shopping centres and stores located

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in shopping centres. These are the store owners who wish to remain open six days and six nights a week. As I understand it, there is no desire at all for most business establishments on Water Street, most business establishments who are not located in shopping centres, such as one establishment I would not name now. There is no pressure from them that there be six nights and six days store openings a week. But because or if the shopping centres, their competitors, are allowed to open six nights and six days a week, other retail establishments have absolutely no choice. It is either do the same or go out of business. So, the matter is squarely within the jurisdiction of this House of Assembly, the Government and the members of the House of Assembly.

I think that this six days and six nights a week is hard on the employees, even though the maximum number of hours that you are permitted to work without overtime is forty hours. It still means that every employee has to take his turn working nights and without a long weekend and the rest of it. It is a very difficult situation. So, we support the principle of this petition and are quite willing to serve on the committee or discuss with the Government what action the Government may want to take on it.

HON. G. A. FRECKER (Minister of Provincial Affairs): Mr. Speaker, without delaying the proceedings, I might add to what the hon. Leader of the Opposition had said. We did have a Select Committee of the House, and we did interview many people. Of all those we did meet, I do not recall any who were opposed to what was being recommended; namely, five days and one night or two nights at the most. At the present time the House of Work Act provides for a forty hour week with certain rates, prescriptive rates, so that a person is not obliged to be on his feet or to be working consistently without a break for more than so many hours. Anything over the forty hours a week has to be paid as time and a-half.

Mr. Frecker.

Now the thing that struck me, when we were receiving delegations and submissions, was that practically all the retail stores, not only the employees but the management on Water Street, were in favour of not having too many nights open. Even the food establishments, like the supermarkets they were quite willing to be reasonable. They had problems but they could be resolved.

Now the House will be interested to learn, Mr. Speaker, that we have had approaches made to us, quite recently, by the Newfoundland Board of Trade. I do not know if it is still called the Newfoundland Board of Trade or the Newfoundland Chamber of Commerce. I saw something in the paper recently which would leave me to believe that the name may have been changed. But the letterhead that we received was the Newfoundland Board of Trade. They were speaking on behalf not only of their own immediate members in St. John's but on behalf of a number of Chambers of Commerce distributed around the Province. The problem is a complicated one because whatever we do, if we do it by law, becomes the order of the day for the Province as a whole and what may be suitable in St. John's, Corner Brook, Grand Falls, may create genuine hardships in other areas. So, I just want to let the House know, at the present time, that we have this very problem under active consideration within, making approaches to the various provinces to determine the exact trend because the problem is not just native to Newfoundland. It is one that is arising all over the country. Quebec has recently passed a law which makes it obligatory not to be open more than two nights a week and to close at 5 p.m. on Saturdays, and it is getting quite a lot of support.

But, we cannot just say what we will be prepared to recommend until we have had more opportunity to investigate the problem in depth. I might add that we have also been in touch with the retail people themselves,

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the employees. So, we are working on it, Mr. Speaker, and when the petition presented by the hon. Minister of Supply and Services is referred to the Department of Provincial Affairs, which I believe is the department to which it should be referred, rest assured, Mr. Speaker and hon. members, that the problem is receiving active consideration and we will do the very best we can.

MR. SPEAKER: Is it moved and seconded that this petition be received and referred to the department to which it relates. Those in favour "aye." Contrary "nay." Carried.

NOTICE OF MOTION.

MR. SMALLWOOD. Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill, "An Act Further To Amend The Government-British Newfoundland Exploration Limited (Authorization of Agreement) Act, 1957, And The Agreement Made In Pursuance Of That Act."

And, a Bill, "An Act To Authorize The Lieutenant-Governor In Council To Enter Into An Agreement With British Newfoundland Corporation Limited And N.M. Rothschild & Sons, Supplemental To The Agreement Dated The Twenty-First Day Of May, 1953, As Heretofore Amended."

And, a Bill, "An Act To Make Consistent The Provisions In Various Acts Respecting The Insertions Of Public Notices In Newspapers."

HON. E. WINSOR (Minister of Labrador Affairs): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill, "An Act To Repeal The Salt Codfish Marketing (Control) Act, 1964."

And, "An Act To Repeal The Salt Codfish Marketing Board Act, 1964."

ANSWERS TO QUESTIONS.

MR. SMALLWOOD: Mr. Speaker, Question no. 536, on the Order Paper of May 28th., in the name of the hon. the member for St. John's East (Extern). The two years in question, the answer is as follows: 1968-1969, wooden creosoted poles, \$64,371 - 1969-1970, wooden creosoted poles, \$9,916.

MR. NOLAN: Mr. Speaker, I would like to table the answer to Question no. 519 asked by the hon. member for St. Barbe South on the Order Paper, dated May 22nd. During the financial year that ended March, 31st., 1970 how many school desks were purchased by the department on behalf of the Department of Education and in connection with such purchases were tenders called in all cases? The answer, 3,916. Part (2), yes. (2) In connection with each purchase of school desks or each tender call in connection with school desks, outline whether tenders were called, from whom the desks were purchased in each case, the number purchased in each case, and the price and the cost of the school desks purchased in each case? The answer to the first part of that question: tenders were called in all cases. The answer to part two of the question: Newfoundland Hardwoods Ltd. The answer to part three: during the financial year ending 31 March, 1970, the following desks were purchased; large combination desks, 1,509, unit price \$19.98; medium combination desks, 1,454, unit price \$19.29; small combination desks, 783, unit price in this case was \$18.60; large separate desks, 32 were purchased, unit price of \$15.98; medium separate desks, 77 purchased, unit price of \$15.48; small separate desks, 27 purchased, unit price of \$15.05; kindergarten desks 30 at a unit price of \$17.50; teachers' desks 4 at a unit price of \$65.00. The total quantity in this instance, Mr. Speaker, is 3,916.

The third part of the question is: were the school desks in every case purchased from the person or firm who submitted the lowest tender and, if not, why not? The answer to that is, yes. I will table the answer to that question, Mr. Speaker. I would also like to answer the Question no. 537, asked by the hon. member for St. John's East (Extern) on the Order Paper of May 28th.

What was the total cost of (a) asphalt (give also the gallonage) (b) other materials purchased from Newfoundland Hardwoods Ltd in 1968-69 and 1969-70? The answer for 1968-1969, asphalt 24,306 tons - the total cost was \$1,717,883.16. Part (2) of this question for 1968-69, Mr. Speaker, R.C., 70 - 37,000 gallons - total cost \$13,460.60.

Mr. Nolan.

The answer for 1969-70, the answer to part (1), asphalt 23,532 tons, total cost \$1,626,255.22 and part (2) of this answer: R.C. 70 and 250 - 48,955 gallons - total cost \$ 18,116.69.

MR. CROSBIE: A supplementary question, Mr. Speaker. Was the total for 1968-69, \$1,717,000? Is that the correct total because for half the tonnage the next year, it was \$1,626,000?

MR. NOLAN: This is the answer provided by the officials. I would certainly be more than happy to check this, Mr. Speaker.

MR. CROSBIE: You know it is hard to see how 44,000 tons is \$1.7 million and 23,000 tons the next year is \$1.6 million. The minister will check that will he?

MR. NOLAN: I would be very happy to, yes.

MR. COLLINS: Mr. Speaker, before orders of the day, I ask leave to move the adjournment of the House for the purpose of discussing a matter of extreme public importance; namely, the alarmingly high unemployment rate in Newfoundland. It is causing great distress and hardship to the people of this Province. And to censure this Government for its failure to recognize that such unemployment has reached crisis proportions in its failure to initiate remedial action and programs.

MR. SMALLWOOD: Mr. Speaker, I suppose I scarcely need to object to this motion. It is not urgent that the matter be debated today. It is not urgent that all other business of the House be dropped now so that this matter may be debated now. There are ample opportunities throughout the remainder of the session, that are coming up in any case, for this matter to be debated, including the estimates of my Department of Economic Development.

MR. SPEAKER: If no other hon. member wishes to comment, I have already intimated, I think, to the person attempting to move this motion that this is not the kind of motion that calls for the interruption of all the other business before this House. Nobody denies the urgency of the matter,

Mr. Speaker.

but to stop all other business in the House at the present time in order to discuss this question of unemployment, in my opinion, is not the type of motion that is acceptable to the House in order to put all other business aside at this particular time. This has already been pointed out. There will be opportunities within the day or so, when, on the various items of the budget, reference will be made and has already been made to the unemployment situation and members will get an opportunity to make motions or to express their feelings about the matter in connection with this. For that reason, I do not see why we should put other business aside right at this present time in order to discuss this particular motion that is before us now.

MR. COLLINS: Mr. Speaker, with respect, sir, I cannot accept that argument, because certainly one of the most important and one of the most pressing problems facing Newfoundlanders today is the difficulty in obtaining employment. We have as much as fifty or sixty per cent unemployed...

MR. SPEAKER: I have already said that I cannot, under the circumstances, - I do not under the circumstances feel that this is the type of motion that we can accept right now, to disregard all other business and go into a special debate on this, when there is opportunity being offered very shortly to discuss the same matter. Now that is my ruling and it is not, of course, subject to debate.

MR. NOLAN: Mr. Speaker, I wonder, if I could have permission to correct an answer that was given, sir?

MR. SPEAKER: By leave of the House.

MR. NOLAN: Very quickly, Mr. Speaker. The answer, I understand is accurate as printed. I believe I may have said in the answer for 1968-1969 for asphalt, 44,000 whereas indeed it should be 24,306 tons and

Mr. Nolan.

the same figures as given would apply and I will table this answer.
Thank you.

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

MR. HODDER (CHAIRMAN OF COMMITTEES) Heading XIII - Municipal Affairs
and Housing - 1301-1.

MR. CROSBIE: Mr. Chairman, I would like to make a few preliminary remarks
on this heading before we go down through the department. The Department
of Municipal Affairs and Housing is a very interesting one, an important
one, Mr. Chairman. I would like first - well I think to get this out of
the way. I would like first to address a few remarks to the question of
Elizabeth Towers. The St. John's Housing Corporation reports to the
Minister of Municipal Affairs or at least is supposed to report to the
Minister of Municipal Affairs and Elizabeth Towers Limited is a subsidiary
of the St. John's Housing Corporation. It comes under the housing part of
the minister's department.

The St. John's Housing Corporation, Mr. Chairman, I do not
think anybody could argue has not performed a very valuable service
in the St. John's area over the past twenty years, in the development
of service land for both commercial purposes and for housing purposes
throughout this area. There is a great feeling around, and I think
there is quite a bit of merit to it, that in the last few years, perhaps
for as long as eight or ten years, really, the corporation has not been
doing as much as it could to keep the price of serviced land as low as
possible. In other words it is my feeling or I believe that if a public
agency is engaged in the business of providing serviced land then it should
provide it at the lowest possible cost. The corporation should not make
a profit on its land operations. What has been happening in St. John's,

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in the past few years in any event, is that the St. John's Housing Corporation sets the price for serviced building lots. Because whatever price it sets, determines what any other private developer is going to be able to set for building lots. If you can buy a serviced building lot in St. John's Housing Corporation for \$60 a foot frontage, you are not going to go to some private developer and buy a lot from the private developer at \$100 a foot frontage or \$90 or \$80 or \$70. So, they have by and large to keep in line with the St. John's Housing Corporation.

Now, Mr. Chairman, I believe and I think any investigation of the financial affairs of the St. John's Housing Corporation will show that over the past number of years the St. John's Housing Corporation has made money and considerable sums of money on developing and selling serviced building lots and has consistently lost money on the rental, construction and renting of apartment units. What is happening is that the people who are buying land, buying building lots from the St. John's Housing Corporation are in effect subsidizing its other operations which are losing money. This has been the general effect over the past few years and the St. John's Housing Corporation, instead of having the effect of keeping the price of serviced building lots down, has really been doing the same thing as any private developer would do, charging what the market will bear rather than what should be the other way around.

Mr. Chairman,

MR. CROSSIE:

Mr. Chairman, that is the general observation on the St. John's Housing Corporation. Now it has done a good job, a good physical job in obtaining the land, providing lots, industrial sites and so on but I think it is a matter of policy within that corporation. It has lost sight of what its real function should be and that is to develop building, serviced land in St. John's and sell it at as cheap a price as possible, covering its cost and no more. But the St. John's Housing Corporation is doing much more than that: it is making money on its development of serviced lots, to cover its losses it is suffering on its apartment projects.

Now Elizabeth Towers, Mr. Chairman, on Elizabeth Avenue, is certainly one example of a lack of sense of priorities. It is an example of several things. It is an example, first, of not having proper priorities in Government. That is one example. Secondly, it is an example of an absolute lack of planning. That is the second point in connection with the Housing Corporation. In fact, these are the two major points in connection with Elizabeth Towers. It shows lack of planning, lack of a sense of priorities, disregard for the people's right to information about what is being done with public monies.

Now when Elizabeth Towers started, and I think it was in 1966, we can all remember "Terry the Tiger" Carter, Terry Carter, and his campaign against it and at that time it was said that Elizabeth Towers, this apartment project, was going to cost \$2.5 million. Terry Carter then said, in his own inimitable way, that it was going to cost at least double that, \$5. million, and there was quite a campaign and a controversy went on at that time. Well, it turns out, Mr. Chairman, four years later that "Terry the Tiger" Carter was exactly right that Elizabeth Towers did not cost \$2.5 million. It cost, in reply to questions asked in the House here, the total cost of Elizabeth Towers was \$5,395,000. Now the \$5,302,000. was the cost of the building and the \$93,000. was the cost of furniture, equipment and furnishings. So \$5,395,000. altogether for this luxury apartment building.

So Terry Carter was not only right when he said \$5. million but he was below what actually turned out to be the case. I presume, I am not sure

MR. CROSBIE:

about that, but I presume that includes architects fees. I think it is the total cost. I believe that was the way the question was asked so that would, I assume, include the architects fees and all the costs of Elizabeth Towers.

Now why did this happen? Well, number one, Mr. Chairman, the architects who prepared the plans must have assured the corporation that the apartment building could be constructed for \$2.5 million, that must have been his advice to the St. John's Housing Corporation, obviously. The corporation, taking his advice, did not call tenders for the construction of the whole complex, one tender called for the whole business, foundation, the structure, everything complete. But what the corporation did was call tenders first for the foundation and then, I think, it called tenders for the steel and then it called tenders for the rest of the building. When the tender came in for the rest of the building, for the whole thing, they were faced not with \$2.5 million but with a price in excess of \$5. or \$6. million. The architect had been wrong in his advice. He had been out at least one hundred per-cent.

But it was too late to do too much about it then, Mr. Chairman, because the foundations were now there and, I believe, the steel work was there then in the process of being erected. So there was very little that could be done about this extraordinary difference in costs, the actual cost and the advised cost. The corporation was trapped with this building because of the way that the tenders were called on it. That was one unfortunate thing, that was the poor planning.

What is the position now? Here is this \$5,395,000. structure. It is financed through a ten year loan from the Canadian Bank of Commerce, \$2.5 million; a five year loan from the Toronto Dominion Bank, \$1.5 million and \$1,195,000. provided by the St. John's Housing Corporation all of which loans are guaranteed by the Government. We are told that the average interest rate on these loans is eight per-cent. Now, of course, one has to ask, where did the St. John's Housing Corporation get \$1,195,000. to advance for the construction of Elizabeth Towers? It has either got it from retained profits and the profits must have been made of the sale of land or it borrowed the money itself or got it somewhere because the St. John's Housing Corporation has \$1,195,000. in this

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Elizabeth Towers complex. Now if the answer is right and the interest rate on these loans is eight per-cent, eight per-cent of \$5,195,000. comes to \$415,600. a year in interest, eight per-cent of \$5,195,000. is \$415,600. interest a year.

Now I mentioned that because in the expenses that the Minister has given this House the interest on bank loans he has given as \$341,000. and the interest on advances from St. John's Housing Corporation is \$38,000. making a total of approximately \$380,000. in interest which looks to be too low, about \$30,000. too low, if this average interest rate is correct. The expenses appear to be understated.

Now this Elizabeth Towers has 102 apartment units and four hotel type units; fourteen one bedroom, eighty-eight two bedroom and four hotel units and on February 1st, 1970 there were only ten one bedroom apartments and twenty-two two bedroom apartments rented, that was thirty-two apartments rented. According to the answers to these questions, ninety-two, ninety-three and others, the corporation this year, the present financial year, expects total income \$458,000., total expenses \$591,000., so the Government estimates a loss this year of \$133,750. on the operation of Elizabeth Towers. I would say, Mr. Chairman, that the loss is going to be far in excess of that unless all these apartments are pretty soon rented. The income from apartment rentals is given as \$253,000. Now there is not a hope of achieving that rental unless all the apartment units are rented and I do not believe they are. The income from commercial rentals is \$202,000. The interesting thing to note about that, Mr. Chairman, is that nearly all those commercial rentals are coming from Government agencies. The estimate is \$202,000. and we know from other answers to questions tabled in this House that four Government agencies are paying a total of \$153,690. in rents to Elizabeth Towers this year. So of the all the income from commercial rentals over three-quarters of it is coming from Government agencies, \$153,000. out of \$202,000.

Newfoundland and Labrador Water Authorities \$75,000; Newfoundland Medical Care Commission \$47,000.; St. John's Metropolitan Area Board \$65,000.; Newfoundland and Labrador Computer Services \$92,000. So nearly all the

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commercial rentals are coming from the Government. The apartment rentals, that income is not going to be there unless they are all rented. When you look on the expense side the interest figure looks like it is low, the other figures we do not know. If we accept all these figures from the Government the loss is \$133,000, but it is more likely going to be \$200,000. or \$250,000. this year.

Now that is the information we got in answer to questions. When I say we, some questions were asked by the official opposition and some by us. What did the manager of the whole complex say, Mr. O.L. Vardy? What did he have to say about the position? On January 26th, 1970 in the Evening Telegram, and January 26th, 1970 was only a month before the House opened, Mr. Vardy, the Chairman of the St. John's Housing Corporation, took the Telegram to task for saying that Elizabeth Towers would lose more than \$100,000. in its first year of operation. Mr. Vardy said that the income of Elizabeth Towers would be just below, well in the present year, that might mean the last financial year, would be just below the \$360,000. expenses. He does not know where the Telegram gets its figures. They did not discuss it with him. That was for the last year, \$360,000. Now the Telegram should get its figures correct and there would be no problem.

Anything the Government is involved in there is always a tendency to use it as a political football. There certainly is, Mr. Chairman, the Government uses it as a political football when it is in the Government's favour and if it is not in the Government's favour, of course, other opposition groups, their parties use it as a political football. Has that not always been the case? Has anybody heard of a success the Government has had that was not made into a political football and kicked all around the Province? Likewise with mistakes the Government makes. Why should they not be political footballs too?

According to the statements made by the Government, reported in January 1970, the revenue of this complex is going to amount to \$565,000. a year, that is \$100,000. more than is shown in this House. The expenses were going to be \$563,000. which is \$30,000. less than the answers to questions showed and there was going to be a \$2,000. profit. To make the \$2,000. profit the apartments would have to be ninety-five per-cent occupied. The point is, Mr. Chairman,

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that even if the Elizabeth Towers was highly profitable, suppose it was a good investment, suppose the thing really made good money, it is not the kind of investment a Government should be interested in making, luxury apartment buildings. That is not where the \$5. million of the Newfoundland Government's credits should be tied up. There is \$5. million, credit of the Newfoundland Government and agencies of the Newfoundland Government, tied up in Elizabeth Towers and we all know a hundred good things that could be done with \$5. million in this Province. Every Minister could use it, every Department could use that capital expenditure, even just in the housing field. Look at the number of things that could be done. We could have the \$5. million at twenty-five per-cent with the Federal Contribution and that would make \$20. million available for subsidize rentals around the Province. That is one use it could have.

It could be used to develop and purchase land at reasonable costs. The Government talks about land banks being a good policy, buy land before it becomes expensive and the services reach out. With \$5. million you could do that all around the Province, Mr. Chairman. You could estimate what areas are going to have growth and go out with \$5. million today and buy thousands of acres of land that within the next five or ten years is going to cost anyone who buys it \$40. or \$50. million. That is what you could do with the \$5. million for housing. You could have a second mortgage fund, you could use it for second mortgages to provide second mortgages at a reasonable interest rate. The people in Newfoundland who are buying properties and do not have enough down payment just use the first mortgage. The first mortgage today, Mr. Chairman, is what, ten per-cent, eleven per-cent? Between ten and eleven per-cent for a first mortgage on good residential property in St. John's and a second mortgage you cannot get. But when you can get a second mortgage it carries interest of fifteen or eighteen per-cent.

Now that \$5. million could be in a second mortgage fund for the people who need it to get second mortgages at some reasonable interest rates, they need them to make up the purchase price of a home. Subsidize rental, urban renewal - urban renewal, the urban renewal scheme in Corner Brook, the

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one in Mundy Pond had been cut down because the Federal Government has limited the amount of money it will pay. So the guts have been cut out of both those urban renewal schemes to fit the amount of money that is available. Well, you could go on in any number of areas where \$5. million borrowed by the Newfoundland Government or its agencies could be better used than in the Elizabeth Towers. That would be the case, whether it was a terrific investment or not it would make no difference. It is a misuse of public funds to provide housing that only those people who are wealthy can afford to rent. The rents are, I think, from \$200.00 to \$500.00 a month.

Now I am not going to pursue that any further, Mr. Chairman. There is no point in it as the facts are all there. I think it is a great tragedy. Now if the Government could find or St. John's Housing Corporation can find someone who will buy Elizabeth Towers, some private firm or corporation or individual willing to buy Elizabeth Towers, I would say, Mr. Chairman, that the Government would be well off selling it even at a loss and a substantial loss, to free up this \$4. or \$5. million even if the loss they took was a half million or a million, to free up the \$4. million that the Government or its agencies are paying eight per-cent on, and use it for some other better purpose. Just realize the mistake and cut the losses. It is tragic really this Elizabeth Towers and it is twisting the St. John's Housing Corporation, that and Pleasantville and the other apartment complexes are twisting the St. John's Housing Corporation from its original purpose, to provide service land in the St. John's area at a decent price, because, make no mistake about it, the St. John's Housing Corporation is making good money on the development and sale of building lots when it should be doing it for cost or near cost.

Blackhead Road, the urban renewal scheme I want to mention too, Mr. Chairman, and I want to mention it for several reasons. The Blackhead Road situation is certainly a difficult one for any Government and one of the great problems being up there, I believe, the lack of what the Minister of Welfare calls participatory democracy. That there has not been enough information going from the officials who are involved in the Blackhead Road, if what you hear from the people up there is correct, they have not received

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proper information on what is involved in this whole scheme and that has been the case for the last several years and that is a great pity. If any of the members gets this paper that has been put out on the Blackhead Road, the "Blackhead Road Householder News Letter," they will see the problems that they are having up on the Blackhead Road.

Now, Mr. Chairman, there are bound to be a lot of problems on the Blackhead Road due to the fact that construction had to be carried on in the area, water and sewage put down, new roads built and houses moved while everybody continues to live up there. The decision was made a long time ago that because the people of the Blackhead Road area did not want to leave, they had a great community feeling there, they did not want to leave the Blackhead Road area that because of that the choices that were open to the Government were (1) to move everyone off the Blackhead Road and resettle them somewhere else, that was one alternative or (2) to try and build a modern community with all the public facilities up there and rehabilitate and renew the whole Blackhead Road area. The Government decided on the second choice and this is what the people of the Blackhead Road area wanted. But I do not think that they had ever fully understood what is involved in this scheme and there are many questions now, if the Minister can enlighten us, he should enlighten us on.

One of the problems is this, what is to happen with the housing that is moved but is still used up on the Blackhead Road? Suppose it is housing that is not of a good standard but a person is going to continue to live in the houses, it is not taken down, it is not destroyed in the course of this renewal scheme, how is the individual concerned going to be able to improve or renovate his house? How is he going to be able to pay for the water and sewage and pipes and fixtures that will have to go into his house to have it attached to water and sewage? How is he going to improve his home if he does not have any money himself to do it? Are the Government of Canada and the Government of Newfoundland going to make loans to these people who are in that position? Are they going to make grants to them for those purposes? What is going to happen to those particular people? What is going to happen when the urban renewal scheme is over, when construction is over? Is the Blackhead Road

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area to be incorporated as a separate municipality or is it to be taken within the city of St. John's, within the city limits of St. John's to become part of the city? If that happens, is the city to get financial compensation, for taking it over, for all the expenses that would be involved? Where will the money come from to operate the community once urban renewal is finished? In other words; to operate public services like roads and maintain them, to maintain and operate the water and sewage systems that is going to cost money and who is going to pay those costs? The people living on the Blackhead Road, are they going to be taxed, are they going to have to pay water and sewage rates? What is to happen to them when construction finishes this summer? That certainly is important for them to know.

Is the water turned on there yet, is the city now supplying water to the water and sewage facilities up on the Blackhead Road now or when has the city agreed to start supplying water? How many people up there have had their homes destroyed from necessity during these projects? When is public housing going to be built there or is there any public housing under way there now? Are there going to be subsidized rental units constructed on the Blackhead Road or public housing of some kind for the people to move into who have lost their properties? What are the prices of the lots going to be up there?

These are some of the questions that the people on the Blackhead Road would like answered and I am sure that anyone interested in the question would like answered.

There is another burning issue up there, Mr. Chairman, which I am going to mention because of the foul attempts by some politicians to try to blame it on me personally. In 1964, this House passed the Family Homes Expropriation Act, Act (63) of the Statutes of Newfoundland 1966-67 and that Legislation was passed, Mr. Chairman, when I was Minister of Municipal Affairs. I am sorry, that was the Amendment. The Act was passed in 1964. That is Legislation which provides that where a family home is expropriated the basis of compensation is not the market value of the property, not what you would get for the property if a willing seller sold it to a willing purchaser, which

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had been the law until 1964. That Legislation changed that so that if it is a family home that a family is living in, that the compensation would be based not on market value, not on what a willing buyer would pay a willing seller but on the basis of what it would cost the people, whose property had been expropriated, what it would cost them to get a reasonably equivalent home..

The intent of the Act was that the owner shall receive such compensation as will ensure that the family unit is in no worse position as a result of the expropriation. It being recognized that strict market value is not in all cases a true compensation to a family unit which is dispossessed since it may not provide equivalent accommodation. Now this just applies to a family home and not a home that somebody had as an investment that they were renting out. It did not apply to that, not to a commercial property but to a family home that a family was living in. In other words, market value, if you are living in a home that might have a value of \$4,000. or \$5,000. that might be quite comfortable and you maybe able to live alright in that home, but if it is expropriated and you have to move and look for another house reasonably equivalent and the same size as that one, it might cost you \$10,000. or \$12,000. to buy a reasonably equivalent house today. Now under the old system you would only get \$5,000., the market value of your old one when it might cost you \$10,000. or \$12,000. to get an equivalent home today. That was why the Act was passed.

Now in 1966-67 Act (63) of 1966-67 was an amendment to that Act and that was an amendment that was introduced by me, as Minister of Municipal Affairs at the time, on behalf of the Government. That Act amended the Family Homes Expropriation Act, it changed the rule with respect to family homes where a family home was expropriated in an area where there is an urban renewal scheme.

MR. CROSBIE: I was the minister then who produced it. But everyone in the Government, everyone on the Government side had to support it. It was a Government Bill. And members of the Official Opposition then voted against it.

MR. MURPHY: Inaudible.

MR. CROSBIE: Yes, I am not saying. There is no reason why you should have not voted against it.

MR. MURPHY: I just wanted to make it known. I wanted to get my name in the paper.

MR. CROSBIE: You are going to get your name in the minutes, Mr. Leader, do not worry about that.

This Act of 1966-67 states that, "where there is an urban renewal scheme and a family home is expropriated, if the family home is "A", substandard by reason of its size, construction, or deterioration, if it is substandard or if it is unfit by ordinarily accepted property standards for human habitation, no compensation is to be paid with reference to the expropriation, except what is based on market value under the old law." In other words; there is not a sum sufficient to put them in an equivalent position, with market value. But where that is the case, where such rental accommodation becomes available and is operated as a public housing project by the Province, etc., those persons must be offered rental accommodation, in a public housing project, at a rental which is fair and reasonable, having regard to the income of the family unit concerned, etc.

The purpose of the amendment is that if there is an urban renewal scheme and sub-standard homes or homes unfit for habitation are being destroyed or expropriated but there is going to be public housing in that area and those persons can live in public housing, they will get market value for their properties and be given accommodation in public housing at subsidized rental.

Now this is an amendment passed by the Government. And, as I remember it, Mr. Chairman, passed by the Government because the Blackhead Road Urban Renewal Scheme would not have gone ahead without that amendment. The Government of Canada would not have agreed to the

MR. CROSBIE: Blackhead Road urban renewal Scheme going ahead, if that amendment had not been passed. That is what I was told by my officials, and this is what I believe, that the Government was told, that is why the amendment was passed. Why not, because the cost of the urban renewal scheme would have skyrocketed, if compensation had to be paid based on the 1964 Act in that urban renewal area. No one knew what the courts could decide the Act meant, how much would be involved. The cost would at least be doubled, if not more than doubled. And as I recollect the Government of Canada said we cannot get involved in this matter, where we do not know how much it is going to cost us to expropriate the land. There is no standard to go by; and this is required if the scheme is to go ahead. That is why the amendment was passed.

Now some poltroons, Mr. Chairman, people in political life, when people of the Blackhead Road had gotten after them about this, have been foul enough to say, that this was the amendment, Mr. Crosbie put through the House. Mr. Crosbie, is responsible for that. Not the Government is responsible for it. Not that the Government did it. Mr. Crosbie. John Crosbie put that through. This is why you are not getting \$10,000 instead of \$5000.

Dirty poltroons! That is why I am making a point of it today. This amendment was put through by this House of Assembly with the official opposition voting against it. And everyone on the Government side supporting it, it was Government legislation. The Government supported it. Everyone of them. We did not want to do it. But the choice was; no urban renewal scheme on the Blackhead Road or make this amendment. That was the choice. That is the only reason why I accepted it for the Government. If anyone on the Government side of the House or the Government thinks this is not fair today, bring in a Bill and repeal it. That is the answer to that. Do not go sneaking around the Brow, telling them that John Crosbie put that through, and that is why they cannot get the compensation they are looking for. Dirty rotten tricks.

MR. CROSBIE: I tell the people of the Blackhead Road, if you are not satisfied with that legislation, get after your member, get after the Government to bring in and repeal that amendment this session. That is who is responsible. That is who is keeping it on the books. And that is why it was done, and I am certainly prepared to accept responsibility, as one of the members of the Government who passed that Act. But I am not going to have them, dirty scoundrels, up around the Blackhead Road telling them that John Crosbie screwed you out of your money. Imagine the dishonesty of it.

The people of the Blackhead Road, Hear this! Hear this! Hear ye! What is it that Pumphrey says? I forget his great slogan he uses on his Open Line Program. The Government can bring in a Bill into the House of Assembly and repeal Act No. 63 of 1966-67, and you will then come under the Family Homes Expropriation Act. There is not a doubt in the world about it. If the Government cannot do that for the people of the Blackhead Road, ^{it} is because the Government of Canada would not go ahead or would not have gone ahead with the Blackhead Road Urban Renewal scheme if that amendment had not been made.

But if the Government of Newfoundland is prepared to find all the extra money to compensate you under the Family Homes Expropriation Act, it can do so, it can repeal its Act, and it can do so. Do not let them tell you that John Crosbie is stopping you from getting your money. There is not a word of truth in it.

Now that is the position of that amendment. Now, if I were correctly informed now that the urban renewal scheme cannot proceed without that amendment, then the amendment was right. Because there would be no urban renewal scheme up there without it, the minister might clarify that position. And if that is not the case still, then let the Government introduce a repeal of that amendment. Do not let us have anyone from the Government or anywhere else or any other politician up there snooping around the hill, trying to say that one person is responsible for it. Because there is not

MR. CROSBIE: a word of truth in it.

And when that Bill was introduced in this House, I believe that this explanation was given then. And the hon. gentleman was sitting to the right, was he not?

MR. MURPHY: Inaudible.

MR. CROSBIE: Well perhaps it may have not been mentioned. But I am mentioning it now, and for a very good reason, and for a very good reason.

MR. MURPHY: I was not aware of it.

MR. CROSBIE: Well that is the Blackhead Road, well that is enough in general remarks. But I raised some questions which I would like for the minister to deal with, some point during these estimates.

Municipal Affairs, Mr. Chairman, it is an important part of the department. In fact there are a lot of important parts to this department.

There are some worrisome things -

MR. CHAIRMAN: Inaudible.

MR. CROSBIE: No, it is not carried yet, I mean I may go another hour, there is lots to be said about Municipal Affairs, and this is the time to say it, so why carry it too soon? That would not be right.

On Municipal Affairs, Mr. Chairman, there are some things that need to be considered. One is that in the estimates of the Department of Municipal Affairs, the Government is getting more locked in every year with payments that the Government must make to the municipalities to meet the cost of water and sewerage, road paving and the rest of it. In other words, in the estimates of the Department of Municipal Affairs there are built-in costs that must be met every year, if municipalities are not to default, and this is becoming an ever increasing part of the monies that are voted to Municipal Affairs, and should be causing an increasing amount of concern to the Government. Whether it is or not I do not know. As we go down through the individual items, we can see that.

Another thing that should cause the minister concern is this; in the answer to question 462, the question was asked about what are the Government guaranteed bank loans, as at April 1st. 1970? Government guaranteed

MR. CROSBIE: bank loans to municipalities. And the answer was tabled, Mr. Chairman, and it showed a total amount. Bank loans now, not debentures, not long term borrowings, bank loans to municipalities guaranteed by the Government \$6,930,000, of which the balance left then was \$6,099,000. Now if you go through that list, Mr. Chairman, you will see of that amount repayment is due in this fiscal year 1970-71. \$4,093,000 of those loans must be repaid this year. These are Government guarantees, bank loans, and some of them are five years, two years, three years, six months loans. If you go through them and see which of them had to be repaid in 70-71, there is \$4,093,000 to be repaid this year.

Now the municipalities have not got the money to repay them, they can only be repaid if the debentures are sold by the Government on behalf of the municipality. What is the position, Mr. Chairman, on that? Are there going to be debenture issues, floated this year, sold this year, guaranteed by the Government, for municipalities? What is the backlog now? How much now has to be floated to repay these bank loans and other debts this year? And when are they going to be floated? And how do they fit in with the Government's borrowing program? The Government is borrowing so much direct, it is guaranteeing so much for various other projects, Melville, and Come-by-Chance, so on and so forth. Where is the money going to come from to repay those municipal bank loans? Some are five years and now the five years are up. The minister might enlighten us on that.

The minister was asked another question about loans made by the Newfoundland Municipal Financing Corporation, which was asked by the Leader of the Opposition. What loans were made by the Municipal Financing Corporation for municipalities in 68-69? And there were loans made to municipalities in 1968, \$7,036,000 that was in 1968. And in the year 1969 \$7,596,000 making a total for the two years was \$14,600,000 (in round figures). And the interest rate and the term is given.

Now of course the Newfoundland Municipal Financing Corporation cannot make loans to municipalities unless it gets the money itself to make the

MR. CROSBIE: loans with. What money have the Newfoundland Municipal Finance Corporation got now? Or when is it going to get more to lend to municipalities? Where does that fit in the Government's borrowing scheme this year?

One of the great jobs that the Department of Municipal Affairs has to do, Mr. Chairman, is supervise what the municipalities are doing. Because here in Newfoundland we got many new municipalities, very few of them have got experienced municipal staff. They all have their problems, most of them get a large part of their money from the Government of Newfoundland, and one of the department's job is supervising them, seeing that they are doing their job properly, seeing that they have the right financial record; seeing that their financial records are kept up. There have been several questions asked in this house, in this session about the Town of Bay Roberts. The hon. minister was mayor there, I believe, for seven or eight years, up until last Fall sometime. There have been reports that the town of Bay Roberts has been having some problems, and that investigations were being made and so on. So there have been three or four questions asked about that.

Now from the answer of the last one, we know that the town of Bay Roberts has an indebtedness of \$298,000 (in round figures) on bond issues or debentures, guaranteed by the Government; \$65,000 in bank loans; \$19,000 in loans from the Government of Newfoundland; and \$31,700 in loans from other persons or corporations. That is \$115,000 plus \$298,000 - is \$400 and some odd thousand, the Town Council of Bay Roberts owes.

Now that indebtedness, the bond issue or debentures are guaranteed by the Government. We got all kinds of innocuous answers to the original questions. But in the last one, 509, we are told that there was some problem that the accounts were not written up properly etc., and the Auditor General is over doing an audit. We presume that the audit is finished now.

MR. CROSBIE: Well I happen to have the Financial statements of the Town of Bay Roberts for the year ending December 31st. 1968, prepared by the Auditor General. And the Auditor General's report points out that in that year the expenditure exceeded the budget by \$50,174,000, the approved budget was exceeded by that much money.

The allowance for doubtful accounts was understated in his opinion, \$4200 more was required for estimateable uncollectable taxes and rates. He reported that the Tax Register was not written up for the year, that is the year 1968. He reported that forty-two cheques were cancelled by the Town Manager, or forty-two cheques which had been cancelled by the Town Manager were not available for audit examination. He reported the council had not adopted the recommended procedure of recording in a minute book approval of invoices for payment. He reports that current accounting work is in arrears. And as the 1969 cheque register was not written up, it was not possible for the auditors to reconcile the town's bank account at the date of the audit. There was a deficit during the year.

Centennial project grant from the Province is \$6,000, That seems to be overstated and the deficit was understated by a similar amount. A bank loan of \$30,000 was obtained with the approval of the Minister of Municipal Affairs for construction of retaining walls and a causeway. It appears that a substantial portion of this amount was expended for other purposes. These are some of the comments made in the Auditor General's report on the Town of Bay Roberts, for the year 1968. We do not know what his report is for the year 1969. That was the report for the year 1968. And that certainly shows, for a large town like Bay Roberts, an unsatisfactory state of affairs. Tax register not written up; cheques cancelled not available for audit; recommended procedures of recording the minute book; approval of invoices for payment not followed; current accounting work in arrears, the town's bank accounts could not be reconciled as at the date of the audit; a bank loan of \$30,000 obtained, approved by the minister for one

MR. CROSBIE: purpose, and used for some other purpose. That does not show a very good state of affairs.

One would have expected by now, Mr. Chairman, one would have expected some kind of a public statement on the situation at Bay Roberts, after questions have been asked in the House for several months. There is a lot of speculation about it in Bay Roberts. After special investigations having been carried on for three or four months, one would expect some kind of an explanation now when these estimates go through, on what the situation in Bay Roberts is. Has this been corrected?

The minister might also explain to me, Mr. Chairman, why he spent an evening, with the Bay Roberts Town Council, attacking me. Attacking me, telling the Bay Roberts Town Council that I was against the water and sewerage system, against them having that, or preventing them from getting it or was against it. And that I was against the hospital for Bay Roberts. Why did the minister spend the evening out entertaining the Town Council with that kind of tommyrot, about the hon. the member for St. John's West? Complete and utter tripe.

MR. HICKMAN: You are going to have an inferiority complex, if you are not careful.

MR. CROSBIE: Well, when you get a reliable report that the minister is over ballyragging the Bay Roberts Town Council with that kind of stuff, instead of attending to the serious condition that exists in the municipality of Bay Roberts, then one naturally feels that one should bring it up in the House.

Bay Roberts certainly needs a water and sewerage system, Mr. Chairman, needs it badly. But because of the cost involved it is only going to get it if it is through the DREE Program or some program where there is going to be a contribution from a government that has money towards the cost. Because as I remember the capital cost of putting the water and sewerage system in Bay Roberts is so high in comparison to the number of taxpayers and what they can afford to pay a year on water and sewerage rates, and what this Government can afford to pay a year in subsidizing the water and sewerage rates, that it was not and is not feasible without this help from

MR. CROSBIE: the Government of Canada. But for anybody to sneak around saying that because of these reasons I was against the water and sewerage system for Bay Roberts, it is unspeakable. I do not care if it is in politics or what it is in, it is untrue, not only is it untrue, it is unspeakable. And a hospital for Bay Roberts, if this Government cannot afford in every community that asks for one, I am all for a hospital in Bay Roberts too. But I will tell you what I am really for and that is the application of reasonable common sense and rational principles for the development of public services in this Island. And I am not for and I cannot see how we can afford to have hospitals in towns thirty miles apart. I cannot see that. That is something this Province cannot afford. Construction of good public facilities on a reasonable basis, I am for that. And I am for grasping the nettles, grasping the thorns and giving people the facts and the truth, not pretending there is going to be a hospital in Carbonear or pretend there is going to be one in Bay Roberts and pretending there is going to be one in every place under the sun. I prefer telling them what the real facts are, what has got priority. How much money the Government has got, what it is going to do with it first. Not bluffing along, and bluffing along, that is what I am for. But against the hospital for Bay Roberts, tripe! If this Government has the money to build a hospital in Bay Roberts and one in Carbonear and to fix up the Western Memorial, and to fix up the General and to do Twillingate, to do all of that and the medical school, and the University Hospital and all the other things required in Newfoundland I say go to it, I am all for it. I expect better of the minister. That stuff, that sneaking kind of stuff.

Now I raised a few questions and a few issues, it is time for me to let the minister give us the answers, if he will. There are a lot of other things that should be talked about, but they are better talked about as we go down through the estimates. I think these are some of the main ones

MR. CROSBIE: Mr. Chairman.

HON. ERIC DAWE: (MUNICIPAL AFFAIRS AND HOUSING): With permission of the hon. member, with regards to the questions raised on housing and Elizabeth Towers and the Blackhead, I am prepared, if acceptable, to go into all these extracts of questioning, and give what answers we have here on these when we come to that part of the estimates. I mentioned that here last night, and that is what I intend to do, as far as possible, to give the all the explanations as soon as we can, that is usually possible to give. With reference to the Town of Bay Roberts, which the hon. member just raised, I was not the Mayor at the Town of Bay Roberts when this last report came in. And I did not receive it at the office until sometime in December of last year, and immediate as I received it I send it out to my officials, all the department, and instructed them to take any action they would deem necessary. I realize that my position there and being the former Mayor of Bay Roberts, I left it completed in the hands of my officials to take what appropriate action they felt was necessary. I did not interfere with them in any manner, shape or form, I left it with the officials of the department, and that is what they did.

An inspector in the regular manner went out to look into the affairs of Bay Roberts, and they came back

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with the report as I indicated by answers in this House. These answers were factual and they were to the point. And at the present time the regular audit of the phase of the town of Bay Roberts is now being undertaken and I would assume that that would be completed within one or two weeks. This is being carried out by, in the normal manner by the Auditor General's Department in his regular routine visits in that area. And he has been out there now I think for about some two weeks and I understand usually from four to six weeks before the audit is completed and once that audit is received and if there is any recommendation on behalf of the auditor general that any action should be taken on behalf of the government we will do so. As of now we have not received that audit but I say as soon as we receive it I will pass it on to my officials for their instructions any action they deem necessary.

The problem with Bay Roberts mainly is probably most like the other communities. The assessment in Bay Roberts actually is not high enough to meet their current expenses. The last act, one of the last acts we did there on the last council, was that we proposed double increase of taxation throughout the town. That would give the council, they estimated, an extra \$40,000 a year revenue. And that, with the current revenue they have there now, would at least be sufficient to look after all the major current expenses of the council at that time and probably we could, with proper supervision, redeem some of the guaranteed loans for which the town is responsible. I realize that my position in this matter, as I say - I am leaving this completely with the officials of my department to take whatever action they deem necessary and any action, if it is reported should be taken, then this will be done.

The hon. member referred to my visit to the town of Bay Roberts. I did visit the town of Bay Roberts, as he indicated, on their invitation. And I did refer to the water and sewerage system and I did refer to the hospital.

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And I expressed the opinion I did not say the hon. member was against it. I did not use these terms, I did say we received very little support from the hon. member when he was minister of Municipal Affairs in support of our water system for the town of Bay Roberts. Now the hon. member probably has explained the position here today. We know that this government has granted substantial subsidies throughout, for other municipal services throughout the Province, and this is clearly indicated by the answers tabled in this House. And I felt that a town the size of Bay Roberts ^{as} was eligible for a water system, based on the annual subsidy the other councils received, as any other council throughout the Province. I did not say the hon. minister was against it. I did say, and I say that honestly and sincerely, I would say that before the minister at any time, that I was of the opinion and I say that sincerely that the minister may have justifiable reasons for taking that position but that is my sincere opinion and I have no reason to retract that position.

Now with regard to the hospital at Bay Roberts. This has been under some discussion for some time. And if the hon. member will recall the discussion we had in the members' common room. I am not trying to invite any personal vendetta between him and I, I do not intend to do it. But I just want to explain my position.

MR. CROSBIE: You are doing your best to start it.

MR. DAWE: I am not doing my best to start it. I have no intention of doing it because I have had always person regard for the hon. member and he well knows that prior to this. On many occasion I have met with him and he has no reason to feel that I have personal vendetta against him. But I will say that in the members' common room I raised the point of the question, the hospital at Bay Roberts, that was two years ago. And the hon. member said to me if the hon. the Premier wants a hospital to be built at Bay Roberts he will resign his position as minister of Health. Now how would I take

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that, as a member of a government, and the hon. member had been a member at the same time I was myself. Would not they assume normally that in his position the man was against the hospital in Bay Roberts? Probably that is my position that I took. If he went and explained further he knows well that the obligation for a Hospital at Bay Roberts was given before the commitment was made in Carbonear, some ten years ago, after Bell Island. Our committee was promised by the government that the next hospital would be built in Newfoundland would be built at Bay Roberts. We had a large delegation call on the Premier at the time in the Cabinet room but representatives from all the communities from Marysvale in Harbour Main District to Tilton in Harbour Grace District and we were authorized then to start a collection to raise \$100,000 towards this hospital. We had immediate success and we have 2000 doners, subscribers to the fund. And there is \$40,000 now resting in the two banks towards a proportional part of \$100,000. And many people here concerned are naturally very anxious to see what developments will take place in regard to the hospital and they are wondering, if there is no hospital to be built there, naturally the money should be returned.

So that we have no objection to a hospital going in Carbonear. But we feel that the obligation to Bay Roberts should be met in some manner and I certainly subscribe to their idea of one central hospital. If this is what really is needed. But I feel that the hospital should not be located in Carbonear and the people of Bay Roberts be denied. The obligation was given. I feel that the obligation to Bay Roberts should be fulfilled first because the obligation was given to Bay Roberts first before the new commitment was made to Carbonear. They have a hospital there but I believe in centralization and I have been convinced more than ever since we have the new regional high school at Bay Roberts. I was very actively part of erecting the Ascension Collegiate there. And as I said before, when we started this school we could not foresee the possibility of getting 300 students. Now we

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have about 620 and they come from Brigus to Upper Island Cove. And I think the same thing would apply to one central hospital in the area. And I am prepared to recommend to our group that a compromise would be made. That a relocation of the hospital in the area should be made to serve all the area, in a central located community. We feel that the most central part would be in the west end of Harbour Grace. Our doctors in our particular area, we have a new doctor now at Brigus, two doctors at Bay Roberts, they have doctors in Harbour Grace and they are trying to get a doctor at Spaniards Bay. That would mean that our doctors would have to travel seventeen miles to this hospital daily. That is from Bay Roberts, Brigus to Carbonear and back, thirty-four miles a day.

The doctors in Carbonear will travel one mile. This is my main objection; is it fair for us to commit our doctors forever to have this commuting distance forever? And while a doctor in Carbonear would have to commute a mile, if it was split up they could move it to the west end of Harbour Grace would reduce our mileage down to about ten miles, the doctors in Carbonear would have to commute about six. We are not concerned too much about the people themselves, because, as we all realize, that once you are aboard of a car to go an extra five miles means nothing, to attend the hospital, but our objection, mainly, is to at least look after our doctors interest because we feel that we may have difficulty holding doctors at Bay Roberts if they have to continue this commuting distance forever. And that is our main objection, we are not objecting to Carbonear hospital not in the slightest. And I hope that I have made my position clear with the hon. member, I am not going to get into any personal vendetta with him. I do not intend to. And I think that in my position I have reason to be doubtful of the hon. member's intention, probably I did not come to the proper conclusion as far as the hon. member is concerned but this is the reasons that I have stated. And I can assure him that I will not be going about this Province carrying

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on any personal vendetta against the hon. member for St. John's West.

MR. MURPHY: Mr. Chairman, I think we are on Municipal Affairs. We have been on Public Health, we have been on the Liberal Common Room, we have been on internal struggles within the Liberal Party between members. Thanks be to God I am not one of them over there.

I would like to say just a few words on this heading and I am prepared to wait until we get down to the various items and I think that is the proper place to discuss them as the items are called and we are really dealing with the matter in hand then instead of roaming all over St. John's and Bay Roberts and Harbour Grace and so on and so forth. All at one time. But the remarks that the hon. member for St. John's West prompted me to stand and this is in connection with the Blackhead Road development which is a very, very serious matter at this time. I am getting numerous calls from different people up there. I have not become involved in any way politically, because I do not wish to, with this, and I do not wish to use political propaganda or anything else when very serious business is being transacted up there. But I have to refer to the remarks of the hon. member for St. John's West with regard to the 1964 Act. And this was the expropriation of homes. That was a matter which I was very much concerned with, and deeply involved in. And that was when St. John's Municipal Council decided in a mad rush of castles in the air and everything else that is so apparent in all forms of government in this Province. To dream up huge schemes and millions here and beautiful things there and destroyed the whole centre of St. John's. The lower part of St. John's, with bulldozers and graders and so on and so forth.

We had great great visions of a great development down there and at the present time four years later we are about to have our great city hall completed but the rest of it there is an eyesore and it is a disgrace to any city to have in an area which should be beautiful and I think of this great downtown mall they had on Water Street last year with flowers and fountains and so on and so forth. Here is an area there where there are still many hundreds of people living with nothing but a bleak, rotten, rocky,

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barren parking lot for out of town buses and motor cars instead of spending a few dollars or using what they used on Water Street last year to beautify the place a little bit and at least make the place half habitable for the people in the area. I am referring to this expropriation act and what brought this about and I am not in this instance trying to immortalize myself I do not want statutes built anywhere around Barbers Hill or Lime Street or anywhere else. Because I am a very humble person.

But Mr. Chairman, at that time much the same was going on in St. John's Centre as is going on now as I can understand on the Blackhead Road. They came to people and gave them notice of expropriation, you have to move we are going to do this that and the other thing and we will give you \$1500, we will give you \$2000, we will give you \$3000 for your houses. I heard of this because it is in my district and I advised them no one, not one person make any deal with the Municipal Council. I said wait a few days I will get organized and I will have a mass meeting of all people concerned, which we did in the Star Hall on Henry Street. And my advise then was - as we used to say in the old days, when we were going around, "hit one hit all". "We are on the beam we are going to be a group here." And we fought it. And the contention was this, that we are not dealing with houses here this is not a real estate group that are selling houses. These are our homes and a man's home is his castle, so I would like to believe. They had grown up there and most of these people have been in the area for forty, fifty, sixty, seventy, eighty years, had brought their families up there. They did not want to move out of it. Someone wanted to move them out of it. So, if you move me from my home you find another home. Not a home in Kent's Pond Development we did not go that far. But a home that is fit and clean and suitable to bring my family up in. And through a unified effort this is what came about. Now I have had contacts. I have not gone to Blackhead Road to meet people. I know an awful lot of people up there through my

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dealings over the years with a lot of the longshoremen so on and so forth. down town and I received communications from them.

Down in this lobby the other day I met three or four, a group of three or four of them. They were having a meeting then I think with the minister I think they are having meetings continuously with the minister. They brought up the fact that they were led to believe whether intentionally or not by a member of the St. John's Metropolitan Commission, That when this development started they would be treated under this 1964 Act which was not in existence as it was at that time because as the hon. member said when he was minister of Municipal Affairs this Act was amended. And I remember here in this House the minister introduced the Act, he has explained it today it is the first time I have heard it. That this deal would not go through unless this was changed and the morality in the Act, the morality of fair play to the individual householder that morality the morals of that Act had to be taken out before the development, basically this is what it means, that the sense of charity and justice could no longer be used under this Act so we have to change it and treat these people as second, third, fourth class citizens. And we go in and look at your house and say it is worth a \$1000, \$1200 and if you do not take it we will come tomorrow and bulldoze it down. This is the story.

We fought it on this side we fought it right to the hilt, everybody on that side, supported it. Everybody supported it. Now I am informed and again I have not any direct dealings with this group. They had a meeting last week which I could not attend one of my colleagues went up and attended, just to hear, not to become involved to the extent that to make a political football out of this, this is too important Mr. Chairman. To use human beings for political purposes. Too important we are dealing with human beings now, preachers of God, and we must be fair and we must see that justice is done. As far as I can understand one man told me he is

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getting a pittance for his house and if he wants to still live on the Blackhead Road, whether this is right or wrong I do not know, he will have to pay more for a piece of land to put a house on than he is actually getting for the house he is living in. Now people say, a lot of these people living in shacks. They can describe what they like but they have been living in them and if they have been living in shacks, as some people maintain, that is our fault not theirs. We should see that they are given proper living accommodations.

This development has now been promised for a long long while. At last it has taken place. I have been up there twice since the development started. I have my own ideas on it. This development. I have my own ideas and in my opinion it is an absolute waste of the public money. This is my opinion. I asked several people, would you rather live up here with all this development or would it be better for the government to buy homes for you down somewhere around St. John's? And some people said yes, but I think it came to a vote I am not sure on this now, and the people decided to stay on the Blackhead Road. But the millions that are going to be spent up there Mr. Chairman, we could have purchased homes down nearer the scene of where some of these people are working. I think it would have saved a lot of monies in churches and schools because it could have ^{been} absorbed into the city of St. John's.

MR. SMALLWOOD: Would the hon. gentleman yield a moment? I think the whole government were in favour of the thing that the hon. gentleman now says he is in favour of. We could not do it because the people up there wanted to stay there. And so we unhappily, quite unhappily, fell in line with it. Unhappily because we knew that it was going to be enormously expensive, terribly, horribly, expensive that is why we were unhappy, but we fell in line with what the people wanted. Now Ottawa was unhappy too. And it was only because we insisted that Ottawa fell in line, Ottawa did not want the programme to go forward that is going forward. They, like us and

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like the hon. gentleman, the Leader of the Opposition, felt things would have been far better if the people moved out and other homes were found for them. And the place up there just cleared out. But this is not what the people wanted, it is not what the clergy wanted, we were put under tremendous pressure by the clergy.

MR. MURPHY: Thank you, Mr. Chairman, for that explanation. As I said I believe this was the situation, that the people wanted to stay there. But did they want to stay there because of the fact that they were labouring under the misapprehension that they would be treated under the 1964 Expropriation Act? This is the question I wanted to raise. I wonder at this time and again I have not all the details but if the situation is such that I have heard from some people where if they are going to remain living on the Blackhead Road it is going to put them in a position where this is going to put them in debt for years and years to come I wonder was the position put quite clearly at that particular time.

Now, Mr. Chairman, as I say there are lots of things that I would like to say on this. I think this department and what it represents has got to be in my opinion the Saviour of this Province. It has to be. Because here we have and the hon. minister very kindly gave me a copy this morning and I did not get it all down last night, in this Province which in 1949 I believe we had twenty-three groups of people throughout the Province organized under some form of government whether it is locally or whatever the case may be. At the present time we have 202 incorporated areas which would be local government local improvements and so forth. And they represent sixty-seven per cent of the population of this Province and the minister anticipates that in another ten years they will represent some eighty per cent. I believe these facts are right. Now at last we have we can say responsible

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representation in pretty well every corner of this great province of ours. Any party or any government today that speaks of development of this Province must recognize this. Added to this we have these great development groups that are forming like Fogo, Burin, you know, all these areas there. These have to be the guts, if you like, or the focal point on which this Province must develop. These are the people that know what their own area needs. True at this time everybody is looking to the government for millions and millions, water and sewerage and so forth. But I believe Mr. Chairman and I must repeat what the hon. member said earlier, that now is the time to face facts. I think he said that to grasp the nettle more or less to take the thorn in our hands and for Heavens Sake let us be honest, let us be honest with the people of this Province not like, and I will go back to Public Health for a moment. This Hospital that the hon. minister is talking about where he said; "we should get the hospital because we were the first to be promised the hospital". I think he said something like this ten years ago now. If we had to go back over the promises that were made over this past sixteen, seventeen, eighteen years, there is not enough money in the world to fulfill them. The hon. member for Bay De Verde I see there he still has not got the airstrip that was promised in 1966 down in Bay de Verde.

But these are some of the things Mr. Chairman, and this is the department I say the Department of Municipal Affairs. We had this great department that administers tremendous numbers. Now we have another department the Community and Social Development which in my opinion should be so closely interlocked with this department that we could almost make one department out of it. One great department.

MR. MURPHY: We have sixteen portfolios in this Government. And I was surprised today when I read that the Newfoundland and Labrador Housing was in that department. I always thought it was in the Department of Community and Social Development. So it was. So when we get into the Estimates, I hope we have an informative discussion on it. I think it is a great department, as I have said. It is the guts of what is going to happen in the future in our Province, let us face it. If we are going to stay living here in Newfoundland, and I do not mean "we" in the City of St. John's, who are very fortunate, or in other larger areas, but the people throughout the rural areas of this Province - if they are going to live, they are not going to live any longer, putting out the pail at night for someone to pick up - or walking fifty yards across the field to an outhouse. We have to consider that they have to be treated - because in this Province today as in the world, we are exposed so much to what is happening all over the rest of the world - that everybody feels he should, that should be a part of his living too. But we can no longer go on, I do not think Mr. Chairman, making promises to people, and not fulfilling those promises. With reference to Elizabeth Towers, and I will not go into it now - we can go back two or three years when Mr. Ottenheimer I think, spear-headed the Elizabeth Tower attack, and all the questions that have arisen since and all the statements that were made, this was going to operate as a profit of \$200,000 a year, so on and so forth - all the facts that we have now. But I think we will discuss that under its proper heading.

So Mr. Chairman, there is not much else that I can add - only this fact, that it is dealing with the people on the Blackhead Road at the present time, and I know it is tremendous pressure up there. Let us temper charity and justice. Charity and justice and consideration with everything else that is going on. Shortly we will have to face another great development in Mundy Pond, which has been promised at so many elections now, and so many meetings and everything else, that these people I think, are just about

ready to throw in the sponge. Mr. Chairman, as I say, I hope to discuss with the rest of the Committee, various items as they come up. So that is all I have to say at this time.

MR. CROSBIE: Before we finish with the general Item - as I said when I was speaking earlier that some of these things are best discussed under the particular Item. But the minister dealt with the question of the financial position of the Newfoundland Municipal Financing Corporation. He has not dealt with the problem of the \$4 million and guaranteed bank loans that had to be repaid this year for municipalities, or how that is going to be handled. I think that on this General Item there is where it should be dealt with, unless he wants to deal with it somewhere else.

Now with reference to Bay Roberts. I want to make one further comment Mr. Chairman. When I was minister of Municipal Affairs, and when I was Minister of Health, I made it a practice to tell the people I dealt with what I thought the facts were - not to buffalo them, or let them go along thinking that the water and sewerage system was in the bag, or the hospital was in the bag, when I knew they were not in the bag, and could not be in the bag - and there was no way they could be done in the next two or three years, because of our financial position. The present minister understands that.

Now with Bay Roberts, and their water and sewerage system. As I remember it, that the maximum subsidy that the Government has paid up until now - annual subsidies to any municipality to carry on a water and sewerage system is \$70,000 or \$75,000 a year. And the Government pays that I think in connection with the town of Winsor. Every year the taxpayers of this Province pay \$75,000 to the town of Winsor to help them meet their deficit on the water and sewerage system. They pay so much out there on water and sewerage rates that is not enough to meet the principal and interest on the cost, and the general taxpayers of this Province pay \$75,000 to help meet that.

The town of Bay Roberts, the proposed water and sewerage system for the town of Bay Roberts is very expensive, and I believe that the deficit

the annual deficit that the Government have to meet, would be around \$110,000 - far in excess of what Government policy was, but the maximum the Government would pay was \$75,000. These are the facts and those are the facts that were told the minister when he was made mayor of Bay Roberts. And anybody that ever came to me on water and sewerage or anything else got these facts, whether it could or could not be done, within the framework of Government policy. And it could not be done for Bay Roberts. And as I said earlier this morning, it can only be done for Bay Roberts in view of the cost and their taxable capacity, if the Department of Regional and Economic Expansion is going to help with it.

Now perhaps some people prefer to be told bull. Perhaps some people prefer to come into a minister and have him say, "yes, that water and sewerage system is going there, that is a cinch, that is it." And then year after year goes by and it does not go there. Well I do not happen to believe in that. I say it is better to give the facts. So it could never be twisted that the minister, when I was minister, I was against some community getting water ^{and} sewerage. I told the community what the position was and what the facts were, and the minister knows that. And for him to pretend, to anybody in Bay Roberts, that I was against their getting the water and sewerage system, was not the truth. And I will not pursue that any longer.

The same position I took when I was minister of Health - it was chaos. the promises that had been made as to where hospitals were to go and when - when I became Minister of Health, including Bay Roberts. Now what do people prefer? Do they prefer a promise that cannot be carried, or do they prefer to hear the truth, the cruel facts, and then try to figure out some way around them. In 1967, when I became Minister of Health, there were promises for a new hospital at Carbonear, Bay Roberts, Twillingate, Corner Brook, the General, St. Clare's, and any number of Cottage Hospitals. Now nearly all of those are not done yet, and there must be a list of priorities. The Minister of Health, the present one, is working today, the list of priorities.

And the priorities for other areas no matter what the promises are - the priorities, looking at it from the point of view of the good of the people of Newfoundland do not lie in Bay Roberts. Bay Roberts should have a hospital. It is not on top of the priority list. That is all that I ever told the minister, and that is neither here nor there, but that is the only approach that can be taken. I do not care what promise anybody has given the people of Bay Roberts that is not capable of been carried out unless the Government makes a decision, that the number one priority in hospital construction in Newfoundland will be a hospital in Bay Roberts. The Government takes that position, then Bay Roberts will get the hospital. But the Government cannot pretend that it is going to be able to carry out all these promises at the same time. There is just no way for that to be done. And that does not mean to say that the Government or a minister or anyone else is against some area having a public facility, that is just not true.

The Town Council of Bay Roberts Mr. Chairman. The present minister was mayor of Bay Roberts during all of 1968 when I read the Audit Report for that year. And he was mayor of Bay Roberts for most of 1969. I believe the minister resigned when he became Minister of Municipal Affairs in November 1969. Up until that time as mayor of a town he must bear responsibility for what was happening in the administration of the town affairs. And the Auditor General's Report and other information from that area show that all is not well in the town of Bay Roberts. And some explanation is due the public as to what the situation is now and that everything is in order there, and that all these systems are straightened out, and the records are now being kept properly, and bank accounts can be reconciled, and that cancelled cheques can now be found where they should be found for the Auditor and the rest of us. That is the position there. Otherwise, the Items I prefer to discuss also, as we go down through we can discuss Urban Renewal and the rest of it.

MR. WELLS: I have just a few remarks to make at this stage, Mr. Chairman, because most of the others should be debated specifically when we come to them. Administering the affairs or supervising the affairs of municipalities

in this Province is not really a simple thing to do, because when we are talking about a municipality, we are talking about, generally, a confined area. With respect to the City of St. John's, we are talking about within the boundaries of the City of St. John's. Gander is within the boundaries of the Town of Gander, and so on. Now it is true that we have 202 incorporated areas. But that only covers a small part of the Province. It does not cover the whole of the Province - there is a substantial portion of it left out. I would imagine that it would include the vast majority of the population, but again there is a substantial portion of the population that have no municipal services, or municipal administration, or municipal benefits available to them. And with respect to some areas, perhaps no matter what we do, we are not likely to be able to bring the ordinary municipal services and benefits of incorporations to them.

This problem could be largely corrected, Mr. Chairman, if we adopted a county system in this Province. Now I have mentioned this on many occasions. I believe the first time was the first time I ever spoke in this House - that this is one area where we are lacking. We run into difficulties with respect to planning in particular - a matter with which Mr. Austin in the Urban and Rural Planning Department or Division are vitally concerned. It is all very well to plan for, or to assist municipalities in their planning, because every municipality is not large enough to have its own planning people and facilities available to them. But when you allow indiscriminate and uncontrolled growth on the edges of municipalities or adjacent to it, this is just creation of problems for the future.

As we are finding out much to our horror now - Corner Brook is probably a classic example of this. A portion of that City is well planned, well laid out when the original town was incorporated - very well done by the original company that was there. But they confined themselves to a certain section of the town, and people who could not either get in, through company policy, into the town, or could not meet the requirements, or for whatever

reason, helped develop the fringe area that is causing a great deal of municipal problems in Corner Brook at the moment. And Corner Brook is only an example. It is by no means the only place where this has occurred. It is only an example of it. But we should certainly learn by this example. It is going to cost a fortune to really plan for and now alter the situation, so as to have a well-developed and well-planned and well laid out City in Corner Brook, because of this lacking in the past. We should take that as a lesson and make sure that, throughout the whole of the Province, we have planning - that some form of planning or regulation is applicable to the whole of the Province. As it is now, we have the two cities of St. John's and Corner Brook, and all of the incorporated towns are planned to a lesser or greater degree. The towns themselves do some regulation - what they have done they have been able to do with the great assistance they have had from the minister's department, particularly the Urban and Rural Planning Division. And they have done a very good job. I do not see how anybody can do anything but compliment them. Perhaps, as a politician, the most frequent complaints I get is about somebody being turned down because they cannot build here, or cannot build there, or something like that. And while you can have sympathy for persons who own land that they cannot use in the manner in which they themselves want to us, I think you nonetheless have to realize that the welfare of the whole comes ahead of the individual. And this is the significance of planning. This is the purpose of planning. And while you can have sympathy for the individual and do what you can for him, I have never agreed, and I do not now agree with trying to alter the decisions of the planning board to the extent that they will seriously affect the benefit of the whole in the long run. You should not sacrifice that for an individual in any case, I do not think.

Now there are cases where there are hardships and so on, where you have to be a little bit flexible if it will not do a great deal of harm or a great deal damage, then okay, that is the purpose of an appeal board, and it is the purpose of being considerate and having some consideration for

the individual and his ability. But at the moment we are confined in our planning to the two cities and the towns, and the protected road zone. The Trans Canada Highway, I believe, is totally a protected road, and the protected road zoning regulations apply right along the Trans Canada, and I believe there are other roads that come under the provisions of the protected road zoning regulation. And so they should. But that still leaves a substantial chunk of this Province without any real regulation and planning, and makes it nearly impossible, even if it applied to the whole of the Province - it makes it very nearly impossible for the Urban and Rural Division of the department to supervise the whole of this Province. I suppose we cannot afford the kind of a staff that it would take to have men in the field everywhere throughout the Province supervising this.

And this is where the volunteer efforts of elected county officials could come in, and could be of great service to the Province. Not only in municipal planning, but I think this is where it is probably most significant - land use planning and municipal planning generally, so that we do not make, or we avoid as many as possible of the mistakes of the past. And as long as we do not have something like this, we are going to run into these difficulties.

AN HON. MEMBER: Would they be any better than a Metropolitan Commission?

MR. WELLS: Well a metropolitan commission is a different thing. Now the metropolitan commission operates for the city of St. John's, and maybe that would be a homogeneous county - that area would form a homogeneous county. Maybe it is synonymous with what should be county boundaries in this area. But they would do essentially the same kind of thing.

MR. NOLAN: May I ask a question? From the experience we have had with the Metropolitan Commission, as I am sure the hon. member knows, I was wondering if we could not look towards the same type thing, for example, in the surrounding area for say, Corner Brook. I know, from being out there, that this is something that might be very, very valuable and I can see problems coming up there and we certainly had in St. John's.

MR. WELLS: I agree. I have a little note somewhere when we come to Item 1312 - Municipal Engineering and Planning to Corner Metropolitan area. It needs

this at the moment. This is most desirable in my opinion. But it probably would not be necessary - it may or may not, depending on what would be the authority and the scope of a county set-up - a Metropolitan Commission may or may not be necessary. If the counties were so set-up that they were confined say - a county in the Corner Brook area was confined to what is really the Metropolitan area of Corner Brook, then you would not need both. I do not think the county should be so small - I think what might be say, a homogeneous county involving the Corner Brook area, might in fact be the two districts of Humber East and Humber West together - might be a reasonable area where concerns are genuinely the same throughout. When you are talking about planning, whether it be for farm development, highroad extension, industrial development, or whatever, this area makes a homogeneous unit that might be considered, where the interested people and what they do and the kind of work they do and so on, are very much the same. I would not proprot to recommend to the Committee at this stage what should be the county area for St. John's or Conception Bay area, or Trinity or Bonavista Bay - but on a quick glance, you could say - take Gander - that whole sector of the Northeast Corner with its administrative center being Gander - the Bonavista Bay corner, that north corner of Bonavista Bay, might well be another homogeneous corner, where interests are somewhat similar - although they are not identical in every case, But Gander, for example, is genuinely an administrative center for that area - and is a confined area that you could identify.

MR. DAWE: Would the hon. member explain to the Committee what his views - through the functions of the metropolitan - this county council board would do, and explain what some of the functions are.

MR. WELLS: Well, quite frankly, I do not know them all, but there are a variety of purposes that they could serve. The primary one is planning - planning is primary, and for the whole area - and the general promotion of social and economic development - economic in the main, but social service

development. I do not mean Community Concerts when I say Social Development - the development of social services, such as health facilities and housing and school, educational and judicial, welfare - this general thing - recreation facilities. This is the kind of thing that proper planning for an area would avoid for example, the necessity of identical facilities in Corner Brook and Deer Lake - if we had a county system, where all of the people within that area could feel some connection, instead of a separation and definitive town and city municipal boundaries as we have now. There is nothing to attract people together so that there can be joint efforts.

We have seen some kind of joint efforts probably more pronounced than anywhere else in the Northern Peninsula. They have ^{come} closer to this kind of thing than anybody else, but they have not, for example, been involved in planning. It is promotion of development of social services and economic development. But this could go along with it as well. But I think the primary purpose is planning for the future, so that the development is proper and orderly and not duplicated within an area where it is unnecessary to duplicate it - it should as well Mr. Chairman, greatly assist the Government of the Province, if they could rely as they do now, rely on the town councils within the confines of a town - they do now rely on the Town Council to advise them as to what is in the best interest, and where future development in the town should be - which way it should expand - this sort of thing. They rely heavily on Town Councils now for advice, and so they should, because the people in the area generally - well there may be local prejudices, but generally they have more knowledge than anybody else about the way it should be. A planner, a properly trained planner may have more theoretical knowledge and be better able to apply principals of planning, but the direct knowledge and experience of local people, that when the two are put together then you get the best results. But one without the other, you cannot count on always getting the best results. How can you expect it? This would be the real value in the county system, but otherwise there are a variety of values that ^{it} could have - but the primary purpose of it is in the planning for orderly development. And also Mr. Chairman,

and incidental almost - but something that would be quite valuable to us is, it should create more incentive in a local group within the area. It should do that, for the promotion, by themselves, it should give them more incentive to put more effort into it themselves - and this I think we are lacking.

Sure, the people in Corner Brook or the people in Deer Lake, or at Stephenville, are interested in promoting their own municipality within its own boundary. But you do not get many people, very few, except you get it sometimes from such things as Chamber of Commerce, ^{or} like you get it from the NORDA group. But in very few areas of Newfoundland, do you get the promotion from a local level, the efforts and promotion and development of an area, and this is what we should have. This is far more valuable than the narrow thinking of building within the confines of the existing Town Council - as they presently exist.

MR. CHAIRMAN: It now being 1 o'clock, I do not leave the Chair until 3 P.M.



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VERBATIM REPORT

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SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House resumed at 3 p.m.

MR. CHAIRMAN: Shall 1301-01 carry?

MR. WELLS: Mr. Chairman, before the lunch break, I was speaking about the desire for further municipal development along the lines of development of the county system in the Province. I do not put this forward as the be all and end all and the cure all of all our municipal ills, and I am sure it would not be that. But it is desirable for many purposes. Maybe it did not develop in the past because of the nature of our social structure in the Province; whereas in other provinces of Canada and other states of the United States they followed the English system of having a county administrative structure. We did not have this and indeed we had very, very little municipal development of any kind until the last fifteen years or so, when there has been a tremendous expansion in municipal development.

I think now, Mr. Chairman, that we would in the future very much regret it, if we did not take steps to have further municipal development along the lines of the county level so that the entire Province, the rural part of the urban areas. - When you look around the Province, there are urban areas scattered around, small urban areas; albeit but nevertheless, by our standards, urban areas - if we did not develop something like a level of administration that is equivalent to the county administration in other provinces of Canada, in the not too distant future, I think, we would regret it very much, primarily, because of the lack of planning as I indicated earlier. There is no need to repeat all of those things. I do want to say that there are other advantages and benefits to it as well that are incidental and do not relate directly to municipal administration. There are other indirect benefits where the breakdown along county lines - take Nova Scotia for example our closest neighbour. The land registry system in the province and the land title system is broken down, along

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county lines and this vastly simplifies it.

Now we are finding, down in the land registry in the basement of this building, it is growing by leaps and bounds and it is growing at an incredible rate right now. I think the number of volumes may have doubled in the last five years. I am quite confident that they have doubled. I think if you look at registrations about five years ago, the volume number would be around about 600 and now we are over 1,200. This is the registry for the whole of the Province. This is one thing and it is only an incidental benefit and I suppose, perhaps, a county level of administration is not essential to have a breakdown in the land registry, but it certainly makes it more practical and reasonable and more well defined.

There are other things the courts and the general administration of justice in the Province would be practically, for practical purposes, not inherent purposes, from a practical point of view, it would be simpler and better. The same would apply to the field of education and youth and recreation, generally. It would have its advantages there. We are now developing land taxation and property taxation for the support of schools. We passed an Act in this session of the House that would allow the setting up of school tax authorities throughout the Province.

I suggest, Mr. Chairman, that if we had a county level of administration and a county system in the Province, this could be much more easily administered. Because, sir, if you take an area like Corner Brook, there is and has been for many years - I think it was the first in the Province - school tax authorities set up where the residents paid a tax on their property for the support of schools. Now there are people from other areas adjacent to Corner Brook who have children going to school in Corner Brook. So, they are not contributing a fair taxation and it is almost impossible to administer. Deer Lake is a similar situation. There is no property tax for school purposes in Pasadena which is about midway

Mr. Wells.

between Corner Brook and Deer Lake. But a goodly number of children from Pasadena attend school in Deer Lake and the property owners in Pasadena and the parents of these children do not contribute to the Deer Lake School Tax Authority. So that in order to be fair and reasonable to everybody and if we are getting into this level of taxation now and not just for school purposes, for ordinary municipal - to offset the cost of ordinary municipal services, and as well an incidental thing would be the promotion - it would promote the development of land, either the developing of it or the abandoning of it to the Government or the municipal authorities. Because at the moment, people can hold land forever. As long as they give some indication of their claim to ownership and keep squatters off it or do not allow it to become public property by perscription - as long as they do that, they can hold property forever without developing, without paying taxes on it or anything else, if it is outside the boundaries of an existing municipality.

Well, if we had a county system where there was a level of taxation imposed for being a property owner to offset the cost of the benefits that level of government would provide, this would also facilitate or promote the proper use and development of land that is otherwise just tied up and not being used. This came up the other day, when we were discussing agriculture. There are a number of farms that are just abandoned. There are no taxes on them or anything and there are farmers who would like to have them and cannot find the owner or the owner is not willing to sell or not willing to put any investment in it. There are all sorts of incidental benefits that this would bring that are not directly related to the municipal administration. It would make this proposal more attractive and give further purpose to it.

Mr. Wells.

Perhaps, Mr. Chairman, our situation in the past was not conducive to this kind of thing where there was not readily accessible road communication and direct communication. but now that we do have, in this Province, a better system of transportation and communication, people are on the move more and people, to use now what is probably an in word, relate more as a group within an area. I think the time has come for us to give serious consideration to doing it, and I think quite frankly we are probably a bit behind. Had we started it even a few years ago, it would have been a lot easier to implement and we would have felt the advantages much, much quicker.

There are a variety of reasons for it. I do not think we need to go into them all, but just to give some further weight to it. At every level of government, in every field of endeavor that the Provincial Government are involved in, health, welfare, social services, generally, all of these things, the administration of all of these things could be aided substantially by a county level of government. Above all of that, Mr. Chairman, an added advantage is that you get people involved, more people more interested and more involved and more willing to participate in the promotion of their local area. Then their local area becomes the county rather than the town or the confined boundaries of the town.

There are numerous other advantages, particularly, where municipalities are close together like some of them are in the Conception Bay area, like the municipalities of South Brook, Pasadena, Midland and the Humber Valley. There is almost no distinction between them. With a county system of administration, where the county level was responsible for certain things, there could be a greater co-operation and considerably less overlapping and more, consequently more, value for the dollars that are spent.

Mr. Wells.

I think serious consideration could be given to this even in the field of health. There could be such a thing as county hospitals or a hospital that was intended to serve that particular county. It was mentioned here this morning, not entirely pertinent to Municipal Affairs, but pertinent to this. The proposal to have a hospital in Carbonear and Bay Roberts in my mind is a ridiculous waste of money. The two centres are too close together. Maybe: neither Carbonear nor Bay Roberts is the right place. Undoubtedly, that area does need a hospital to serve what would otherwise be that county, Mr. Chairman, what could be within the defined boundaries of that county. Perhaps, the best location for it might be in between, at Harbour Grace, or something of that nature.

There are all sorts of incidental benefits that could come - it is not a thing that we need to embark on a crash program. I think it is very worthwhile investigating. I do not think we should rush into it. Undoubtedly, there are pros and cons. As I say it may not be the be all and end all. There may well be arguments against it. I do not doubt for a moment that there are. I could probably think of some but I think the advantages would outweigh them. Certainly, the possible advantages make it well worthwhile carrying out an investigation toward that end. I would hope that the minister might give some thought or his department; particularly the planning division of his department might give some thought to municipal development along these lines in the future. Thank you, Mr. Chairman.

MR. SMALLWOOD: Mr. Chairman, something said by the hon. gentleman who just sat down moves me to add a few words to the discussion. I think that perhaps it is necessary that these few words should be added. Although toward the end of his remarks, he uttered a word of what I think would be fair to call "caution." A word of sensible and commonsensed advice to the committee that we ought not to push our luck too far.

Mr. Smallwood.

I heard what the hon. gentleman said, and I agreed thoroughly with the latter part of his remarks. I am repeating them with commendation, with my agreement and approval. One of the marvels of Newfoundland in the last twenty-five years, of the nearly four and a half centuries of our life, the last quarter of one century, has seen one of the marvels in the development of our Province. That marvel is the development of municipal, local, self-government.

When the Commission of Government arrived in Newfoundland, you had one municipality here. That was only 1934, as recently as that. You had St. John's and not one other in the entire Island of Newfoundland, not one, just St. John's. St. John's was the only incorporated community in Newfoundland - St. John's. The Commission of Government came, and they being made up mostly of Englishmen, not numerically but in power, strength and influence and in qualities of leadership. They were English, and they were absolutely dumbfounded to discover when they got here that the governing of Newfoundland was in the hands of a government here in St. John's and that there was no devolution. There was no decentralization whatsoever of political power or governmental apparatus: Everything in Newfoundland, but everything, but everything governmental was concentrated in one government, the one here in the House of Assembly. They, of course, coming from the United Kingdom where local self-government is an absolutely, indispensable part of their national life, were flabbergasted. They said to themselves, "no wonder there is no democracy in Newfoundland - no wonder the spirit of political democracy is almost completely absent - no wonder when the great training ground of political democracy; namely local self-government is completely absent. There is no training, no opportunity for training in the great principles of self-government."

They instituted the first town council, the one I think at Winsor. That was followed slowly, very painfully, very, very painfully, very slowly

Mr. Smallwood.

very slowly, very painfully by others at infrequent intervals. The one at Grand Bank was brought in by sheer, physical force. I think almost the entire police force of Newfoundland was rushed up, hustled up to Grand Bank to ram the town council down the throats of the people of Grand Bank. There was everything short of rioting and civil commotion in Grand Bank. The idea of self-government was completely repugnant to them. It was revolting. It was an atrocity, and it took most of the police force of Newfoundland to establish the town council. Later in Grand Bank it would have taken the police force, the whole of the police force, to abolish it. Because when they had had it for a period of time, they valued it so highly that they would have committed almost any offense to stop the removal of the town council.

Today, as we heard last night from the minister, we have 200 places in Newfoundland. By the way when the Commission of Government came here, there were 1,300 places in this Province or in what is now this Province - 1,300 different places but today there are 900 may be in the whole of our Province - 900. Out of the 900, 202 places, communities are organized with local, self-government embracing a proportion of the whole population running to sixty-seven to seventy per cent of the whole population. This is one of the most remarkable miracles to occur in Newfoundland in the last quarter of a century. Newfoundland Government, the present Government, the present administration cannot take credit for that. It was started by the Commission of Government. They saw the need for it, and they pushed it energetically as much as they dared to do. But what we do deserve credit for is to adopt it and enforce it and carry it out and encourage it, help it and entice people into it and by encouragement in various forms to get more and more of it until today,

Mr. Smallwood.

where there were perhaps thirty, when the Commission of Government went out and we came in, today there are over 200. This is an astounding, an absolutely flabbergasting fact of our Newfoundland history that in the last quarter of a century we have come from one to more than 200.

Now there is such a thing as pushing our luck too far. You know, Mr. Chairman, when Nova Scotia was established, when Prince Edward Island was established, when New Brunswick was established, when Quebec was established, when Ontario was established, just as down through the American colonies, which just fringed the Atlantic Seaboard of what is now the United States - that whole part of the continent of North America simply transplanted on to American soil what was a common place in the United Kingdom; namely local self-government. Why was that institution transplanted to North America? Because North America was just a replica of England and Scotland and Ireland. In England, Scotland and Ireland you had had for centuries local self-government. It was part of the English character. It was one of their engrained and inborn and built in institutions of the English way of life. When they moved across the Atlantic to the North American continent and founded their colonies, they transplanted there also this great institution of local self-government. It was as natural as life itself. But not so in Newfoundland.

When in every community up and down the continent, the Eastern Seaboard of this continent, they had established local self-government, it was firmly, deeply entrenched and was part of their way of life, here in Newfoundland it was not so. It was not so, because here in Newfoundland we were not a colony.

Mr. Smallwood.

The amazing thing about Newfoundland is that the oldest colony in the British Empire and British Commonwealth was not in fact a colony. It is only today we use this polite term of calling Newfoundland Britain's most ancient colony. For centuries, three centuries, three, we were not a colony at all. We were not even worthy of the title of plantation. Now you had two kinds of things in the British Empire. You had colonies and you had plantations. Bermuda was a plantation. Jamaica, 300 years ago, a little over 300 hundred years ago, when it was taken from the Spaniards by the English was made into a plantation. All the Caribbean - all the West Indian Islands were merely plantations, but up and down North America, on the continent you had colonies, but Newfoundland was neither colony nor plantation. Do you know what it was? It was a fishery. That is all Newfoundland was - a fishery. It was a fishery. They called it a great ship moored out in the midst of myriads of codfish, merely, a fishery to which you were allowed to come in the early summer provided you got back in the early fall. You were allowed to come here for a summer fishery and all Newfoundland was just a fishery and the laws of England were built around the idea of Newfoundland being just a fishery. So, the idea of local self-government was just silly. The idea of any kind of government was just silly.

It was not until 1727 or was it 1729 that we got the first vestigial remains of government with the appointment of a governor who spent three months a year here on this Island. The idea of local self-government was just as foreign, just as far removed and unthinkable as it was in those days that man would go up and land on the moon. One was just as foolish and improbable as the other. In the last twenty-five years, after 450 years had passed - just think of it, Mr. Chairman, for 450 years here on this Island, we Newfoundlanders lived - for 450 years,

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without any sign of local self- government*. Then quarter of a century ago, it began here. Let us not push our luck too far. Let us not think that we can dump over onto the shoulders of the localities the burden which has for more than a century lain on the shoulders of the Government of the Province. It is marvelous what has happened. The speed has been nothing less than dizzy, and you have now a dazzlingly new concept of government in Newfoundland but it would be a criminal offense almost an immoral thing to push that too far and try to do anything other than what we are doing. Move rapidly in the direction which we have been going - move rapidly in that direction. Do not change the direction yet. Get local self-government firmly establish, because remember that while in the last twenty-five years you have been increasing the number of local self-governments, at the same time simultaneously side by side, paralleled with that, you have been attempting to decentralize government. You have been attempting to centralize population. You have the two things going on side by side - a decentralization of authority. Where it has been centralized in this building here or the old Colonial Building, where power, where a governmental authority has been centralized in one government and now lately, we have been decentralizing it and sharing it out with governments all around the Province, and side by side with that, parallel, a parallel line, we are centralizing the people. Decentralizing power but centralizing the population!

If you want one to ruin the other what you will start doing is talking about setting up county councils and giving them great..

MR. WELLS: How? How? How?

MR. SMALLWOOD: How? Because you would be going too fast. How? Because you would be going faster than the people are ready for. How? Because you would be raising suspicions of all kinds in the breasts of the people, just as you did when you started talking in the first place twenty years ago,

Mr. Smallwood.

twenty-five years ago about local self-government. Because our people in Newfoundland have been schooled down through centuries, long centuries, to resist the idea of local taxation. To this very day property taxes are regarded as an abomination - an abomination. People still resist the idea of local self-government, because they are afraid that there might be a local tax.

Now you start talking along the line of county councils. You start talking along the line of local self-government assuming more responsibility and therefore, at the same time, necessarily, necessarily assuming a greater burden of financial responsibility, You start talking that way and you can set the whole movement of self-government back twenty years. So, the smartest thing the hon. gentleman said was in the last two minutes of his speech.

MR. WELLS: This whole Province will go back 100 years or 200 years, if you do not do it.

MR. SMALLWOOD: You will set

MR. SMALLWOOD:

The Province you will - , alright so now we are in an auction. I say twenty years, he says 200 years, I can say 400 years. What are we in auction 45's? I will say this that the progress that is being made in the development of local self-Government is very satisfactory. It is satisfactory. It is more than satisfactory, it is astounding. When this Government took office twenty-one years ago we had, I think, thirty places in the whole Province, the new Province had about thirty places with some form of local self-Government, thirty places.

AN HON. MEMBER: Twenty-three.

MR. SMALLWOOD: Twenty-three places. The day we became a Province, twenty-three in Newfoundland including St. John's. Corner Brook had none. The day we became a Province there was no form of local -

MR. WELLS: Yes, there was in Corner Brook East and Corner Brook West.

MR. SMALLWOOD: No, I think that came after Confederation. Corner Brook East Corner Brook West, the two of them, then they merged and they formed the city of Corner Brook. My memory maybe defective, maybe just a bit before the coming of Confederation Corner Brook East and possibly even Corner Brook West. Curling no, Central Corner Brook no, the Townsite no. Municipal self-Government in Corner Brook when Confederation arrived on that day was practically non-existent, even in Corner Brook which is now a second city, a city of 30,000 had virtually no local self-Government twenty-one years ago. From twenty-three we have gone up to 200. Now that is magnificent progress. Do not push it. do not push your luck, do not strain it, keep on steadily. How many are we going to have this year? I heard the figure here last night, the hon. Minister gave the figure. This year he expects the number of new incorporations to be what was it? Twelve, thirteen this year.

AN HON. MEMBER: Fifteen.

MR. SMALLWOOD: Fifteen. We are 202 and this year we are getting another fifteen. Now let us not push that too far. When this idea is firmly established and you have organized just about all the communities that you are likely to have, when that point is reached say a year, two, three, four, five years from now and the shape of Newfoundland, population-wise, has become fairly evident, say two,

MR. SMALLWOOD:

three, four, five years from now, when the DREE program has been well in operation and the trend toward centralization has taken real shape so that it is recognizable, at that point, two, three, four, five, six, eight years from now, maybe ten years from now, at that point when you have what you think is about the maximum number of communities municipally organized then and not before, then, but be ready for it, have it thought out before hand, have it planned out before hand, then start instituting local decentralization of Government, centralized, centralized decentralization of Government. In other words if you have an area of 1,000 square miles or 5,000 square miles in which you have eight, ten or twelve local self-Governments, form a county of them and form a centralized edition of your decentralized Government, but do not attempt to do that before it is right. We are still in the first stage, we are still organizing local self-Government. When that is matured, when that is at the right stage, then start doing what the hon. gentleman has been advocating.

Now it seems to me that we are in perfect agreement. If he insists on emphasizing the differences in our points of view, okay, so be it, but it seems to me that basically we are in almost perfect unison in our view that what has to come is a centralization of decentralized Governmental authority. Yes, but the difference in opinion maybe as to when and I would say the last words of his speech were very sensible, "Do not rush it, take your time getting it done."

Now he suddenly gives a little thought to this, he suddenly makes a speech about it but in the Department of Municipal Affairs Ministers come and Ministers go and are replaced by other Ministers who come and go who are replaced by others who come and go. I have seen in the Department of Municipal Affairs something like six or seven difference Ministers since I have been Premier. They come and they go. They go out of politics or they go into another portfolio but in that Department there is a continuing permanent force of able men, thoughtful men who have this idea of local self-Government very much at heart and I think we may fairly safely leave it to them to advise their Minister, whoever he is from time to time, and to advise the Government

MR. SMALLWOOD:

in general as to the safe time to make the next move. That is the only difference there is between the hon. member and myself. As to the timing -

MR. WELLS: Are they investigating themselves?

MR. SMALLWOOD: We are doing that all the time. They are investigating this, they are thinking about it, they are researching it all the time. They have not postponed it and said, "Now we will stop thinking about this until three years from now then we will start thinking of it." They are thinking about it all the time, not beginning today or last week or last year. They have had this thing as a continuing burden on their conscience and they are fairly familiar. They are the people who go out and organize the local council. They are the ones who go and hold the meetings. They are the ones who go out and meet the citizens. They are the ones who are familiar, thoroughly familiar and who know how fast you can get the people to move. They are the experts in this, the professionals, the ones who make their living at it and they know more about this than the hon. gentleman will ever know because the hon. gentleman is a very, very, very busy lawyer practising law and they are very busy, even busier practising Municipal Government and that is the difference.

MR. CROSBIE: Mr. Chairman, just before we carry this essential item. There is a lot in what the Premier says and I would like to refer the officials of the Department to a study done by John C. Crosbie in 1952 when he worked with the Department on a -

MR. SMALLWOOD: Beware of that, beware of it.

MR. CROSBIE: on a system for a county Government for Newfoundland which the Minister today had me spend the summer doing when I needed some employment during the summer -

MR. SMALLWOOD: I was the one, God forgive me, who okayed that.

MR. CROSBIE: Is that correct? Well, there we are, Mr. Chairman.

MR. WELLS: The Premier okayes everything. If he does not want me -

MR. SMALLWOOD: God forgive me, of all the sins I have committed that is one of them.

MR. MURPHY: Are you ashamed of yourself?

MR. CROSBIE: Another great contribution which the Premier made to this Province

MR. CROSBIE:

was that study then, Mr. Chairman, if that is the case. I was just his agent there. But seriously, Mr. Chairman, there is no point debating this at any great length but obviously it is time in the next couple of years for the Department of Municipal Affairs to try a county system in some area of the Province and it maybe years before the whole Province is covered. But the time has now come to move on to attempt that and there have been studies done and doubtlessly the Minister is having studies done now. I think Dr. Fife did a study three years ago, when I was Minister, along these general lines and there will be others. So this is the next step and certainly it is a necessary step. If the situation that now applies in areas such as Humber, out both sides of the Humber Arm, is going to be overcome, it is only with some kind of a county system of Government.

MR. CHAIRMAN: Shall the Item carry?

MR. DAWE: Before we pass on to that, before we pass I will just refer briefly to the comments raised by the hon. members. We have had no serious representation to the Department up until now on so many areas considering this county council. Probably through the discussion here today in the debate that is taking place it may kindle some part of the community or some part of the Province to think seriously of this.

MR. WELLS: You are not going to get it from a local level because the people are not together and there is nothing to bring them together.

MR. DAWE: I have found from my experience, Mr. Chairman, in local Government, that the communities are very parochial in their outlook. I know in certain areas of the Province, particularly in Conception Bay where it would be to the mutual advantage of some of the communities to amalgamate under one council, some of them have not even two miles separating them and yet it is very difficult to get them to adopt. I think that probably, sometime in the near distant future probably we will get serious representation to consider some county council. I can assure the members of the Committee that my Department will receive any representation in this regard with serious consideration and then we would render any assistance that they would deem we could afford them. But I say that we feel that the first move must come from the people

MR. DAWE:

themselves. Probably the Committee is not aware that in conjunction with this type of county council we have several large regional plans that have been concluded throughout the Province and I will just cite some of these for the benefit of the Committee.

We have a regional plan on the Baie Verte Peninsula, Burin Peninsula, the Bonavista Peninsula, the South West Avalon, the South East Avalon, the Bay de Verde Peninsula and the St. John's Peninsula.

MR. SMALLWOOD: What is it the Minister has for these?

MR. DAWE: We have plans completed, Premier, regional plans.

MR. CROSBIE: You made a mess of one.

MR. SMALLWOOD: For what is roughly the equivalent of county Government.

MR. DAWE: That is right. We have as well, we have consideration now that -

MR. SMALLWOOD: I was right. They are thinking actively of it.

MR. DAWE: And we propose to write giant plans for Grand Falls and Windsor, Catalina, Port Union, and Little Catalina and Bay Roberts, Spaniards Bay, Brigus area plan is now being undertaken in this general area and within a few days the officials in my Department will be publishing a report entitled, "Project Seventy" and this will be available to all members within a few days and will outline to the members of the House just what is taking place in the Province as a whole with regard to planning and some of their plans for the future. This copy will be made available to members in a few days.

MR. WELLS: That is for planning, that is not a plan for the county Government.

MR. DAWE: No but it is at least some planning to centralize the needs and to find out the needs of these particular areas.

MR. WELLS: I suggest the Minister read the Crosbie study.

MR. SMALLWOOD: I suggest that he do not.

MR. WELLS: Blind prejudice, that is all.

MR. BURGESS: As outlined by the statement just made by the hon. the Minister he outlined a plan of action or a planning on the part of his Department and as usual, it does not surprise me one little bit, I did not hear any part of Labrador mentioned in this plan. It is not surprising of course.

MR. WELLS: I did not even hear Western Newfoundland mentioned.

AN HON. MEMBER: Labrador, where is that?

MR. BURGESS: Exactly and this is what I am starting to ask myself. If this session remains very long I am going to start asking the question myself, where the hell is Labrador? Because I do not think there are too many people in this House particularly in Government who do know.

MR. SMALLWOOD: To a point of order. We are hearing damn this and what the hell that, what are we sinking to here in this Chamber.

MR. BURGESS: We have heard a lot worse from the hon. member who -

MR CHAIRMAN: I know we have - Order Please! Now we have had periods of emotion when rather unparliamentary language has been used. On the other hand there seems to be a tendency of members to use language which is not quite parliamentary in the course of their ordinary debate when they are not in any way overheated or anything else. I do feel that members should pay more attention to what they are saying from that point of view. Now it is kind of excusable where you have people losing their tempers and that kind of thing but in ordinary debate I think members should try and enlarge their vocabularies a little so that they do not have to rely on profanity to make their points clear.

MR. DAWE: Mr. Chairman, if he would allow me to advise him that the plan for Labrador City has been completed. The plan for Happy Valley is now being completed and I did not refer to other communities throughout the Province. There are forty-eight other plans which I did not mention in my remarks but for the information of the hon. member the plan for Labrador City has been completed and the plan for Happy Valley is about to be completed.

MR. BURGESS: Mr. Chairman, I thank the hon. Minister for that information and I also appreciate the diplomatic manner of the Chairman for drawing my attention to my rather lurid language, shall I say.

Mr. Chairman, I would just like to -. On March 25th, 1966 there was an Act passed in this House, an Act designed to encourage the building of homes in Labrador and I think that this Act primarily, Mr. Chairman, was designed in the interest of Labrador West. Because I know that when you start

MR. BURGESS:

up an industry such as the Iron Ore Mines there that in order to attract and retain a competent work force you have to provide adequate homes for the people who are necessary to develop the properties.

Now, Mr. Chairman, I would like to make a brief reference - on the same date on March 25th, 1966, there was another Bill passed in this House creating the Department of Labrador Affairs and in Section (8) sub-section (a) the powers of the Minister are defined. "The Minister shall, under sub-section (a), undertake, promote, assist and recommend measures for the speedy development of Labrador as to natural resources and Public or Social Services and conveniences." Now as outlined there the function of that Department was to essentially undertake, promote and recommend measures for the speedy development and benefit of Labrador in general which I feel has been completely ignored because nothing has essentially come out of that Act. But the Act designed to encourage the building of homes in Labrador, Mr. Chairman, in essence what this Act did was it exempted from the tax imposed by the Social Security Assessment Act, 1963, in respect of the purchase, consumption or use of materials, goods, articles and things and all other tangible personal property consumed or used in the construction, expansion, renewal, replacement or repair in Labrador of buildings designed as homes for people whether they are houses, apartments or other buildings.

Now as I stated, Mr. Chairman, I believe this Act was designed specifically for Labrador West. In going through this estimate for the Department of Municipal Affairs and Housing I would like the hon. the Minister to define or to outline for me the exact degree of participation of his Department in the running of the towns of Labrador City and Wabush. To the fullest extent if possible the exact participation, in what phases or facets do they participate because Labrador City and Wabush have what is commonly known to the Minister as Boards of Trustees. We do not have municipal elections, we do not elect the people to run our municipality. We have a Board of Trustees and these people are appointed, quite rationally, by the companies because the companies have by far the major investment in these communities. As a matter of fact I will say they have ninety-ninety point

MR. BURGESS:

nine per-cent of the investment and the development of these communities has come from the companies and this is part of the problem. This is part of the problem that I have been trying to elaborate or annunciate upon in this House in that the people feel no degree of obligation to our Provincial authorities because they do not feel any responsibilities towards them. The only body that they feel they have any responsibility to are the companies who manage the affairs of the municipalities and the towns to such a degree that how could it be otherwise than you feel responsibility only to them. They have no respect or recognition for the Provincial authorities at all because they do not participate in the running of our communities to any great degree.

If the hon. Minister can outline to me to exactly what degree they do participate and can convince me that it is more than the people know I will be only too happy to carry that information back to them. Now I do not know what is involved in, whether it necessitates Legislation or something else to bring about Municipal elections because I am sure by this time after this period of time of ten or twelve years that the companies are in there to make a profit. They are in there to dig iron ore out of the ground and to sell it and to process it and I am sure that they would be only too happy to get out of the running of towns. They have indicated this to me on more than one occasion that their primary objective is to mine ore and to make a profit from the mining. They do not want to be bothered and quite rightfully so I assume. They do not want to be bothered with everything else that goes with the community and this is why I have advocated all along more participation on the part of our Government and if the participation is there let it be known that it is there.

Now I have seen one of the most heart-rending things that I have ever seen when we are talking about housing. Now the companies have had to provide reasonably comfortable homes for the people who intend to reside or who have made Labrador West, the town of Labrador City or Wabush, their homes. The companies have found it necessary to provide reasonably comfortable homes. They have gone so far as to sell or to rent, primarily sell homes which cost

MR. BURGESS:

the companies themselves \$20,000. per unit to build. They have gone so far in order to get out of the business of maintaining homes that they have sold these homes to the employees at forty per-cent of the initial cost. They have sold homes for \$8,000., homes that cost them \$20,000. to build. They have gone a step further, Mr. Chairman, in that they have paid mortgage rates, interest rates, anything above four per-cent. They have encouraged people to come in to purchase newly constructed homes and they will pay the interest rate on the mortgage of anything over four per-cent in order to encourage people to come in and establish in the area, in order for them to bring in their families and to stabilize themselves and they have made this effort at great expenditure, I am sure, but they have made the effort nonetheless.

Now, Mr. Chairman, and to the hon. Minister, one point I would like to make that there are more people who are anxious to reside and establish their homes in Labrador than people who are only employed by the Iron Ore Companies, by the Iron Ore Company of Canada and Wabush Mines. There happens to be a lot of seasonable workers there particularly I have seen men come back year after year in the construction field, in the construction of homes for the Iron Ore Company of Canada. I have seen them return year after year. I have seen people employed in secondary industries, in garages, in stores, in cafeterias, in all other secondary industries that go to make up a community. I have seen these people with the desire in their hearts to take up permanent residency in Labrador but the same concessions are not given to these people. Why should the company give concessions to secondary industries or people whom they do not directly employ? Why should they give it to them?

Now in order to make this a viable community and in order to stop any form of discrimination whatsoever there should be more involvement on the part of Government in these communities. Now all of the land surrounding the towns of Labrador City and Wabush are owned or leased or the companies have the rights on this property. Now somewhere along the line there should be some appropriation of land by Government that is serviced and leased to people who are not directly in the employment of these major industries.

MR. BURGESS: One of the most heart rending things, as I started out to say, Mr. Chairman, I saw a man from the coast, a man from Forteau, a man called Allen D _____, he was in the employ of the town; and I saw this man, he would come in year after year to work for the town, in a minor capacity, labourer or whatever title they gave him, but this is essentially what he was doing. And this man if he had wanted to, he was not been that well paid, it would have been just as well for this man from Forteau to remain home and live on welfare, in terms of what he would receive in income. But this man had a lot of pride, and he was not prepared to sit home. He wanted to go out and earn his dollar. He had seven children and his wife. He brought them into Labrador City. I tried everything in the book and the local mayor tried everything in the book, we all tried to get him accommodations in Labrador City. But no dice, because there was none available. Priority had to be given to the employees of the company, in terms of homes. This man brought his family in at the expensive of \$1100, his seven small children. He established them in the local school, and he had to pull them out of school even before the school year was over, because he could not find accommodation and he could not have them sleeping on the streets, and he had to send them back, at an additional cost, to Forteau, of another several \$800 or \$900.

Now we have heard a lot of talk about centralization; about grouping people together in prosperous areas; in growth areas. Well, I think, that emphasis should be laid, or this Government should set its sights on the provision of maybe subsidized homes for people from the coast, because if this incentive were there you would have a lot more people from the coast of Labrador coming into the growth areas of Labrador West. You would attract them, they would come in on some assistance; some psychological encouragement, if some financial encouragement were given they would come in. There would be no need to tell them, they have to leave a certain community because there is no future for them. They would relocate themselves, if they had some opportunity of housing their families. And by virtue of the fact of being on the spot, they would automatically acquire jobs over the period of the year, in no matter what capacity.

MR. SMALLWOOD: May I interrupt here - may I ask the hon. gentleman to tell me very briefly, for a moment I was writing and I missed, move from where to where? I understand he is saying. that if certain enticements were provided, and I understand this is in the way of perhaps jobs, in the way of housing, in the way of other encouragements. If certain encouragements were provided families would move from A to B. Would he tell me where the A is and where is the B?

MR. BURGESS: Well from some of the costal communities.

MR. SMALLWOOD: Well that is the "A"?

MR. BURGESS: Yes, this is the "A", and "B" is Labrador West.

MR. SMALLWOOD: You mean Labrador City and so on?

MR. BURGESS: Labrador City and Wabush.

MR. SMALLWOOD: Fishermen, trappers and -

MR. BURGESS: This is initially what this gentleman I am referring to was. I know of at least five people from the coast of Labrador who are in Labrador City, and if they have their families with them, they are living in either an in-law's house, with all their children or they are renting a basement apartment or maybe one room. I know of at least five, and they cannot acquire a home of their own, because unfortunately they do not have the skills that allowed them to be in a job that brings them an income - the income of \$700 or \$800 a month in order that they can pay for some of these high rental apartments that are there. And this gentleman that I am referring to from the coast who originally was a trapper or a fisherman, this gentleman I could have gotten him an apartment, but he just could not afford to pay \$240 a month just to keep a roof over his head. And the "A" is the coast, and "B" is Labrador West, which is a growth area.

MR. SMALLWOOD: "B" it would be much more central possibly, if "B" were Lake Melville.

MR. BURGESS: Well, Lake Melville okay, if the employment opportunities are there, nobody can say that the employment opportunities in Lake Melville can equal the employment opportunities that presently exist in Labrador West.

MR. BURGESS: I am talking about now, I am not talking about things that maybe or have been said that will be. And, I think, that more emphasis, I do not know what is involved, I think, since the companies have - nobody can deny them their right they have invested millions and hundreds of millions of dollars in these communities, they have invested hundreds of millions of dollars in Labrador - nobody can deny them the right to want to control a community to the extent that they see fit. But the thing is, as long as Government stays out, Government involvement does not become a part of the scene, they will always want to hold on to this right. And, I think, I do not know how it can be done in a fast manner, but at least some start should be made. I would like to know the extent of Government involvement in the communities of Labrador City and Wabush? I would like to see involvement to the degree that the people recognize the fact, because the communities of Labrador City and Wabush, Mr. Chairman, are composed in large parts, maybe not in a majority part, but in large part they are composed of people who have never set their foot on this Island. And yet they are living in the Province of Newfoundland and Labrador. They have never set their foot in this Province, and why should they, with the lack of involvement of Government in these communities, why should they have any responsibility towards this House of Assembly, or this Government. Psychological. Why should they?

So I am trying to emphasize the fact, for the benefit of the hon. minister, that we have got to have more active participation. I would like to see some cost-sharing, I know that when you are talking about subsidize rental, as you have here in St. John's, that in large part there is involvement or financial participation on the part of the Federal Government, in the finances of this..

I would like to see participation in a costing-sharing program of housing program in Labrador West particularly for the people from the coast or for people from Lake Melville, who have given up all hopes in Lake Melville, and who want to move into Labrador West. I would like to see the active participation of this Government on this.

MR. BURGESS: Now there is another matter, Mr. Chairman, which I have been asked to bring up and I have -

MR. WORNELL: Mr. Chairman, before the hon. gentleman gets off that point there, I wonder would he answer this question. Is there a labourer shortage presently in Wabush?

MR. BURGESS: I cannot say at the moment no.

MR. WORNELL: Well why bring all these people in there?

MR. BURGESS: Well where does the hon. gentleman suggest that we keep them?

MR. WORNELL: Lake Melville.

MR. BURGESS: Lake Melville, there are suppose to be 7000 jobs this year.

MR. MURPHY: A man in the city here now; he has a job and he just cannot find land to build his own home on because it is all grabbed up by the council.

MR. BURGESS: Exactly there is lots of land there.

MR. MURPHY: You are ~~nt~~ talking about bringing hundreds of people in, you are jsut talking about people who are looking for employment.

MR. BURGESS: Exactly, where does the hon. gentleman suggest that these people go? There are opportunities and I am sure the hon. gentleman is perfectly aware of the structure of things on the whole, the more people there are it generates business. It promotes every facet of community life, the more people there are there. I am not suggesting people come in - every community in the world goes through a phase where there are people who are unemployed. But there is more of an opportunity for employment in a growth area, such as Labrador West, than there is anywhere else. I mean you lead them out possibly in some other part, some outport, there is absolutely no hope of employment, but there are hopes of employment in a growtharea. And this is what generates business, this is what generates industries, for people, and the demands that people make on society.

MR. WORNELL: Mr. Chairman, what was in my mind was the fact that we heard an argument here yesterday from one of the opposition members, I think, it was the member for Fortune, saying that, there were houses in Marystown built by the Government with all good intentions and yet unoccupied. Where is the sense?

MR. WORNELL: A waste of money.

MR. BURGESS: I want to see, my primary interest and I will deal with this a great length in Labrador Affairs, I do not want to deviate, Mr. Chairman, at the risk of being called to order. But the primary point that I am trying to make is that it appears that due to the lack of effort on the part of the Government, relative to some of the costal communities, if they are going to remain under the same set of circumstances, or live under the same set of circumstances, they might as well be moved out of that area. They might as well go somewhere there is at least half a chance, when there is none where they presently resided, I am talking about an appropriation of 'x' numbers of acres of land in a growth area; in the growth area of Labrador West and an effort of participation on the part of Government, both Federal and Provincial, to provide subsidized housing or to provide housing period, to provide the land, a serviced lot where a man can build his own home, naturally in conformity with municipal rules and regulations.

But presently there are some people in secondary industries, there are some people I might add, Mr. Chairman, who are relatively well off, in terms of income; and even they cannot acquire a serviced lot of land, even if they had enough money to build a \$50,000 home on that plot of land. The serviced lot is not just available. And unless they want to go out and establish it somewhere out in the woods, or on top of Smoky Mountain, well this is the only place they could do it, but presently the serviced lots are not available because the land is owned or the companies possible have a ninety-nine year lease on this land, and they can use their discretion or they can discriminate if they do not want a person to reside there. But, I think, there should be an appropriation of some amount of land that would be serviced and operated by possibly this very department of Municipal Affairs and Housing; and the establishment of homes, of reasonably priced homes because this is why I referred, Mr. Chairman, to the Department of Labrador Affairs Act. The job of all governments, particularly when you talk about an area as large of Labrador with the vast potential of Labrador, the job of Government is to undertake, promote, assist and recommend measures for the speedy development of Labrador.

MR. BURGESS: Now how can you develop Labrador? How can you develop any part of any province of any country in this world, if you do not have the people there to develop it? And even in Russia, Mr. Chairman, when you go above a certain parallel the Government subsidize workers in their earnings as much as eighty percent more than they would get, than they would get below this parallel. And there has got to be some incentives given to attract people to help develop. And most important, Mr. Chairman, the most important facet of this thing, as far as I am concerned, is that there has got to be much greater degree of governmental involvement in Labrador in order that these people can have something to hang on to - to respect and recognize as their authority, the authority which it is but which they do not recognize. And, I think, that this is a very important factor and will be, unless there is a change, it will be a much more important factor than people realize in the years to come. Because these people have got to have something to hang on to. You have got to have the involvement of this Government.

I was about to mention, Mr. Chairman, the amount of people - Labrador West, in terms of what I just said, is bad enough, but thinking in terms of the people, the Newfoundland workers who have left the island of Newfoundland to go and work in Churchill Falls. Now, as I stated earlier, Mr. Speaker, I was asked to mention this fact, and I said that I would, but I have got some reservations about it myself. How many of these workers, there is a proviso, there was initially a promise of this Government when workers went to Churchill Falls to develop this mass power project, there was a proviso by Government that the Government would pay their way out every three months, in and out.

MR. CHAIRMAN: Would the hon. member think this topic would be better dealt with under the Labrador Affairs?

MR. BURGESS: What I wanted to mention was the provision of homes for Newfoundland workers in Churchill Falls. Now, I know this will never be a very vast town, it will be a very important town, and housing and accommodations for people who will ^{be} permanently employed there will be a very important factor.

MR. BURGESS: But the factor of taking ten years to construct this project and the necessity to provide homes for workers there, houses for workers there, this is also a vast factor. If I have had one request. I have had a hundred and I am sure that every other member of this House has also, not alone myself, that a lot of people are willing to provide their own trailer accommodations in Churchill Falls. But they are not allowed, I know that this thing could certainly get out of hand, but accommodations, housing which is essentially what this department deals with, there should be second look taken at the situation because this project will not be completely developed for at least another five years. It has been underway now since 1967, and that is a long period, Mr. Chairman, there are some people who have worked there for a short lifetime of ten years, and to do without their families and to do without their accommodations for this period. is a lot to ask of a man, even if it is in the interest of developing one of the greatest power potentials in this world today. But some second look should be taken at the matter of the people who want to provide their own accommodations, their own housing in Churchill Falls, the establishment of trailer court facilities for these people. And I am sure that ultimately it will work out in the best interest of not alone the project, but in the welfare and the lives of the Newfoundland workers who go there and can live a normal existence while performing a worthy job.

MR. SMALLWOOD: Inaudible.

MR. BURGESS: Well, I wish the hon. Premier would think about that when he gets up and sermonizes.

MR. SMALLWOOD: Inaudible.

MR. BURGESS: Well, the hon. the Premier has me fooled, when he says, that he said something every time he stands up and talks, because the hon. gentleman certainly has me fooled.

MR. SMALLWOOD: Inaudible.

MR. BURGESS: I think the hon. gentleman will find out too. So, Mr. Chairman, essentially that is what I had to say on this matter. If the hon. minister can outline for me the exact degree of participation on the part of his department in the towns of Labrador and Wabush, I would be very grateful.

MR. DAWE: Mr. Chairman, in reply to the hon. member's question, that the local improvement districts at Labrador City and Wabush have the same authority and act on the same legislation as all local improvement districts throughout the Province, and town councils, There is no change in that in any way. I can appreciate the hon. member's point, the possibility or indication that the local improvement district there, are not sharing the affairs of their communities as elsewhere mainly because most of the financial burdens associated to providing public services, are provided by the companies themselves, and they do not have the same need to get involved probably as other communities. But we are assisting the communities here to the maximum under the Act. That is to say that we are granting each of the local improvement districts \$75,000 per year revenue grant each. This is the maximum amount that can be paid to any community under the Local Government Act, and this is what we are doing for them.

I would like to say to the hon. member that I have made notes on points that he raised on subsidized housing for Labrador City and Wabush. And I plan to make a visit to Labrador with officials shortly when the House closes. It is an obligation I made there last year -

MR. SMALLWOOD: I would ask the hon. minister to withdraw the word "shortly".

MR. DAWE: Okay. Well, I will say when the House closes I will certainly take up this question of subsidized housing with the officials of my department and would be free to discuss it with the councils at both Labrador City and Wabush. And I will be visiting, as I say, when the House closes, and we will discuss this further. And I would suggest that probably, if we had some local elections within these two communities, this could give citizens probably a greater deal of participation. We have authority under the Local Government Act to authorize local self Government through, I say, public elections within these communities. But we would like some indication from the local improvement districts themselves, if they would prefer appointment or their own council election similar throughout the Province. I am sure if we received a representation in this regard we would give it serious consideration and we would treat Wabush and Labrador City as we have other communities throughout the Province. This has usually been the practice in many of these local

MR. DAVE: improvement districts to first set up in this manner and later make representation to my department. that they have elected members to fill the membership of the board, as it is done generally throughout the Province.

MR. T. HICKEY: Mr. Chairman, after four attempts I would like to raise a couple of questions to the hon. minister. I will try and watch my language, it is going to be pretty trying having heard some of the guff that we have heard here in the last few months. I am a bit touchy when it comes to language, Mr. Chairman, because I spent three days because of some language I used. But there are hon. members have been called everything under the sun this year. But all of a sudden we are getting awful fussy about rules.

Mr. Chairman, I would like to inform the hon. minister, and through him the Government, that the residents of the Battery are still alive, they have not died. They are still without essential services, water and sewerage. While hon. members can get awfully worked up and concerned with providing water and sewerage for other parts of the Province, setting up Town Councils, I can share this feeling, Mr. Chairman, because right in my own district we have a need for local government. But if those local governments do not do any better job than municipal governments, that we have in St. John's, we might as well not form one. We reside in the oldest city in North America, and right on the fringes of it, we have had three areas in which there are not even bathrooms, or toilets, were the carts go around each night. Should we not be very proud, Mr. Chairman? Is this not something we should be very proud about? When we get up and rave about all of our local governments we are setting up, God forbid that they should carry on like the municipal governments that we have right here in the capital city.

But it is about time, Mr. Chairman, the blame was placed squarely where it belongs. And I am going to place that blame right now on this Government. On this Government.

MR. SMALLWOOD: Unfair contradiction.

MR. HICKEY: Mr. Chairman, it is primarily the responsibility of the municipal

MR. HICKEY: council. They have made it plain that they could not care less, they have made promise after promise to those people. And we know, Mr. Chairman, there is nothing going to be done now, because they got a mandate for another four years. They are tucked away in their offices for another four years, and, in my opinion, they apparently could not care less. Now we have been bluffed as long as we are going to be bluffed. We have been bluffed by the municipal council. We have been bluffed by this Government, by representatives of this Government. Two years ago, low and behold, the whole matter was going to be settled. We even got confused in meetings, we were all that interested in solving the needs of the Battery, that there were two meetings going on at one time.

And, Mr. Chairman, we had a clear cut statement, a clear cut statement from representatives of this Government, from the Municipal Government, and from the Federal Government that something would be done forthwith, and that is two years ago. Those people are still without toilets, and bathrooms, and running water. Now I would like to ask the hon. minister, and I realize that he has not been in office that long that I should charge him as being responsible. But he is now in the position where he is responsible, and I would ask him on behalf of those people just what his department intends to do? It is no use to tell me that it is the responsibility of the city council, because it is not. Mundy Pond is the responsibility of city council too, but the Premier of this Government saw fit, and rightly so, I am the first to agree with their stand, saw fit to pressure council, to turn on the heat, and to say that if council was not going to do something about it, then this Government would. That this Government would step in, and they have every right to step in, Mr. Chairman. If the Municipal Council is going to be as lax in their duties, as this council apparently has and is, then this Provincial Government has every right to step in.

Mr. Chairman, I could go on until five o'clock pointing out - the Premier need not sit up, I am not going to. He can rest assured that I am not going to do that.

MR. SMALLWOOD: Thank you, very much!

MR. HICKEY: It has been all said, Mr. Chairman, it is all on record. I have been ranting and roaring about this for the last three and a-half years, but nothing has been done.

MR. SMALLWOOD: Inaudible.

MR. HICKEY: If the Premier wishes he can drop down to his office for the next half hour, and when he comes back I will be through.

MR. SMALLWOOD: I am only joking.

MR. HICKEY: As a matter of fact, if he will promise to do something for me I will sit down and shut up right now.

MR. SMALLWOOD: Will the hon. gentleman tell me what the problem is?

MR. HICKEY: To tackle the Battery problem, and to turn the pressure on some of those people who should be doing something about it.

MR. SMALLWOOD: That is Federal/Provincial.

MR. HICKEY: It is Federal, Municipal, and Provincial, Mr. Chairman. It is in the same boat so as to speak as Mundy Pond is.

MR. SMALLWOOD: The Government of Canada is at their back.

MR. HICKEY: It is in the same position- it comes under the same jurisdiction, Mr. Chairman, as Mundy Pond or at least part of Mundy Pond. And the Provincial Government are very much involved in this development. I am not saying here today that it is not good that Mundy Pond is going to be developed. I am delighted to hear that it is going to be developed, and that those people are going to have their problems solved. I am also delighted to see the Blackhead Road is underway, and that the problems up there are going to be solved. But, Mr. Chairman, that does not mean that we should just close our eyes to that.

MR. MURPHY: I guess the Chairman of that is in much the same position.

MR. HICKEY: Yes.

MR. NOLAN: Would the hon. member permit a question?

MR. HICKEY: Yes, certainly.

MR. NOLAN: I know how interested and eager the hon. member is concerning the Battery, It is for this reason that I rise to ask this question - I was wondering if he is aware, and I feel that he is, of measures or attempts made by the

MR. NOLAN: Government, and by the ministers concerned in the last few years.
for
I am referring, example to the hon. the member for St. John's West, when he was
Minister of Municipal Affairs, I refer to myself in this instance, when I was
Minister of Municipal Affairs, and I cannot speak for the present minister
at the moment, because I do not know what he has actually done in terms of
negotiations and so on in Ottawa. But, I do know that I did go to Halifax
last year, when I was minister of Municipal Affairs, with my colleague the
Minister of Community and Social Development. And although it was a private
meeting, I can tell you that I spoke in as strong a language as I have ever
used in my life concerning the Battery. I will tell you something further
if you do not mind my saying so, Sir, and it is this, Mr. Chairman, that in
one stage, in our discussions up there, we were seated at a very large table
with officials who, you could imagine, were

MR. NOLAN: unaware of the problems that we tried to discuss, my colleague and I, that existed at the Battery - and when we were talking about this, and believe me we spent a long time at it. One of them piped up and said; how long had they been there, and what are they, squatters? And I said, yes, they have been squatting for 300 years. So I just point these things out, because I know the hon. member means well. And I am wondering if he is really aware of the attempts that have been made by the people that I have mentioned in regards to the Battery? I am not trying to be evasive on this Mr. Chairman. But I thought I should ask the hon. member.

MR. HICKEY: Mr. Chairman, I am aware of the efforts that have been made. My complaint is that there has not been enough effort. Now without a doubt there has been sufficient effort, or maybe as much effort as the hon. minister could make in his capacity - and his colleague - I am not quarrelling with that. But Mr. Chairman, the problem seems to be the buck is being passed from one to another, and I do not mean that in terms of the local level.

In Ottawa it has been passed. The latest information I have on it is that the Battery is not going to come under an urban renewal scheme. Now they are talking of moving the people out - whether they want this information public or not I do not know, but frankly I do not care. But that is the information I have, that they changed their minds on an urban renewal scheme. How long must it take people to make a simple decision such as that? And that decision Mr. Chairman, is very simple, as to what should be done - whether the people should be moved out, or whether the area should be developed -

MR. NOLAN: I thought urban renewal was always the answer -

MR. HICKEY: Exactly, exactly Mr. Chairman, but there have been more studies done by one group and another of that area - it has been studied to death, and that is about all we have had - studies. And all we have had is conversations, meetings, studies and whatnot, and lo and behold last year we find out - oh! we are not going to develop the Battery. Well, what in the name of God are we going to do with it? Are we going to forget that a nightcart still goes around down there? Are we going to forget that the

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National Historic Park borders on it? Are we going to forget that we are advertising that particular part of this City to every tourist that comes in here, and that visits that Park? Mr. Chairman, I do not only speak for this area because it is my district, I speak as a resident of St. John's, and as a Newfoundlander. And I think it is a darn shame to have that area not developed, or if we are not going to develop, then let us get together with the people and discuss the matter in terms of moving them. Who knows? Maybe they just might be in favour of that. I personally conducted a survey Mr. Chairman, which the authorities have, and it indicated, to a great extent, that the people were not against the idea of moving as long as their rights were protected, and as long as they could be resettled in some reasonable manner.

Now Mr. Chairman, let it not be said, that this problem has not been debated and voiced and discussed in this House. And I will just close by saying this, and I am not becoming emotional or anything else, but there has been people in the Battery died - there have been people killed, and I have said it in this Chamber before - and all I can say, Mr. Chairman, is ; God help the people in authority, whatever Government it is, I do not care who they are, if there is another person that gets killed in that area for the want of various levels of Government doing something about the situation.

People in the Outer Battery are living in constant danger over and above the other sections - over and above the services I speak of. There are thirty or forty families living out there, and they are in constant danger. And as the top of the hill is developed, they are even in more danger, month by month and year by year. But, Mr. Chairman, I think it is about time that we stopped horsing around and passing the buck, and had something done, and at least let those people down there know that they are not second class citizens. They are as good citizens as we have anywhere else. I would ask the minister if he would tell us if they have any plans or what he intends to do about it?

MR. DAWE: Now, Mr. Chairman, in reply to the hon. member, to be frank with him; when he chooses to say we are passing the buck, as you know, the Federal Government have refused to enter into an urban renewal scheme for the Battery. And the only reason for this is saying that the urban renewal policy of the whole of Canada is under study now and until such time as the Federal Government

of Canada makes up its mind as to its urban renewal policy for the Country as a whole, or for the nation as a whole, that they will not assist the Government in their urban renewal scheme for the Battery. The local Government, the Provincial Government, have been pressing this for some time, and I am sure we would be most happy to enter into an agreement such as this. I do not know what the immediate answer is for the Battery. The problem is under the jurisdiction of the City of St. John's. And all I can say to the hon. member is this; in my position as the minister, if he had any representation to make to Government or with a group from that area, I would be glad to see him at any time and discuss this matter with him and try to get some decision or some answer for him in this regard. I will be frank and honest with him. I would do my best to get immediate reply when I bring it to the attention of the Government, and tell the hon. gentleman what he could tell his people.

MR. HICKEY: Just before we pass on, might I suggest to the minister that he would help us in a great way if he would, in his position, make a contact with City Council and inquire from them what they are going to do. It is useless for me. I am more than happy to meet with the hon. minister, but all I can do is go over the whole hat that I have gone over for three years, and I would be wasting his time, which I am sure is valuable, and my own. I would be more than happy to meet with him at all, but it is a waste of time because all the information is available - it is all there. We now know the Federal Government are not going to enter into any agreement by way of urban renewal. This must obviously mean, are the City and the Provincial Government going to do it by themselves and are they going to move the people out? It has to be one or the other.

MR. COLLINS: Mr. Chairman, before we carry the Item, I thought I might say a few words in support of the County Council concept. I remember the first year when I came into this House, my friend the hon. member for Bonavista South, Bonavista North, was the Minister of Municipal Affairs at the time, and we had a short debate concerning the merits or otherwise of county Councils, and I would like to offer a few ideas here, which would certainly

support the argument for the County Council. Whether we are ready to go ahead and establish one tomorrow is another question, but certainly much of the preparatory work is being started now, if it has not already started, and I hope that within the very near future we could set up a community county council in some area and observe its functions, its workings, and so on and so forth. And then, on that basis, determine how far we should eventually go on a province-wide basis.

Mr. Chairman, having been a member of the Town Council of Gander for several years, I can appreciate and I only have to think back to appreciate some of the problems facing municipalities. The problems vary in degree in terms of the size of the municipality. For instance, there is a great need for a proper engineering and planning services in our own municipalities. And many of the smaller ones, and most of our municipalities outside St. John's and Corner Brook, and Grand Falls and Gander, can be considered a small Town Councils or Community Councils or Local Improvement districts or whatever they might be designated as. But certainly in all those areas there is a great need for engineering and planning services, and none of the councils have the resources to carry out an effective engineering study and plans, and neither do they have the resources to carry ^{out} proper planning procedures. Now it is acknowledged that there exists in the department in St. John's, some engineering and planning people who, incidentally, are doing a real good job, but I would say that there is certainly a need for more of this particular breed of individual across Newfoundland. Certainly when one thinks about the humanistic values involved in terms of engineering and planning, as opposed sometimes to the economic values which are always present, when we think about the pollution, Mr. Chairman, certainly there is an area where we must have maximum - the maximum in co-operation between various municipalities. And certainly if we could get County Councils, embracing several Town Councils and Community Councils, this would certainly make it easier for maximum co-operation by all concerned. One only has to think about the Exploits River we have sewage coming in from Badger, we have sewage coming in from Grand Falls,

and we have coming in from Bishop's Falls. We have industrial waste coming in from Buchans and Grand Falls. No co-operation at all Mr. Chairman, between municipalities, whereas I am sure, if we had a form of county council in that area, the people involved could get together, formulate plans and take some initiative, and adopt a single-minded approach as it were in helping to solve some of the problems created by measures like this. Certainly there is a good case to be made in terms of garbage disposal. One only has to drive across Newfoundland and we can see deep pits surrounding each and every municipality, and we find wet garbage and dry garbage thrown in - many of the municipalities, as I have said, do not have the resources, financial or otherwise, to cope properly with garbage, and this is certainly an area where county council could be fairly effective. Another area, Sir, is the water and sewer programs, and of course this must tie in and be considered in conjunction with the pollution problem. One case in point I believe now is that the new water supply for Bishop's Falls, which is in the waiting and thought has been given - I think it has been sanctioned now that the water supply coming from New Bay Pond will be of adequate size, capacity, to take care of possible future needs for Grand Falls and Winsor.

There has been some thought given, certainly some suggestions made, that maybe we should be establishing water commissions in some of those areas. And that possibly may be a step in the right direction, but I believe that a county council in this particular area could be very effective. Certainly, Mr. Chairman, there is a great need for greater co-operation in terms of providing better services at a reduced rate to the tax-payer - reduced cost to the taxpayer, and it could be considerable co-operation on a council county basis in terms of fire fighting, and in terms of policing. Certainly also, Sir, there could be maximum participation by all the smaller municipalities making up the county in terms of road construction, setting priorities on what roads should be done first and upgrading roads, and then in wintertime, it is snowclearing. We have a great many municipalities across

the Province who have to depend almost entirely on hand-outs as it were, from the Department of Highways and Municipal Affairs, in terms of machinery and some funds to pay operators and so on for snow-clearing. We find some municipalities have considerable snow-clearing equipment, which is expensive to buy, very expensive to buy, and very often might not be used effectively, or not used at all times, and nobody can afford today to have expensive equipment lying over - and there is no reason why with a county council that snowclearing equipment could not be used more effectively. Certainly this is an area where a county council could play a great part.

In land use plans, Mr. Chairman there is certainly a need for greater co-operation there and certainly there could be a service performed by county councils in terms of developing the tourist potential of the various towns making up the county. Many of the smaller communities, as I said before, do not have the resources, do not have the technical know-how, and certainly a county council could go a long way in helping all the smaller places develop any tourist potential which they might have. In terms of recreational facilities and Arts and Culture facilities, certainly there is a need there, and all those people, even if they are living in small areas, do need to have access to recreational facilities and arts and culture facilities. And instead of trying to put one in every nook and cranny, and every corner and cove in Newfoundland with a county council, I think, by mutual co-operation and understanding we could arrive at a suitable central location, and all the people in the area accept that and use it.

In housing needs, Mr. Chairman, when we consider the needs of the people in terms of housing and the Government's plans and resettlement, hopefully enormous funds coming into DREE, I am sure the hon. minister of Community and Social Development would agree with me when I say that it would make his task much easier if we did have county councils in certain areas of Newfoundland, so that he could deal with the people on a regional basis rather than on each community and individual basis. But certainly, Sir, there is a great vacuum to be filled in that respect. I am sure that

the minister and his officials will appreciate the fact that many of the smaller communities lack leadership, not because, Mr. Chairman, people in the smaller communities are not available but in some of the small communities around Newfoundland, realizing the limited financial resources, the limited monies that can be raised by property taxes and so on you will find that a lot of people are reluctant to really get involved in local Government, because they know before they start that they are beaten, because they do not have the resources and can see no way to find the resources to do the job that must be done.

I recall the first time I attended the Newfoundland Federation of Mayors and Municipalities Convention here in St. John's some years ago. And it was very obvious and very evident there that many of the community councils and the local improvement districts felt very much out of place at because that particular convention almost every item that came up at the convention emanated from councillors from St. John's or councillors from Gander, or Corner Brook or Grand Falls, or some of the larger councils, and many of the smaller ones felt that they had wasted their time even by attending - because their problems were so different from the problems which faced larger establishments, or larger organized communities. And so I would say that certainly the county council could be of great benefit to some of the smaller councils in that particular area. I am convinced that with the improved and more advanced administrative techniques of some of the larger councils, where we have town managers and a competent staff and sometimes you have work superintendents and maybe a pooling of engineering services, I am convinced that by providing or coming up with some form of county council that it would certainly go a long way in providing a greater equalization of opportunities, and certainly greater equalization in terms of standards of service provided to the people. With those few comments Sir, I would like for the minister to take those into account, and probably he might react to them.

MR. CROSBIE: Government Administration Mr. Chairman, is the section that deals with municipal government generally, and I asked the minister some questions this morning about the financing arrangements for municipalities. Would he explain for us how the minister is arranging the repayment of some \$4 million in bank loans that fall due in this financial year. At least according to what answers tabled in the House here? \$4 million falling due on guaranteed bank loans for various municipalities this year. What the position of the Newfoundland Municipal Finance Corporation is? They had loaned in 1968 and 1969 - they had loaned some \$14 million in municipalities, and presumably, has the Newfoundland Municipal Finance Corporation now - does it now have money, or is it going to have to go to the markets this year to borrow money to advance ^{to} municipalities. Or what is the position? There are bank loans that fall due this year amounting to \$4,093,000 including Corner Brook. \$1,050,000 - Marystown \$920,000. Bishop's Falls - \$300,000. Burgeo - \$300,000. Centerville - \$200,000. Clarenville - \$350,000. Harbour Grace - \$300,000 and so on. And these all have to - arrangements have to be made to ^{re-}pay the bank. And this being so - this \$ 4 million having to be repaid and the Newfoundland Municipal Finance Corporation having to raise some money, what is the position this year? Is there going to be new money available for municipal loans? Just what is the position? That is one question that should be answered here. Local Government Administration deals with the supervision of municipalities. Generally speaking, what is the position on the audit of their accounts? This morning I read the Auditor's report on Bay Roberts for the calendar year 1968 which showed ^a very poor position as far as the records are concerned and the adequacy of the safeguards against fraud. Are there any other municipalities in that position? Or is the department satisfied that, generally speaking, by and large, the records of the municipalities are being properly kept? So the minister might give us some information on those matters.

MR. DAWE: Mr. Chairman, with regard to the amounts, indicated by the hon. member, that is due to local banks, these amounts are primarily

for water and sewerage systems and other capital works. And these will be repaid when they come due in similar manner to all such amounts in the past. This will be by the Municipal Finance Corporation. We have paid off two of the local banks this year - a total of \$7 million, and no difficulty is anticipated in raising this money to pay the amounts due to the local banks for these amounts. With regard to the Municipal Finance Corporation itself, the amounts here as you know, Mr. Chairman, are similar to previous amounts borrowed in this manner. Debenture bond is taken out by the Municipal Corporation for the various councils and this is paid or repaid over a period of years, twenty-five to thirty years - and as indicated by my Estimates, assistance has to be given to the various councils throughout the Province in helping to meet their liabilities with regard to their principal and interest. With regard the position of the various councils throughout the Province, we have not received new balance sheets for the ensuing year. These will come due probably November, December or later this year, but I am sure the hon. member realizes that practically all the councils throughout the Province have difficulty in meeting their obligations, only through the generous help of this Government. We have a field of inspectors going around the Province from time to time, and just recently the Department of the Auditor General added extensions to his staff primarily to look after the supervision of audits for the various councils throughout the Province. With regard to the town of Bay Roberts, probably I should just add one more point. The new council has taken office and the new town clerk has been sworn into office, and the officials of my department have been out there with him instructing him in his new duties. And I am informed by my officials that he is carrying out his duties in a most satisfactory manner, and the principle difficulty with the previous records of the councils, indicated - was confined mostly to the work that had been written off. And we have not, as to this date, found any serious consequence of this. But, as I say, the present audit is now being taking place, and I assume it would be finished within a couple of weeks and then naturally when this Report is received, it will be reviewed by the officials of my department.

Mr. Crosbie.

The Newfoundland Municipal Corporation - how much will it have to go to the bond market for this year? How much will they have to borrow on the bond market? Of course, all its borrowings are guaranteed by the Government but if it has loaned out, ^{to} the municipalities \$14 million in the last two years, then surely the Newfoundland Municipal Finance Corporation is going to have to go out and borrow money itself in the bond market this year. Is that the case and if so how much is going to be needed this year to meet all this past indebtedness and to pay off the bank loans? That is one question and at the same time, we see in the newspapers that the Royal Commission on the City of St. John's Act, which was chaired by Mr. Phelan, we are told from the newspapers, from the commission reporting to the newspapers, that their report finally was put in in February, 1970. This House has not been told that. There is a question on the order paper asking what the position was on their Royal Commission study and what the cost of that Royal Commission was? Can the minister confirm that the Government have received that Royal Commission Report and what the cost was? Would the minister also tell us what is the latest position on the Frazer Royal Commission study on the finances - revenue sources and finances of the City of St. John's. That is the commission that has been underway now since January, 1966, four and a-half years ago now. Since we asked about this in the House has the minister contacted Mr. Frazer to see when this report is going to be done? Is it going to be this year, next year, 1972, 1973? What is the position on that report and what is the cost of that to date?

MR. DAWE: Mr. Chairman, in reply to the question with regard to the City of St. John's Act, this had been received by my department in February as indicated and I did forward copies to the Mayor and the City of St. John's. I forwarded copies to the Justice Department within the Government and the officials of my department to make a complete study of the report and to bring recommendations. As you are fully aware

Mr. Dawe.

that since that time, we have practically been in constant session in the House and my cabinet duties - I have not had the opportunity to go into it in detail but I have the report out this morning, and it will be our intention to go into this now, as soon as the House closes. In a perusal of the report, when it was received, it indicated to us that there was nothing pressing in the report that would need to be brought to the House in this session. As I say, we are endeavoring now to come to some decision in this regard, and I will be making representation to Government in the near future and that, if it is requested, I could table a copy of the report. I would gladly do it, ~~and~~ The cost actually is not known. We have not received the cost - our department has not received it yet, but I will endeavor to find out the cost and I will take the question under advisement and try to inform the House, if possible, of the actual cost.

With regard to Mr. Frazer, I will take this question under notice as well. This question I do not think was raised this morning, but I will try to indicate to the House, I will take this question as well, and I will be contacting Mr. Frazer at the first opportunity and try to advise the House when we can expect his report as well.

MR. CROSBIE: What about the borrowing for the Newfoundland Municipal Finance Corporation?

MR. DAWE: Well we are estimating this year to pay current loans - \$3 million and possibly I am going to make a statement later with regard to water and sewer systems throughout the Province and while the amount may not be specified at that time, we may be or possibly be in a position - what I should say, we probably will be required to borrow extra money to undertake some of the programs this year, but that amount has not been indicates.

MR. COLLINS. What about roads? What is the program this year for roads?

MR. DAWE: I will deal with that when we come to paving grants and roads.

MR. HICKMAN: Is this committee to understand that as of now the minister does not know the amount that the Newfoundland Municipal Finance Corporation will have to borrow during this fiscal year?

MR. DAWE: I said as of now, Mr. Chairman, we need about \$3 million for loans.

MR. HICKMAN: Right.

MR. DAWE: We are going to - it is going to be a decision of Government to allocate funds for water and sewerage systems throughout the Province. This has not been decided clearly to the extent that we will undertake at this time.

MR. HICKMAN: I presume that when the statement is made later during the sitting of the committee by the minister as to the program for this year that the programs that will be announced today that the minister is aware of the exact cost of these programs. So, we will know that at least you will have to borrow \$3 million or thereabouts to retire existing loans and an amount sufficient to cover all programs that will be announced later today. When you announce these programs, I assume the minister will tell the committee what the costs will be, because it would not be the most prudent thing to do to announce a new water system or sewer system for particular areas without knowing the costs.

Can we assume that the report of the Phelan Commission on the City of St. John's Act will be tabled in the House today? Would the minister, when inquiring of the Frazer Commission, ask when that commission last met and advise the House?

MR. COLLINS: Mr. Chairman, all the municipalities across Newfoundland have long ago submitted to the minister their work plans for this year. Those councils know just about exactly what they can expect to receive themselves or raise themselves in the form of property taxes and other fees. They are also in a position to know what they might receive from the Government in the form of grants, because these are generally a set figure. On that basis the minister must be in a position to be able to indicate to the House the amount of monies which he must raise by borrowing to provide the necessary funds for the municipalities to carry out their works programs. Can he advise the committee, if he can...

MR. DAWE: If the gentleman would explain works programs; what do you mean by works programs?

MR. HOLLINS: Works programs? Water and sewer and road programs. These are the three main ones. Is he in a position to tell the committee to what extent he has been able to satisfy the municipalities across the Province this year?

MR. DAWE: Mr. Chairman, I think I have made my position quite clear. Later on today I will clearly indicate the Government's position regarding both. The position regarding the shared cost of paving and water and sewerage.

MR. CHAIRMAN: Shall the item carry? Carried. government

MR. CROSBIE: It says \$36,000 less in salaries for local/administration.

MR. DAWE: This has been a transfer, Mr. Chairman, of reorganization in the department and ...

MR. CROSBIE: Same number of employees, thirteen last year and thirteen this year.

MR. DAWE: The cost of salaries for local government division originally shown under this division has been transferred to the general administration. If my hon. friend will look down further, he will see

Mr. Dawe

general administration ;1302-01 - local government administration
1311-01.

MR. CROSBIE: Right. I see, yes. It has been increased up in
general administration.

MR. DAWE: That is right.

MR. CHAIRMAN: Shall 02-01 carry? Carried. Shall 02 carry? Carried.
Shall 03-01 carry?

MR. CROSBIE: Which grants are these? City Councils \$487,000 that
would be mostly, I think, the city of Corner Brook. Just what is the
breakdown there?

MR. DAWE: Yes, Mr. Chairman, this is an annual grant to the city of
Corner Brook for the sum of \$400,000. Grant to the City of St. John's
in lieu of collection of motor vehicle fees, \$10,000. Grant to the
City of St. John's, maintenance of Bowring Park, \$10,000. Fifth and
final payment on behalf of the Waterford Valley Trunk Sewer Project
to the City of St. John's, \$59,000 and payment of \$8,000 to the City
of St. John's for the Valley Trunk Sewer Line in the Mundy Pond area,
making that the full total.

MR. MURPHY: Possibly, on these, there are just one or two questions,
I would like to ask particularly in view of the fact that so many
people say that St. John's is being supported by the Government. On
the Waterford Valley, \$59,000. I presume this is the one that connects
up Mount Pearl. St. John's is mentioned but we never mention Mount Pearl.
I think Mount Pearl got more than St. John's did. And \$8,000 to
Valley Trunk, is this not also outside the municipal area of St. John's?

MR. CROSBIE: Mundy Pond area.

MR. DAWE: That is a separate project, Mr. Chairman.

MR. MURPHY: Yes, but is it basically within the City of St. John's or
is it in connection with developing Mundy Pond?

MR. DAWE: It is in Mundy Pond.

MR. MURPHY: Yes. While I am on this, City Council - the first \$10,000 what was it for?

MR. DAWE: In lieu of motor vehicle fees, \$10,000.

MR. MURPHY: Motor vehicle fees.

MR. DAWE: And \$10,000 towards the operation and upkeep of Bowring Park.

MR. MURPHY: Yes. Now there is \$10,000 in view of motor vehicle fees. Could the minister give me any idea how many vehicles are actually registered in the City of St. John's compared to outside? Possibly it is an unfair question at this time, but it is something that strikes me very forcibly the number of vehicles registered in St. John's that pay licence fees directly to the Provincial Government and St. John's providing to pave the streets on their own and everything else. I do not think there is a street in St. John's or road of any kind that is paved under a Provincial grant. Am I right in this? It is purely all municipal.

MR. DAWE: No, we have streets in St. John's under the recent shared cost paving program that was shared with the City of St. John's.

MR. MURPHY: Oh, I see.

MR. CROSBIE: A new policy in 1966.

MR. MURPHY: That was some years ago was it not?

MR. CROSBIE: In 1966.

MR. MURPHY: Have Government ever been approached - I am thinking now of the transportation system. Has the department ever been approached by council towards some alleviation of the great deficit that is occurring every year on the transportation system in St. John's? I think it was something in the area of \$800,000 or \$900,000 to provide transportation within the City of St. John's and also areas, I think, such as; Mundy Pond we get a bit outside St. John's and Mount Pearl which is outside

Mr. Murphy.

St. John's - any grant towards that and possibly relief, if you like from the gasoline and fuel oil tax that the buses consume? I know the trucks within the City of St. John's the actual working trucks do not have to pay the Provincial tax on whether it is diesel or gasoline which ever it is. The buses do, I understand, and the amount in the run of a year - I am saying this, perhaps, just from memory. I may be wrong. It is in the vicinity of \$80,000 or \$90,000 it costs them in Provincial taxes. Has any representation ever been made either to Municipal Affairs or to any part of Government for some relief from this tax, could the minister tell me?

MR. DAWE: Mr. Chairman, in answer to that question - I can say no representation has been made to my department but I will be subject to correction here. I have a feeling - since I have been a member of Cabinet, I have heard of some discussions, some representations made to Government with regard to exemption of the tax on gasoline. I am not quite certain on that point. But I can state that no representation has been made to my department.

MR. MURPHY: Thank you.

MR. CROSBIE: In 1966 the new areas that were included in the boundaries of the City of St. John's - I do not know when they were included may be in 1965 or sometime or other - the Government asked the City or persuaded the City to take over substantial new areas within the municipal boundaries and it was agreed then that the Provincial/Municipal Street Paving Policy be applied to these new areas. In other words if the Government would pay 50 per cent of the cost of paving and reconstructing roads in these new areas that it would be taken within the boundaries of the City of St. John's - is that program still in effect? Of course the whole street paving program, I believe was cancelled in 1968. What is the position on that now? Is there any Government assistance now for the paving of the streets

Mr. Crosbie.

by the City of St. John's in those new areas or for municipalities generally?

MR. DAWE: Mr. Chairman, as indicated in answer to questions by other hon. members, I intended to deal with that when we came to the paving grants. If you would wait until we came to that....

MR. CROSBIE: Carry on.

MR. CHAIRMAN: Shall 01 carry? Carried. Shall 02 carry?

MR. HICKMAN: 02 - this amount of \$2.5 million or close to it \$2.25 million - these will be grants to meet requests of municipalities throughout the Province..

MR. DAWE: No not requests - revenue grants.

MR. HICKMAN: Oh! revenue grants. Right, I am sorry.

MR. CROSBIE: Mr. Chairman, how is it - the minister has been telling us how many more municipalities there are. We have now gone from twenty to two hundred and what not and so forth. Yet the minister is asking for \$2.25 million for revenue grants this year. This vote includes revenue grants, as where the Government matches dollar for dollar and so on up to a certain amount and it covers the initial grant when there is a new council established and so on. In 1969, according to the Auditor General, the amount actually spent under this heading was \$2,334,000. Now two years later the minister is asking for \$2.25 million. Now the number of municipalities has not gone down. Presumably their revenue has not gone down. It should be going up. Has the minister changed the formula? What is the position? Why is he only asking for this amount?

MR. DAWE: Mr. Chairman, there has been no change in the formula, but this year, we received \$300,000 on supplementary supply. Of that amount \$150,000 was used to pay revenue grants and with this amount brought all the outstanding amounts due up-to-date. Previous to other years, as I am sure the hon. member will know, a great deal of returns - a great deal of requests for revenue grants are not received by the department after the

Mr. Dawe

end of the fiscal year, say for January, February months. The time the councils make their requests, it could be after the end of the fiscal year and in previous years, actually, we were eating into the previous year's vote to pay requests made the year prior. I am trying to make that quite clear.

MR. HICKMAN: You better start all over again.

MR. DAWE: By this supplementary Supply, we used \$150,000 and it would mean that our actual amount would be \$2,350,000. We brought all the claims from the various councils up to current date as of the end of March, with this amount from Supplementary Supply. Therefore, we do not need the amount. We only need the amount that is requested in the estimates.

MR. CROSBIE: Mr. Chairman, I think what the minister means is that last February or March for the first time in a number of years the Government found that it had some cash in the coffers and therefore it paid its bills and the minister paid his bills and he got them paid up for last year, the end of March out of Supplementary Supply. So this year, he is not going to ask us to vote money to pay last year's bills. He is only going to ask us to vote money to pay this year's bills. Would that be a fair statement?

MR. DAWE: That is correct.

MR. HICKMAN: We can anticipate that there will be no Supplementary Supply next year?

MR. CROSBIE: Right, there will be no need of Supplementary Supply in this vote next year?

 If the minister does not want to answer...

MR. DAWE: There will be no Supplementary Supply.

MR. HICKMAN: There will be no Supplementary Supply.

MR. DAWE: It will not be required for this vote.

Mr. Dawe

unless there is a drastic change in the revenue of councils that is not anticipated this year.

MR. CROSBIE: This includes the revenue grants and initial grants is it?

MR. DAWE: No just revenue grants.

MR. HICKMAN: Revenue. But, Mr. Chairman, the grants for this year are known now, are they not, because the budgets from the councils have long since been approved by your department for this year, have they not? You know pretty well..

MR. DAWE: It would not be that accurate actually. This is based on their monthly collections, which they submit to us monthly - their requests based on their actual collections for that month. This is fairly accurate. The amount that we assessed is fairly accurate \$2.25 million for the Province as a whole would be fairly accurate unless there could be a substantial increase in the revenues of the various councils that we do not anticipate - that we do not foresee at this time.

MR. HICKMAN: This could only happen with approved increases in taxes by the councils.

MR. DAWE: That is correct.

MR. HICKMAN: And you are not in receipt of any requests for increase in taxes?

MR. COLLINS: What is the minister's position or the department's position now in terms of removing the ceiling from those revenue grants, there are because / some municipalities across Newfoundland who are being discriminated against as far as I am concerned. If you reach a ceiling, I believe of \$75,000 even though you may qualify for an additional grant, you cannot get them - \$75,000 has to be set by a ceiling. Very often the more efficient municipalities, the municipalities with the efficient tax collecting measures - these are the first ones, Mr. Chairman, to be discriminated against. Could

Mr. Collins.

the minister tell us. if he has given any thought or is there any chance of getting a ceiling removed or at least raised?

MR. DAWE: Mr. Chairman, there has been no decision to increase this amount and I would take it, naturally, under advisement. I could not indicate to the committee if there would be any change in this amount or not.

MR. COLLINS: The minister does agree that some municipalities - it has the effect of discrimination ...?

MR. DAWE: There is a possibility of some discrimination. I think we would have about ten communities in the Province where this would apply - about ten.

MR. COLLINS: Gander is one of them where normally where we would be receiving about \$120, 000, if we were to get our ...

MR. DAWE: Well if it is based on a maximum subsidy, it is fifty cents for every dollar collected so that would mean if the amount would apply throughout, I would say that we would match fifty cents for every dollar collected and that would be the maximum grant for many councils but as I say there is a limit of \$75,000.

MR. COLLINS: Mr. Chairman, I cannot take that answer. There are at least eight or ten or twelve, as the minister admitted, municipalities who are being discriminated against and are losing revenue funds because of the \$75,000 ceiling. Well then how in the name of goodness can we justify carrying on - giving Corner Brook \$450,000 every year? What is the basis for this? What sort of people live in Corner Brook that deserve this treatment? Is it because the Premier is occupying one of the districts over there?

MR. HICKMAN: No, it is the member for Humber East?

MR. DAWE: I would not say because of the Premier being a constituent or representative of that part of the Province. Actually we received a request from the City of Corner Brook requesting a further \$100,000 this year.

MR. COLLINS: Yes, and they will probably get that.

MR. DAWE: Well no provision has been made for it - not in the estimates this year to increase the grant to the City of Corner Brook.

MR. COLLINS: What is wrong with those people over there? Are they collecting any taxes over there? It is supposed to be a very progressive City. Why do they have more problems than people in Central Newfoundland? Why have the Government given more attention to them?

MR. DAWE: The City of Corner Brook embraces a much larger population than - the administration and other costs are fairly high. This has been a decision of Government to allocate this amount to the City of Corner Brook and this is the position. I certainly sympathize with the hon. member in his question raised. There seems to be some discrimination as he said to councils, when they try as you say - there is no inducement to collect extra taxes, because they receive no revenue grants towards it, when they go to a certain amount. I think

MR. DAWE:

the point was well taken that was raised by the hon. member.

MR. CHAIRMAN: Shall (02) carry? Carried. Shall (03) carry? Carried.

Shall (04) carry?

MR. COLLINS: Mr. Chairman, with regard to the Metropolitan Area Board.

Could the Minister tell the Committee who the members of the Board are? How many meetings they might hold? If the members are paid for their services, on what basis are they paid, if it is on the basis of so much for a meeting or so much for an hour? If they are paid why are they selected as being special human beings again when the Government goes about appointing local improvement districts all across the Island and permitting Town Councils to be elected and none of these people are paid? What was the chairman getting?

MR. DAWE: The chairman, well to be frank with you I do not have the names of all the members of the Board but I can get that information for the hon. member.

MR. HICKMAN: Who is the chairman?

MR. DAWE: The chairman is Mr. Leo Stead.

MR. HICKMAN: What is his salary?

MR. DAWE: His salary is \$10,000. per year.

AN HON. MEMBER: Metropolitan Area Board?

MR. DAWE: The members of the Board themselves, seven members of the Board, and each attend a meeting at least once per week and the maximum payment to any one member per week is \$25.00.

MR. COLLINS: \$25.00 per meeting.

MR. HICKMAN: Would the hon. Minister indicate if this is a set schedule that the Metropolitan Board must meet once a week or does it meet whenever there is sufficient business to warrant the calling of a meeting?

MR. DAWE: Yes, Mr. Chairman, they are obligated to meet once a week and they meet once a week.

MR. COLLINS: Whether there is anything to discuss or not.

MR. CROSBIE: Mr. Chairman, on the Metropolitan Area Board. The Metropolitan Area Board's vote is going up from \$88,000. to \$115,000. and the Metropolitan Area Board really, Mr. Chairman, is only a stop gap. By the way, I agree with the remarks, I think, the member for Gander has made. This is certainly

MR. CROSBIE:

an anomaly that the chairman of this Board would be given a big salary when the mayor gets nothing. The only thing is that it is not an elected position.

MR. COLLINS: Well Local Improvement Districts are not elected positions either.

MR. CROSBIE: Right and they are not paid anything either. So that is certainly an anomaly but the Metropolitan Area Board, Mr. Chairman, is a stop gap. It can do what it can to control buildings but, I mean, until the Metropolitan Area Board starts to impose taxes or starts to get revenue from somewhere it is not going to be able to control the situation around the Metropolitan Area of St. John's to any great degree. One of the worst or the ugliest sights around the Metropolitan Area of St. John's is the car wrecks and all the other debris that you see everywhere.

There was an article in the Evening Telegram May 22nd by Harold Horwood, one of the series of articles by Harold Horwood on pollution in Newfoundland. These are a very excellent series of articles, by the way, well written, informative -

AN HON. MEMBER: Is this political?

MR. CROSBIE: No, this is nothing political. The only politics that Mr. Horwood is concerned about now are the Animal Farm politics that I know about.

MR. COLLINS: Do they have a candidate in St. John's East?

MR. CROSBIE: He is known as PC in the East. In this article that describes the pollution situation around the city of St. John's, now here are some pictures. A small section of the three mile long garbage dump bordering both sides of the highroad to Cape Spear. Now I have not been out to Cape Spear, Mr. Chairman, for about two years and the last time I drove out there it is just so disgusting and degrading to drive along a road in Newfoundland and see the mess of debris and garbage and old cars all the way out to Cape Spear lighthouse. This picture here shows one of the garbage dumps all along that highroad out to Cape Spear.

Water pollution, here is a picture of the head waters of Learys River used as a public dump by residents of Thorburn Road and vicinity. Another terrible sight. I drive by that every day in the summer. Open sewer

MR. CROSBIE:

running for several miles beside the shoulder of Kenmount Road is piped between the "Welcome to St. John's" sign. The water here mainly affluent from septic tanks smells like a badly serviced toilet. Here it is right under the "Welcome to St. John's" sign the open sewer.

Now the problems that Mr. Horwood describes in this article in the Metropolitan Area of St. John's are never going to be overcome by an appointed Board that has no money and no ready access to very much money, they are just never going to be tackled. It is not only to clean up - For example if you cleaned up the whole three mile long garbage dump out to Cape Spear and spend thousands of dollars doing it or tens of thousands what would be the good if you do not have a staff of patrolmen and inspectors out patrolling the whole area after that to try to catch the offenders who are dumping everything along the road.

Now how can you overcome water pollution and open sewers and the rest if you are not set up or cannot raise the money to put in the water and sewage facilities that are needed or to start subdivisions and the rest of it. I mean the St. John's Metropolitan Area Board with one or two inspectors just in no way can do anything decisive with respect to pollution in the St. John's Metropolitan Area. They cannot even overcome, it is not their fault, but they cannot even overcome this car dumping.

I live in the summer in on Hogan's Pond, Mr. Chairman, and the hon. Minister across lives on the lower end or what we call across the tracks. He better watch out if he is in the water swimming and I come along in my speed boat or he may need some attention from some of his Departmental officials. But on the way in to my country place, Mr. Chairman, somebody bought a house and some land two years ago and you know this whole place now is just littered with truck bodies, car bodies and parts. The regulations in the St. John's Metropolitan Area do not permit it but how are they going to do anything about it? They have to prosecute the offenders, they have to make them move all that stuff out to Robin Hood Bay and pay the cost of it. If you do not stop them in the beginning, if you are not constantly patrolling the costs of correcting all this are going to be fantastic if it is ever corrected. That

MR. CROSBIE:

is only one instance as you can go anywhere in the St. John's Metropolitan Area as you can now almost anywhere in Newfoundland and here is the unsightly cars, tires, glass and garbage dumped by every little river, every little cove. You can go down through St. John's East Extern, St. John's North, I am a constituent of the Deputy Speakers in the summertime and I always have to phone to get the road graded myself. I do not bother the member as I know I will not get much response if I do because he is a busy lawyer. I have to get that road graded myself, give them a prod every summer. One grading a summer on the Tolt Road.

But we cannot expect, Mr. Chairman, anything to be done about the St. John's Metropolitan Area and the conditions that Mr. Horwood describes if we do not proceed to have the St. John's Metropolitan Area turned into a Metropolitan form of Government as they have done up in Toronto and other areas, given powers of taxation and ultimately have the members elected either by Municipalities within the area or directly by the people. There have been all kinds of studies done. There is a great plan done in the St. John's Metropolitan Area, I think it has been adopted. What is the good of having a plan if you do not have the money to implement the plan.

The plan requires water and sewage to be put in certain areas. How can you stop a man from getting a permit to build on the Thorburn Road if you cannot direct him somewhere else where he can get a building lot to build and to do that requires a subdivision? Now I know all these problems and I do not blame them on the Government. It is not the Government's fault but only the Government can do something about it and I do not know if the plans are any further advanced now than they were when I was Minister for doing something about the St. John's Metropolitan Area.

You see everything that should not happen in a Metropolitan Area is happening now in St. John's. You can drive out the Thorburn Road - What is one of the cardinal rules of the planners, the Minister's planning adviser is there in the Chamber now today? No ribbon development. Do not permit building all along the arterial roads going out of St. John's. What is happening today? Ribbon development. Look at the Thorburn Road. The

MR. CROSBIE:

built
Thorburn Road is being, on now along both sides right out the road. The same
is true of the Logy Bay Road and the Torbay Road and all these roads.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Well, you must have five acres and so much land along the road
but people can usually get the five acres. That is why they go out because
the land is cheap.

AN HON. MEMBER: It should be controlled.

MR. CROSBIE: Yes, but you have to allow them to build on five acres. This
is called agricultural land but it is not really agricultural, it is just
old scrub land. But you should be able to say, "No, you cannot, you know
there is a subdivision along here, we are putting in a subdivision and we
will sell you a lot at a reasonable price but we cannot permit you to build
along the highway." But the Metropolitan Area Board cannot do that with no
money and no tax revenue.

Now what is to happen? Is this to go on year after year, Mr. Chair-
man, until, I am just talking about the St. John's Metropolitan Area because
that is the vote, until this Metropolitan Area is completely knee deep in
junk, every scenic part of this area knee deep in junk? The Cape Spear
Lighthouse, the road to Cape Spear is a great attraction for anybody who
drives out there but when you drive along a highway and you see this every
where along the highway, here it is there, the wrecks, old cars, bottles,
garbage, sights that would turn the hair of an experienced garbage man,
how can that ever be a tourist attraction? That is such a black mark against
Newfoundland any tourist goes out to Cape Spear Lighthouse. What a black
mark against Newfoundland, what he has to report when he gets home.

In the Metropolitan Area also, Mr. Chairman, there is the Oliver's
Pond problem which the Minister of Health did not advised the Metropolitan
Area Board on the other day. This is another pressing problem. There is
the same problem in the Hogan's Pond area. How much building do you permit
before the few remaining ponds in the St. John's Metropolitan Area are
polluted? Now I live in Hogan's Pond in the summer so I have my own selfish
interest but, Mr. Chairman, I am satisfied as I stand here today that in five

MR. CROSBIE:

years time Hogan's Pond will not be useable for swimming. I feel sure of it. If building is permitted to go on around Hogan's Pond as it has been in the last four to five years I prophesy today that Hogan's Pond you will not be allowed to swim in it five years time. Every place with a septic tank. What is happening? A man gets a permit to build a summer cabin and mansions are going up that you can live in all year round and people are moving in now to live all year round. Half the summer residences in Hogan's Pond have oil furnaces, installation and the people are living in them all year round and they are all supposed to be summer cabins. They were never built as summer cabins as some of them cost \$30,000, \$40,000. or \$50,000. and people are living in them all year round.

Now how much of that building on septic tanks can be permitted in our soil without that pond becoming polluted. You cannot drink the water anymore, we are drinking it anyway. I am still drinking it. It tests out unfit to drink but I say the heck with it, it is just as well to take a chance but I will not be able to do it much longer.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Well, I do not know. This is only tested in the summer when we are out there. The Metropolitan Area Board, Mr. Chairman, I am convinced has to adopt proper regulations so that if you get a permit to build a summer residence you are only allowed to live there six months of the year and no longer. Because what is happening now is that a summer cabin area is just a farce. People are getting permits, building residences and living all year round on a septic tank. I do not care where you build a septic tank in Newfoundland, Mr. Chairman, our soil is wrong for septic tanks. You only have to go to the Goulds, you can go to any one of a dozen places and see the effects of allowing a lot of building on septic tanks.

So these are some of the problems that that Board has and they are just not going to be solved by a Board that has \$115,000. to spend of which so much goes to salaries and a few staff. All they can do is put their finger in the dike, try to control building permits and there is nothing at all they can do about the rest of it. Now if the Government does not institute

MR. CROSBIE:

some program so that that Board can tax and raise money and do something effective we will be living, this will be nothing. The pictures we will see in five years time will not even approach the story of Mr. Horwood's of May 22nd.

MR. DAWE: Mr. Chairman, -

MR. WORNELL: Before the Minister replies to the hon. member for St. John's West I would like to add a few words to what he has said. I am sure that all members realize the pollution problem and the litter problem. It has been mentioned many times in this House and I remember the hon. member for Grand Falls last year making a very commendable speech on the same subject I remember the hon. member for St. John's South this year making a speech on that particular subject.

I really believe, Sir, that it is time that the Metropolitan Board made this perhaps a prime target of their attention from now on. The future is with us. We have to think and act right now and I believe that human beings in every part of the world are pollution conscious. Not only pollution say that we can see, litter, garbage, car heaps, wrecks, not only that but we have the unseen pollution in the air and, of course, in the water as well.

Now there is one other thing that I thought the hon. gentleman might mention which he did not and that is the reason I am on my feet now and that is that every summer motorists will pass the odd cat, dog, sometimes sheep, goats and other larger animals on the highway. These animals are flattened out, they are passed over by hundreds perhaps thousands of cars and nobody seems to remove the carcass and it is not only bad to look at but it is definitely pollution. It must be bad as far as the environment is concerned in that it could decompose and cause disease, children playing on the streets, bazzing marbles on these streets or anything like that. It think that this is something which the Metropolitan Board should look into because most of these animals are killed in the heavily populated areas, not so much on the Trans Canada Highway, not so much on the highway which is, of course, not populated. So that is something that I think the attention of the Metropolitan Board should be zeroed in on. I would like to know whose responsibility it

MR. WORNELL:

is for the mess that one sees on the main highway? If it is the Department of Highways in the name of goodness let us do something about it.

I seem to remember three or four years ago there was a brigade going around cleaning up, is that -

MR. JONES: It is the responsibility of the person who makes the mess the same as if he kills a cat, it is his responsibility to clean it up.

MR. WORNELL: Oh yes, now, Mr. Chairman, I know that is the prime responsibility, true, but you cannot find the perpetrator of the act. It could be done unintentionally and unknown in a good many cases. I would like to know if say the Department of Highways still has this van patrolling the highways, the Trans Canada Highway especially, as it did say three years ago? Now the Minister of Highways is not here to advise on that but that to my mind was a good idea and as far as I am concerned it must have shown some results.

MR. DAWE: Mr. Chairman, in reply to the hon. members question. Naturally the question of dead animals on the street would apply to practically all areas throughout the Province, not only within the city of St. John's and as the previous Minister of Highways indicated it is the responsibility of the person concerned to remove dead carcass. I do not know what other action could be taken. It would be quite a problem to look after this type of incident on the highways or on the local streets.

I would like to refer to the hon. member for St. John's West, he is not in the Chamber just now. I am advised by the Metropolitan Board that they did collect last year some 250 truck loads of litter in the area and they have removed as result of phase (2) and (3) of their program an estimated 650 cars. Six hundred and fifty cars which I must say is an amazing amount and will just give you some indication if the Board was not functioning at all what a considerable problem you would have. But I will bring the questions raised by the hon. member to the attention of the Board and naturally to see if we can help speed up some of areas or to clear some of the areas that he indicated.

With regard to the Oliver's Pond development we have had some discussions, the Board have had discussions on this subject and no decision will be made until we receive from the Department of Health their report and

MR. DAWE:

their recommendations. So the people who are objecting the Oliver's Pond development can be assured that no decision will be made until the report of the Department of Health is received and naturally then we will be governed by it.

MR. CHAIRMAN: Shall (04) carry? Carried. Shall (05) carry?

MR. COLLINS: Mr. Chairman, the revised estimates for 1969-70 shows \$315,000. for emergency assistance to Town Councils and the estimates for this year shows \$300,000. Could the Minister indicate what the actual expenditure was last year for emergency assistance and what Municipalities the assistance was paid to?

MR. DAWE: The actual expenditure last year, Mr. Chairman, was \$315,000. for emergency assistance.

MR. CROSBIE: Emergency assistance in this vote used to cover a whole lot of regular programs, is this just used now for emergency or just what was it used for last year? What kind of emergencies? Political emergencies or financial or who was it spent on last year?

MR. DAWE: Well, this was used generally in municipal administration. We had assistance towards the purchase of fire trucks, improvements to local roads within the various municipalities especially the smaller communities that each year the Department gets requests for special grants in the spring of the year to help put their local roads in better condition and assistance to recreation facilities within the municipalities, bridges and other emergencies that would arise of a general nature. When you realize it we did have 190 such local councils throughout the Province, just \$2,000. each, not quite \$2,000. each but they use up this full amount. We do receive, I am sure the hon. member for St. John's West is fully aware that we receive numerous requests for this type of assistance and this is what it covers mostly.

MR. CROSBIE: Well, Mr. Chairman, this vote is a misnomer because it is not emergency assistance. It is not used to help municipalities that have suffered an emergency. It is really an unallocated vote that the Government or the Department can use as it sees fit to help municipalities who request help to carry out certain projects. I believe that is what it is really. You know if

MR. CROSBIE:

some municipality gets into a sudden emergency and wants a fire truck, there is no emergency about that. It is whether or not some member is being particularly persistent after the Minister to help the municipality in his district get a fire truck and so on.

For example from this vote this year municipalities in the Minister's district might expect a lot of emergency assistance. That is the real nature of the vote and that is not necessarily a bad thing and then some community council may need a little help. But the Minister is going to consider all districts and not just his own, I mean he is going to spread it around because it is really the Minister's slush fund. This is what it should read in the estimates, "Minister's Slush Fund depending on who puts the most pressure on the vote, \$300,000."

MR. DAWE: Mr. Chairman, in reply to that question. Naturally I would consider my own district with equal consideration with the rest of the Province. I have quite a few requests this year for fire fighting equipment and we have already allocated, made preparation to provide these services and they are scattered throughout the Province. I am sure -

MR. DAWE: they are confined to my own district.

MR. CHAIRMAN: Shall 05 carry? Carried. On motion item 06, 08 carried.

Shall 09 carry?

MR. COLLINS: Now we are going to hear it.

MR. DAWE: Mr. Chairman with regards to Paving Grants, members are requested - I understand this is the final vote this year on the program that expired in 1968. But we have considered this program, and it has been the decision of Government not to continue with this program in the proceeding year. As you are aware there has been so many demands on various departments of Government and to undertake this program this year, would naturally put more burden on the Province generally and it has been the decision of Government not to proceed with any shared-cost paving programs in this present year.

MR. COLLINS: In other words let them paddle their own canoe. No election this year that is for sure.

MR. HICKMAN: Well I do not know if there is going to be an election this year, but I would say that if there is one thing that touches the hearts of every municipal councillors in Newfoundland today, and if there is one area of pressure imposed on municipalities, it is that of the citizens calling for the paving of their streets. Because the simple fact is, Mr. Chairman, that particularly in a lot of our municipalities where we have had resettlement, encouraged by Government and encouraged by industry, that a car is no longer a luxury, practically every family in that municipality now has a motor vehicle. For instance, the number of motor vehicles in the Town of Fortune increases at the rate of over one hundred a year during the past three years. Now that area is a fairly heavily, by Newfoundland standards, industrialized town. And that town has been asking for, and a town with a good credit rating, a town that meets its commitments to the Municipal Finance Corporation and to governments. And a town such as Marystown, Fortune, and Harbour Breton, and other municipalities now find that they just cannot pave their streets. And they find that the plans that they had and that they had formulated over the past few years now have to be on the shelf with no hope of implementation. They find that they are being penalized for having been cautious in their

MR. HICKMAN: financing. Because this happened in many municipalities, they were aware of the fact that this fifty-fifty paving grant was in existence. They decided to be prudent and not to embark upon a program until they were sure that they can afford it. Now they have the tax base and the tax revenue to afford it. And they are told that this program has been abandoned. And what that really means -

MR. DAWE: abandoned, Mr. Chairman.

MR. HICKMAN: Well abandoned or postponed, they are not going to be implemented. And what that really means, Mr. Chairman, and I have been sitting now all day through this debate on the estimates of the Department of Municipal Affairs, and it seems to me that it has been going back and forth between St. John's and Corner Brook. Urban renewal for St. John's, more housing for St. John's, more for Corner Brook, and occasionally we have heard a cry from the wilderness in Gander. But apart from that, Mr. Chairman, it surely must dawn on the minister that there are other municipalities in this Province, and these people are being grossly and severely discriminated against. What is the point in trying to encourage people to move in to Fortune or Grand Bank or Harbour Breton or Rose Blanche or Port aux Basques or Gander or Harbour Grace? And entice them in there by suggesting that they are going to have the same amenities, the same social services, the same municipal services that you can find in other urban areas throughout the Province; and then get them in there and say; we have decided there will be no street paving outside of St. John's and Corner Brook. And that is really what it boils down to.

And, Mr. Chairman, these people are not going to put up with this sort of cavalier treatment much longer. Whilst any government, and whilst the minister can cite with pride the number of municipalities that have been created and incorporated in Newfoundland in the last twenty years, I suggest to the minister that in his enthusiasm and Government in their enthusiasm may have created one of the greatest rods for their own back in history. Because ^{with} municipalities, particularly in the past year or so, we have seen emerging in Newfoundland a completely new breed of town councillor. There was a time when municipalities moved with a great deal of trepidation. We cannot let our views be known to vociferously because we might offend the Minister

MR. HICKMAN: of Municipal Affairs, and this might affect us particularly when we are trying to hook a few dollars out of what the member for St. John's West refers to as the minister's "slush fund". But that day is over, the simple fact is this, Mr. Chairman, that we have this philosophy, it does not necessarily need to be a philosophy, people are moving anyway. What Mr. Hender used to call the mobility of labour, people are coming into the larger centres, all you have to do is pick up reports from almost any industrial town today and you will find complaint after complaint from its municipality. Industry finds that it cannot function effectively if a third of the work force is living twenty or thirty miles away from it. And whether industry can survive or not, the important thing is that we are discriminating against the employees.

Now, I do not pay too much attention to the hon. the member for Bell Island, you know. But the simple fact is, and he is going to take a trip down to the Burin Peninsula for the first time - he has been to Morocco, he has been to Ireland, he saw the difference between the north and the south. But he has never been to Burin. And he is in practically the same category as a great many other hon. members of this House.

But, Mr. Chairman, what is the point in pointing with pride to industrial development and resettlement programs, and the growth of municipal government in Newfoundland, if you then decide to discriminate against those people who are not living in St. John's, who are not living in Corner Brook. Now I do not say this in the light that I have sometimes heard my hon. friend from Humber East - that they should not get this, and they should not get that. My concern is this discrimination, this obvious discrimination against say a person this year living in Glenwood. Or when the hon. the member for St. John's West was waxing eloquently a few minutes ago about the unsightly road to Cape Spear. But here is a resettlement, one in the Burin Post this week, of Red Harbour, that nobody should point to with pride.

MR. SMALLWOOD: The Burin what? The Burin Post.

MR. HICKMAN: Just take a look at it. There is where you will see lack of planning. There is where you will want to see lack of municipal services,

MR. HICKMAN: no water, no sewerage. An indication from the minister to a question I asked him in this House, that there is nothing for Red Harbour.

Now what sort of planning, and what sort of discrimination are people in the outports being asked to put up with? And the people of the elected representatives, to the town councils, who are becoming more vocal everyday, and more power to them. Because they, it is slowly, but surely seeping into them, that they are being discriminated against. And, Mr. Chairman, the abandonment of this paving grant by the Minister of Municipal Affairs, or by this Government, can only mean that the people living in the incorporated areas of St. Anthony, or Spandiard's Bay, or Carbonear or wherever it is, they are going to have to choke themselves to death with dust, and all they get -

MR. STARKES: Inaudible.

MR. HICKMAN: and all they get is sympathy, sympathy from the minister. But I am sure the minister has to agree that there are few, if any, town councils in Newfoundland today that can afford to pay their own streets, if this formula disappears. I cannot think of any town council outside of St. John's and maybe Corner Brook and Labrador City, that has the necessary funds, no matter how prosperous it appears to be on the surface, no matter how many men are working in fish plants or in mines, that can afford to pave these streets without the substantial assistance from the Department of Municipal Affairs.

Now we heard today that Newfoundland was a long ways behind the rest of mainland Canada in the establishment of Municipal Government. And that is true. But that fact regrettably imposes on the parent Government, and I suggest, a much heavier financial obligation and a moral obligation towards these municipalities than you would find say in Nova Scotia or Prince Edward Island or New Brunswick. Because these municipalities built up their municipal services over a period of a hundred years.

We are not asking today, if we want the road paved and the streets paved in Harbour Breton or Stephenville, we are not asking for some great beneficent act of the part of Government. We are not saying, be overly generous

MR. HICKMAN: and provide us with a great luxury by paving the streets of Stephenville.

_____ Inaudible.

MR. HICKMAN: By all means pave them. But Stephenville will never be paved so long as this formula is pushed to one side. I do not know Stephenville -

MR CALLAHAN: Inaudible.

MR. HICKMAN: I know Stephenville a great deal more than the hon. member does.

MR CALLAHAN: You are more welcome there.

MR. HICKMAN: And I am certainly more welcome there.

But be that as it may -

MR CALLAHAN: Inaudible.

MR. HICKMAN: Mr. Chairman, are you going to stop that yapping?

MR. CROSBIE: You cannot stop the rooster.

MR. HICKMAN: Well if he wants to crow, let him go back to Rocky Harbour.

MR. CROSBIE: Cock-a-doodle-doo.

MR. HICKMAN: Well, Mr. Chairman, the simple fact is this, that we have an obligation that I think is peculiar to the Provincial Government of Newfoundland, in trying to enable our municipalities to catch up with comparable municipalities in the Atlantic area. Maybe we are victims of history, I do not know what the reason for it is, but I suspect that is what it is. But the real fact is, Mr. Chairman, these people are not asking - when they come in to see the minister, from Bay Roberts or any other place, and ask for assistance in paving streets, they are not asking for something that is a luxury in North America, or a luxury in Nova Scotia, but they are asking for something that is absolutely essential if they are going to participate in the benefits that you find in any other Province in Canada.

Now there maybe many reasons why the Minister of Municipal Affairs cannot find all the money and the funds that he needs this year. It maybe that, and I know he has great demands for water and sewerage systems and he is faced with pollution problems. And it maybe that other departments of Government can use as much money. as they can lay their hands on too, but why, Mr. Chairman,

MR. HICKMAN: do we have to take what is now almost an essential to satisfactory living in our municipalities and throughout our municipalities, why do we have to take that and slash that away? Obviously we do not have to worry about an election this year, because any Government who would cut out this on municipalities, and we now have sixty-seven percent of the people of Newfoundland living in incorporated areas, would never want to face an electorate, having taken that retarded and retrograde step.

Mr. Chairman, I do not see how the minister can stand here today, we have all been waiting for ten hours now -

AN HON. MEMBER: Inaudible.

MR. HICKMAN: No, no but the White Paper is out, the White Paper is gone down the drain, you will never hear the word "White Paper" mentioned in this hon. House again. Do not worry about White Papers.

But ever since the estimates were called yesterday or last night, on Municipal Affairs, there has been an indication from the hon. minister of some great profound and exciting announcement. And every time paving has been mentioned during the past five hours - it was wait until we get to 1302, or 1311-03-09 - Paving Grants. And, I think, we had all hope, those of us who represent districts other than St. John's and Corner Brook, that the announcement that would come from the Minister means that the paving grants have been reinstated. But now we have been told that this \$945,000 is what is to be spent this year, what is required this year to pay the last of the program that was stopped in 1966 or 1967 -

AN HON. MEMBER: 1968.

MR. HICKMAN: 1968 and henceforth we are on our own. That is not going to sit very well with outport Newfoundland, Mr. Minister.

MR. COLLINS: Mr. Chairman, I would say that the Minister of Municipal Affairs, representing the Government, has just administered the greatest slap in the face, if you wanted to say that, Sir, or the greatest kick in the pants that ever was administered to municipalities since Confederation. Every municipality but St. John's, and I will not omit Corner Brook and St. John's, although they are in a different category than the other municipalities, have been looking

MR. COLLINS: forward to the Government making some announcement concerning a cost sharing arrangement for street program in their municipalities.

What does the Government say, Sir? The Government has already said, all right, Mr. Mayor, all right, Mr. Councillor, you are the first line of defense with the people. You are in day to day contact with them. You fight our battles for us. If the pressure really gets tight, raise your taxes. And, Mr. Chairman, there is no solution at all as far as I can see, if municipalities want to improve their roads and the majority of municipalities in Newfoundland today do have a tremendous need for road improvements, if they are going to get it done, they have to raise the taxes of their property owners. I do not think, Sir, that will go over very well with the people who are living in these communities. And certainly the blame will go where it belongs, where it rests, and that is with this Government.

MR. CROSBIE: Just before we pass this vote, Mr. Chairman, I agree with what the previous speakers have said, about the necessity of this vote, and it maybe that the minister has a surprize up his sleeve.

But before going on, there are several things, Mr. Chairman, perhaps this program is going to be replaced with something better, but this Municipal/Provincial Street Paving Program expired December 31st. 1968, and there has not been a project approved, according to the answer of this question 492, there has not been a project approved under that program since then. So one significant thing that should be noted, Mr. Chairman, is that during all of 1969, not one new Provincial/Municipal Street Paving Program was approved. But when we look at the vote we see that it is increased from \$790,000 last year to \$945,000 this year. Now all of that \$945,000, Mr. Chairman, is money that has to be voted this year to meet past obligations of the Government under this program. That should be noted, because as I said at the start -

MR. MURPHY: In other words, there is nothing there for this year.

MR. CROSBIE: Right. The \$945,000 all of that is being voted to meet the Government's obligations, the Government pays over five years its fifty per-cent share of approved Municipal Paving Programs. And next year the House will have to vote probably a similar amount., or something approaching it. Still there will not be any new work.

MR. CROSBIE: Now this illustrates a point I made when the estimates were introduced; that increasingly the amount of money that has to be voted for Municipal Affairs is tied down to paying off past indebtedness. If you go down to the next item, water and sewer systems is \$1,800,000. nearly all that vote is going to be used not for new work this year, but to meet the Government's obligations for water and sewer systems paid in the past. And any analysis of the Government's accounts would add those amounts to the indebtedness of the Province, the Province has entered into binding agreements to pay subsidies on water and sewer systems, until the bonds are paid off. To do the same on street paving, and as a result there is at least \$2,800,000 in the estimates not to be spent for any new program this year. Although, it is voted under current accounts, it is to meet past capital obligations. These amounts should be properly in the capital account, not in current account. That is one thing to notice.

Secondly, the minister has announced that this program is not going to be continued in 1970 either. That being the case there will be no municipalities in the Island of Newfoundland or in the mainland of Labrador that will be in a position to pave any roads this year, unless they come under DREE. Now presumably - the minister shakes his head - apparently DREE is not going to be of any help here either for Municipal street paving. Well that being the case, there will be no municipal street paving in Newfoundland this year, except perhaps in St. John's or Corner Brook.

MR. COLLINS: The favourite few.

MR. CROSBIE: Here is the difficulty, Mr. Chairman, the Minister of Highways made an announcement five or six weeks ago of a stupendous, a tremendous, an unexcelled, a colossal, a fabulous highway program. Now his estimates were cut by \$10 million, but he was going to build \$1 billion worth of roads or a-half a billion or \$100 million. But when we get to Municipal Affairs, the Government announces that it is not going to help municipalities any more, even meet half of their paving costs -

MR. COLLINS: The Government is telling the Councils to raise their property taxes.

MR. CROSBIE: I mean how does this jive? It is just as important for municipalities, in fact I would say, because it is more important for them to have street paving on their main streets, as it is any highway program throughout the Province. Thw whole thing just does not jive, unless there are some DREE rabbits. The Minister of Community and Social Development is going to haul some DREE rabbits out of his sleeve. We have had all kinds of things hauled out of sleeves here this year, particularly during the salmon negotiations, we all remember that how \$4 million got up to \$6 million, and \$7 million, and half millions kept coming from everywhere. It is too bad, Mr. Chairman.

Mr. Chairman, another thing is this, that has to be noted, if the Government announced this year that it would enter into street paving programs of municipalities, you would not increase these estimates by a cent. Because the first payments would not come due until next year. So this really means that the Government has decided that this is the program that it is dropping pretty well. And it is just as well to come out and say so.

MR. HICKMAN: The minister said so.

MR. CROSBIE: The minister said that they were not going to continue it this year again. He has not said that it is being cancelled altogether. So these are just several of the things that should be noted.

MR. CHAIRMAN: Shall 09 carry? Carried.

MR. DAWE: Mr. Chairman, before we pass 09 :

MR. CROSBIE: Carried. Carried. Sorry the minister is going to tell us something, Mr. Chairman. What item are we on now, Mr. Chairman?

MR. HICKMAN: We are on item 10.

MR. CROSBIE: We are on item 10, are we?

AN HON. MEMBER: Item 10 is carried.

MR. CROSBIE: No, 10 is not carried.

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

MR. SPEAKER: The Chairman, of the Committee of the Whole reports they have considered the matters to referred, and directly him to report progress and ask leave to sit again.

It is moved and seconded the report of this committee be concurred in. When shall this committee have leave to sit again? Presently.

It being now six o'clock, I do leave the Chair until eight.



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VERBATIM REPORT

TUESDAY, JUNE 9, 1970

SPEAKER: THE HONOURABLE GEORGE W. CLARKE

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The House resumed at 8.00 p.m.

Mr. Speaker in the Chair.

MR.E.DAWE: Mr. Speaker, I beg leave to table report of the city of St. John's Act as I indicated prior to recess.

MR. CURTIS: Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a Bill, "An Act Further To Amend The Avalon Telephone Company Act, 1943."

also, give notice that I will on tomorrow -(and I give this notice on behalf of the Minister of Finance) Move the House into a Committee of the Whole to Consider Certain Resolutions Relating To The Guarantee of The Repayment Of Bonds Or Debentures Issued By The Guarantee Of The Repayment Of Loans Made To Certain Local Authorities .

Committee of Supply:

Mr. Noel, Chairman of Committees.

MR.DAWE: Mr. Chairman, there were two questions, the answers to which I said I would get for the committee on rising. First, give the names of the St. John's Metropolitan Board, the members of the Board. Chairman: Mr. Leo Stead. Vice-Chairman, Mr. O.L.Vardy. Members of the Board: Mr. Fagan; Mr. Carnell; Mayor Ashford, Mount Pearl; and Mr. Ryan and Mr. Good. Also I was talking with Mr. Fraser, chairman of the commission on the City of St. John's taxation. He advised me that the report is now being prepared and we would expect it within the next few weeks.

MR.CROSBIE: Well, Mr. Chairman, I know the minister is going to make - I think the minister has a dramatic water and sewerage announcement to make. In the course of it, I wonder if he, -the \$1,880,000 for water and sewerage systems -

MR.DAWE: What is the question Mr. Chairman?

MR.CROSBIE: The question that this \$1,880,000 presumably is what the government is committed to with reference to subsidies of water and sewerage

systems already constructed that is the purpose of the vote, and this amount includes say \$70,000 for the town of Windsor, various amounts various water and sewer systems throughout the Province, where commitments have already been made and the work has been done in the past this is what this vote is for.

MR.DAWE: That is correct Mr. Chairman, that is what the amount is for. Mr. Chairman, before we come to a statement, any other question on that? I am supposed to make my statement on water and sewerage when we come to Capital Account, to Loans. 11-11-07. I propose to make it still on the water and sewerage when we come to that item, that vote.

MR.CROSBIE: Mr. Chairman, in connection with this vote here, is the government's policy of assistance for municipalities, with reference to water and sewerage systems, the same as it has been for the past few years? In other words that the maximum amount of subsidy is I think \$70,000 or \$75,000 in connection with any one water and sewerage system and these are amounts which, together with the water and sewerage rates that the municipality charges, are sufficient to pay off the principal and interest in connection with installing the water and sewerage system and operating the system, That is still the same policy is it?

MR.DAWE: Yes, Mr. Chairman, there is no change from the policy that is the guide line the department is using. That was adopted years ago. As I said, this amount is to pay for principal and interest with regards to water and sewerage systems throughout the Province.

MR.MURPHY: Mr. Chairman, on this water and sewerage systems, with reference to water rates like we are charged ^{here} in St. John's, this is purely a municipal tax in itself, can each municipality set its own water rate? Is there anything new in this vote? I notice there is an increase over last years estimates something like \$470,000 is there any new or will we get this -

MR.DAWE: Yes, Mr. Chairman, you know that once a service comes into operation they start to collect revenues and - now that should not be the revenue grant -

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this is for new services the completion of new services that have come into effect and for principal and interest on new services just completed.

MR.MURPHY: Training Municipal clerks, \$500. is this, I know it cannot be a very extensive training programme but is there always someone that, or is it just I suppose travelling more or less for someone from the department to go out, we do not hold a huge class or anything like that it is just someone from the department going to confer with the -

MR.DAWE: Usually, sometimes to bring a clerk or one or two to help him with his expenses to come into the department for a few days to brush up on some of the legislation and other administrative process within the department itself.

MR.CROSBIE: _ 04. Mr. Speaker, Urban Renewal and Planning Studies. In reply to a question 492, it was stated that the urban and renewal studies undertaken (I guess that is last year) for Coraer Brook which cost \$45,000. Grand Falls - Windsor \$26,000. Wabana \$7,999 — they were shared by the Government of Newfoundland and the Government of Canada, these urban renewal studies. Now, could the minister tell us what was the results of the Grand Falls - Windsor Wabana studies and in connection with the \$55,000 this year is that for new urban renewal studies or is that to go towards the cost of the ones undertaken last year, what studies are now underway?

MR.DAWE: Mr. Chairman, if I have understood the question correctly, plans for Windsor - Grand Falls are completed and this money is to be used to complete planning already in process and to undertake other plans within the Province. Planning is now envisaged for the Conception Bay Centre area, that is in the nucleus of the town of Bay Roberts from Spaniards Bay to Brigus and we have had meetings with the various councils there within the last two weeks and preparation is being made now to conduct studies in that particular area.

MR.CROSBIE: Are these urban renewal, is this an urban renewal study of the area from Bay Roberts to Brigus and what are the results of the Grand Falls -

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Windsor and Wabana study. But here was a study made in Wabana. Well, what was the result of it? According to the answer it may be the year before. There was one done sometime in Wabana \$8000. One at Grand Falls - Windsor \$26,000, one at Corner Brook \$45,000, and what studies - the minister says it is one - is that an urban renewal study for the area from Bay Roberts to Brigus, or is this the study for the Conception Bay area from Holyrood to Topaail? I mean just what study? - we know that Bay Roberts and Brigus are important.

MR.DAWE: I will come back and correct that, Mr. Chairman.

MR.MURPHY: I know Mr. Chairman, would like me to ask this question on his behalf, how is Mundy Pond progressing, is this urban renewal study still on or is it finished or is it in a state of coma or just what is happening to Mundy Pond as far as urban renewal is concerned?

MR.DAWE: For the benefit of the member for St. John's West, this urban and renewal and planning study actually does include as I indicated part of the programme is part of Conception Bay and with regard to Wabana, nothing is taking place as regard to the Wabana study, the Grand Falls - Windsor this plan is being completed and we are using this now to determine the needs of housing in this particular area.

MR.CROSBIE: The Leader of the Opposition was asking about Mundy Pond. But in addition to that what is the point of urban renewal studies if the Government of Canada is no longer going to pursue urban renewal? I mean just exactly what is the position, what is the good of the Grand Falls - Windsor study what is the good of the Wabana study, (forgetting Mundy Pond study for a moment - that was completed years ago) what is the point of the Bay Roberts - Brigus study? I mean what is it going to result in? How does urban renewal fit in with the Bay Roberts - Brigus area? I do not see it applying there at all.

MR.DAWE: Mr. Chairman, probably this could be a typographical error actually you see a word there when it is not actually needed there now.

MR.CROSBIE: But are these studies are the cost of -

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MR.DAWE: It is not an urban renewal it is a planning study.

MR.CROSBIE: Who is paying for it, are we paying a hundred per cent or is the federal government involved, or who?

MR.DAWE: It is shared, seventy-five percent CMHC and twenty-five per cent by the Province.

MR.CROSBIE: All I want to say is Mundy Pond is coming, Up there is a vote - urban renewal scheme - But there have been all kinds of urban renewal studies Mr. Chairman, and I have gotten the impression that the government of Canada is fed up and tired of urban renewal studies. Every area that needs some kind of assistance, for example, the Battery, the area around Conception Bay, the areas in Corner Brook, Grand Falls - Windsor, Mundy Pond, Wabana, any area in the whole nation of Canada that needs some action the old custom used to be, have an urban renewal study done. Very few urban renewal schemes ever materialized. There was one in the east end of St. John's, there was another one in the west end of St. John's. They have all been dropped. Now I understand that the Government of Canada is changing the whole concept, the whole approach, urban renewal, but it is certainly about time, because the old schemes do not seem to do what they are required to do. But for the life of me I cannot see any point in an urban renewal study of the Bay Roberts - Brigus area. I mean, where does that fit in in the urban renewal pattern? Bay Roberts is a nice community and it needs a water and sewerage system and I think the road has been paved there. Brigus, every blade of grass in the community of Brigus has been paved due to the diligence of the member, the hon. minister. If anything moved over in Brigus whambo - we have asphalt put right over it. So, and anybody drives around Brigus, you can drive up a road in Brigus that your car brushes off the trees and each side of it is paved. The member did a splendid job getting everything paved over in Brigus. You were not safe for a period over in the district of Port de Grave you might be run down by an asphalt machine any minute. So for the life of me I cannot see what is this urban renewal study in Bay Roberts to Brigus? Now I can see a study - I can see a study in Conception Bay. Everybody knows the danger

from Holyrood to Topsail, the terrific contamination, the water and sewerage problem. No control over building permit. It is going to be one gigantic cesspool, if something is not done within the next few years. One can see a study there and then action, but what is this study of Bay Roberts-Brigus and is there anything likely to happen to Grand Falls - Windsor? I ask this on behalf of the minister of Education who does not want to be pressing this matter in the House. But what is this Grand Falls - Windsor study. Is anything going to result out of that and who has done the studying, who is doing the Bay Roberts-Brigus study?

MR.DAWE: Mr. Chairman, on this vote again, I mentioned that the urban renewal part is actually two votes. The urban renewal section of part of that vote is to complete studies for the Mundy Pond and Corner Brook. And the planning studies include this part of Conception Bay, as I have mentioned. So actually it is two votes in one, It is designated as Mundy Pond, and Corner Brook is the urban renewal part of the vote. The planning studies is in this part of Conception Bay as I have mentioned.

MR.CROSBIE: What part of the vote is Bay Roberts - Brigus? Is that urban renewal?

MR.DAWE: Planning studies.

MR.CROSBIE: For what purpose?

MR.DAWE: To have a municipal plan similar to other planning throughout the Province.

MR.CROSBIE: These then are the studies, For example, there have been studies of the Come by Chance area, Isthmus of Avalon, Burin, Marystown, Grand Bank, it is the same kind, it is a town planning study is it?

MR.DAWE: Part of the Bay de Verde Peninsula plan.

MR.COLLINS: Mr. Chairman, on - 05 the amount of \$8000, Regional Appeal Board. I presume this is to cover the cost of hearing appeals of Taxpayers in various Municipalities across the Province. They think that their properties might be appraised too high. Is this what it is?

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MR.DAWE: Mr. Chairman, we are making provision to set up four regional appeal boards, one for the St. John's area, one for the Corner Brook area, one for the Grand Falls area, and one for the Burin Peninsula area. four. And we could expect that we might have one hundred appeals, during the year. And they would expect five could be heard in the one day, requiring a total of twenty-one days sittings. And we estimate that remuneration out of pocket expenses \$4000, mileage and travel \$2000, and travel expenses for the secretary, \$2000, making a total of \$8000.

MR.COLLINS: Mr. Chairman, how is this supposed to be done, there will be four separate boards?

MR.DAWE: That is correct.

MR.COLLINS: This is a departure from the plan which was used prior to this year, is it not? There was always a commissioner sent out from St. John's. Of course he had to come from St. John's he could not come from, he could not be appointed from Corner Brook or Gander or Grand Falls, naturally he had-

MR.MURPHY: He had to be the best.

MR.COLLINS: Not necessarily the best. But he had to come from the capital city whether he is best or worst or in between. But why the departure? Is there any advantage in having those four boards replacing the one and any added cost.

MR.DAWE: Mr. Chairman, as you know, we had one provincial planning appeal board within the city of St. John's and we felt that, so the people themselves concerned in the various areas could probably have better representation and it would be more convenient probably for people, who wishing to make appeal to the board, to have it set up in their own particular area. We felt that this would be a good thing and that we would set up regional appeal boards as we have indicated. I think this would be an improvement.

MR.COLLINS: Some one living in Gander now will not be blessed with a person coming in from St. John's. They will have to take their complaint to Grand Falls.

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MR. DAWE: That would be correct.

MR. COLLINS: Yes. That is typical.

MR. DAWE: Mr. Chairman, to revert back to 1311-07. I would like for my colleague the minister of Justice to move that we insert in this 07-01 Town Councils \$100. This would change our subhead total 1311 to \$51,700 and total for the department to \$10,045,300.

MR. WELLS: No, that cannot be right. We have added on the bottom of the page the subhead is totalled up above, \$6 million not \$51,000.

MR. DAWE: Total subhead is -

MR. WELLS: What you want to do is make it \$6,055,000.

MR. DAWE: Mr. Chairman - was that amount - to change the subhead - to change 1311 to \$6,055,000. Mr. Chairman, my colleague the minister of Community and Social Development announced to the House on May 19 the government's policy on water and sewer systems as relates to the eight special DREE areas. He also stated that he had indications of the willingness of DREE officials to add at least three more areas to the list to qualify for DREE assistance. I am pleased to announce that it is the government's decision to make representation to DREE on behalf of the Province to include the following communities projects in these three areas to form part of the next agreement to be signed later this year. These areas are as follows: The projects are as follows: Bonavista Peninsula area, Bonavista water and sewer system; Catalina, water and sewerage system; Port Union water and sewerage system. In the Port aux Basques -Ramea area, communities of Isle aux Morts water and sewerage system; Ramea water system; Channel-Port aux Basques extension and improvements to water supply. Baie Verte Peninsula, the town of Baie Verte, extension to the existing system; Seal Cove renewal of the existing water and sewerage systems. Mr. Speaker, naturally it will be concerned within the communities not presently included in these limited DREE areas.

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The purpose however of this statement is to outline the government's position in respect of these communities. The government are very much aware of the magnitude of the problems that confront the municipalities due to the lack of water and sewerage systems and I am most anxious that these services be provided as quickly as possible.

Mr. Speaker, outside these DREE areas are located the following municipalities which have requested water and sewerage services. It is the firm decision of the government to provide these services with or without DREE assistance. The government will continue to negotiate with the Department of Regional Economic Expansion for the extension of the DREE areas so that as many of these communities as possible will be included and qualified for DREE assistance, realizing fully that any of these schemes accepted by DREE will lessen the financial burden of the Province. These municipalities are as follows: it is quite a list Mr. Chairman and I will read them out for the benefit of the committee:

MR.CROSBIE: Every municipality?

MR.DAWE: I will have some copies of this statement.

MR.CROSBIE: If it is every municipality that needs water and sewerage systems all we need would be a list of all the municipalities, or is it only some of the municipalities.

MR.DAWE: Mr. Chairman, is this for water and sewerage systems outside the DREE areas.

MR.CROSBIE: Do not forget there is an election coming now we better name them all. Do not leave any out.

MR.CHAIRMAN: I do not think it is in order to -

MR.CROSBIE: It is not a ministerial statement.

MR.DAWE: Mr. Speaker the communities are as follows: Badgers Quay; Extension to water system. Bellburns, water system; Clarendville, water and sewerage system extensions; Carmanville, water and sewerage systems; Cooks Harbour, water system; Daniel's Harbour, Water system

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MR. DAWE: water system, Deer Lake - water system extension; Dunville - extension to water and sewer system; Englee - water and sewer systems; Fleur de Lys - water system; Flower's Cove - extension to water system; Fogo - water and sewer system; Fox Harbour - water and sewer system; Gaultois - water and sewer system; Glovertown - extension present system; Grand Le Pierre - water system; Happy Adventure - sewer system; Harbour Breton - extension of water system; Hare Bay, Bonavista Bay - water and sewer systems; Heart's Content - extension of water system; Lawn - water system; Lumsden - water and sewerage system; Middle Arm Green Bay - water system; Milltown, Head of Bay d'Espoir - water and sewer systems; Musgrave Harbour - water and sewer system; Nipper's Harbour - water system; Packet - extension to water system; Parson Pond - water system.

MR. CROSBIE: What about an oil system?

MR. DAWE: Placentia - alternate water supply; Port au Port - extension to the water system; Red Harbour, Placentia Bay - water and sewer system; Robert's Arm - extension water system; Rocky Harbour - water system; Roddickton - water and sewer system; Rushoon - water and sewer system; Sandy Cove, St. Barbe North - water and sewer system; Sandy Cove, Bonavista Bay - sewer system; Sanderingham - water system; St. Alban's - water and sewer system; St. Anthony - extension to water and sewer system; St. Lunaire-Griquet - water system; St. Mary's - water system; Trepassey - water and sewer system; Trout River - water and sewer system; Twillingate - water and sewer system; Wareham - water and sewer system; Welseyville - extend water system; Westport - water system; Whitbourne - water and sewer system; Wild Bight, Green Bay - water system; Woody Point - water system.

Mr. Speaker, the total cost of these projects is about \$17 million.

An HON. MEMBER: How much?

MR. DAWE: About \$17 million.

MR. WELLS: The total over-all cost.

MR. CROSBIE: Why was it not done last year, if that is all it is costing?

MR. DAWE: \$17 million. I fully realize that this great program cannot be completed in the present financial year.

MR. CROSBIE: That is for sure.

MR. DAWE: However, a substantial beginning will be made this year, and will continue next year and in the years following until the full work is completed.

I have extra copies of this statement for the members of the committee and for the press.

MR. CROSBIE: Do not forget the press.

MR. CHAIRMAN: Shall the item carry?

MR. CROSBIE: Mr. Chairman, while the hon. the Leader of the Opposition recovers, I think, this is worth a few words. Now we have just seen placed in the estimates, Mr. Chairman, (another White Paper, has tickled somebody's rib anyway). We have seen placed in the estimates, Mr. Chairman, an amount of \$100. covering loans to own councils on capital account, and the minister has gotten up and what did he say. He said, we are told under the Department of Regional Economic Expansion Plan there were eight areas announced, they were announced in the Minister of Community and Social Development's White Paper or Pink Paper or preliminary paper before the preliminary paper about eight weeks ago, it was announced that there were eight DREE areas. And in those areas, there were water and sewer systems galore, and that covered the municipalities in those eight areas. Excellent! We were told on that paper that there are going to be three more DREE areas. You see it is the political cynicism of this, because if you let it get under your skin, you would explode, at the political cynicism of the whole process. It is better to laugh like the hon. Leader of the Opposition, just succumb and laugh the political cynicism of it. But we are told in the White Paper of the Minister of Community and Social Development there are going to be three more areas which have to be negotiated, but the Government of Canada are going to agree to. Now we do not know what these three areas are. So we wait for the great water and sewerage announcement. The great water and sewerage announcement.

The minister starts out, " there are going to be three more areas under DREE. And the Government of Newfoundland is going to recommend that in those

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MR. CROSBIE: three areas there are going to be water and sewer systems, and it is recommending Bonavista, Catalina, Port Union, God knows the Government should recommend those. God knows it should recognize them. Because when I was the minister of Municipal Affairs, there had been a definite specific promise, that the people of Catalina and Port Union had gotten a year or two before, that they were going to have water and sewer systems.

Now DREE, If I had only known about DREE in 1967, how I could have given them in 1967. I could have said, "gentlemen, you are going to get that under DREE. DREE is coming." If I could have only forecast DREE to the anger delegation from Catalina and Port Union, I could have had put them off so nicely. They were promised those systems in 1965 and 1966. A certain book went to every household that promised this in 1965 or 1966, Bonavista, Catalina, Port Union -

AN HON. MEMBER: No wonder we only elected three members.

MR. CROSBIE: Yes, it is a wonder how you even elected one. Isle aux Morts, Ramea, Channel, Port aux Basques, Baie Verte, Seal Cove, there is not a thing wrong with any one of those projects. There is not a Government in this world, if it had the funds, could not do them. Definitely nothing wrong, water and sewerage is essential. But this piffling, this piffling, pull the rabbit out of the hat announcement, that the Government is going to recommend to the Government of Canada, that in these other three special areas, when they are agreed, these other systems are going to go in. Why, why cannot we get some sanity? Why cannot the agreements come first? Why cannot we be told that the Government of Canada has agreed to three new areas, they have agreed that these eight places are going to be included. It is all signed in the agreement, so we can all believe it. So it will not just look like another tired piece of political cynicism. God, one gets so tired of it! These are the three special areas. Well we can sort of believe in them because this is DREE and the money is going to come from DREE or the loans are going to be made under DREE.

And then the minister goes on with a worse piece of - now this is suppose to be political genius, I know, and if it is political genius I will

MR. CROSBIE: be glad to be wiped out of the next election so fast, because everything that I believe in is contrary to this kind of an approach. I will be glad to be moved off of the political map, in the next election, really if this approach is the real one. If this is the only one that you can be successful in, in politics, I will be glad to be eliminated and finished with it. But I do not believe it is. And I do not care who it is that forms the next Government, I do not care if it is Reforms or N.D.P.'s or P.C's, if it is someone that will take an approach of getting at the truth and the facts and the honesty and stop the political cynicism. What next are we being told by the minister? Outside the DREE areas, this Government will provide, with or without the help of DREE, this Government is going to provide water and sewerage systems for this other list, community after community. And God knows they all need water and sewerage. But is there \$17 million in the estimates? No. When the Budget was brought down in this House, did the Budget show that we had to borrow just, not \$50 million, did it show we had to borrow \$67 million and including that \$17 million? No, it did not.

What are we suppose to believe? What are we suppose to believe? What the Government is saying, is that if we can inveigle, if we can plead, if we can beg, if we can threaten Ottawa, or our minister up in Ottawa to do it, we are going to get you all water and sewerage system from Ottawa. If you are not in a DREE area, you will be in a DREE area in some long distant future. And if we cannot, we will put up all the money ourselves, And the minister was good enough to say that it was not all going to be done this year. It is certainly not all going to be done this year. There are such things as plans. Plans, simple things like plans, engineers doing designs and all that kind of work will have to be done first. Do you mean that there is a plan already prepared and all the engineering done for Seal Cove, Rocky Harbour, Nipper's Harbour, Englee, Roddickton, and all those communities named? It is just too much. It is just too much for anyone to believe it or to believe in. I forget what other list is under the other eight DREE areas. I just hope there is no water and sewer systems going to go into communities that are resettled in two or three years time. Now Musgrave Harbour was one of the areas mentioned

MR. CROSBIE: that was mentioned that was outside a DREE area. That is a community, Mr. Chairman, that can really do with a water and sewer system. And the economics of it are against it. Musgrave Harbour/Doting Cove - the economics are against it. The subsidy up there, if the old plans were carried out, would have to be \$100,000 odd a year, which is \$30,000 more than the present Government policy of subsidization for a year. The present Government policy is (that is the maximum, is what was granted Winsor years ago) the maximum that the Government would subsidize was \$70,000 a year, and God knows that is expensive enough - \$70,000 for twenty years.

Musgrave Harbour, the subsidy would have to be \$100,00 odd.

Look apart from borrowing the money - apart from the Government's credit, borrowing the money, the Government will have to provide in the estimates of this department, year after year after year, for twenty years, the amount of the subsidy and for a place like Musgrave Harbour/Doting Cove, it is over \$100,000 a year to subsidize the system, apart from borrowing the money.

Now if the Government has got the finances to do it, terrific, but here is the estimates and the paving program. The street paving program of the municipalities, the fifty-fifty program was eliminated last year. I mean where does it all end? Are we mad or what is wrong? Are we off of our rockers or are we crazy? Is there hidden billions, millions, and hundreds of millions in the Treasury of the Government of Newfoundland, that we just cannot seem to see there? Where does it all end? I mean is politics worth it? Is public life worth it? To have to go through this kind of thing, some of the communities mentioned, when I was Minister of Municipal Affairs, were in looking for water and sewerage, and you had to do the best you could to tell them the facts. Are they really going to get this? Or is ^{it} that there is just an election coming up?

Somebody has got to level with the people of Newfoundland and tell, is this really possible. Why not wait until there is a specific agreement? If the minister was announcing that in the budget, the Minister of Finance announced we are borrowing \$17 million this year, it is one of our priorities, we are borrowing \$17 million to build water and sewer systems in these places, that would be believable. But when he tosses in a \$100. token vote, and

MR. CROSBIE: then trots out three hoped for DREE areas, and all this other program, it is too much for a living man to bear. I only hope that it all comes true.

MR. SMALLWOOD: Mr. Chairman, the program that my colleague the Minister of Municipal Affairs has outlines for the Government, for his colleagues of the Government, this program which is not his program, but this is the program of the Government of this Province. It may to some people sound incredible. It may to some people sound like an exaggeration; may to some people sound unbelievable but that, Sir, can only be to people who do not take a look back.

No program that the Government projects for the future equals what the Government has accomplished in the past. The accomplishments of this Government in the building of roads, in the paving of roads, in the provision of water and sewer systems, in the building of schools, should be pretty good evidence to a rational minded man, and anyone who is not just a skinful of hate.

MR. CROSBIE: Inaudible.

MR. SMALLWOOD: anyone who has a sane mind; anyone whose mind is not practically unhinged by hate - anyone who is a rational -

MR. CROSBIE: Who is the hon. the Premier talking about?

MR. SMALLWOOD: I said, "anyone".

MR. CROSBIE: Who is he talking about?

MR. SMALLWOOD: Anyone. I say to anyone who is a bag full of hate.

MR. CROSBIE: A bag of tripe.

MR. SMALLWOOD: To anyone, Mr. Chairman, who is not just a skin full of hate, bigotry and prejudice, anyone who has not a bruised personality, to any normal sane person - to anyone whose mind has not been a little bit unhinged by hate, to any normal person this program of the Government which we say is not going to be completed this year, or even next year or the year after, which is going to cost some ^{thing} in the order of \$17 million, would not sound like an impossible thing nor an extravagant nor an exorbitant thing. Anyone who looks at the actual accomplishments of the Government, what we have in fact done -

MR. CROSBIE: And the \$1 billion debt.

MR. SMALLWOOD: We have not got a \$1 billion debt. What we have half billion debt. The Government here have looked at the entire program, the entire need of Newfoundland for water and sewerage. We have attempted to guess whether or not the places that now need water and sewerage, or water, or sewerage, one or the other, or both, are among the places that are likely to be around in the next five, ten or twenty years. There are places that are asking for water and sewerage that we have not included in the list. Because in our private heart of hearts, we do not think they are likely to be there, two, three or five years from now. And we are not going to do what the Government of Canada did, build public wharves, as your hon. will remember around the coastline of Newfoundland, that are now used as places where the gulls perch and nothing else, there is not a living soul in them. We are not going to spend public money in places that we think may possibly disappear in the course of the next few years. But taking the places that we think will be there and the places that we think will have to have water and sewerage, we have made a survey of the cost of doing it, and it runs to \$17 million.

Now \$17 million will give this Province, what is left of this Province, that has not got water and sewerage, it will give water and sewerage - \$17 million. Now that sounds like a lot of money, if you have to spend it between now and midnight tonight, or even between a year from midnight tonight or even three years midnight tonight. But is this beyond the possibility of the Government of this Province? Our budget this year is pretty close to \$400 millions. That is our budget this year, close to \$400 millions.

Now we are not suggesting \$17 million to be added to that \$400 million. We are not suggesting that it be added to the \$800 million to be spent this next year. We are not even suggesting that it be added to the \$1200 million that will be spent this year or next year and the year after. But over a period of the next four or five years, we do hope to be in a position to spend \$17 million on water and sewerage. Now look at it in that light, is it reasonable or unreasonable? Does it sound now so much like a foul and filthy, rotten, deceiving political promise? Does it?

MR. CROSBIE: Yes.

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MR. SMALLWOOD: Well then in the minds of prejudice people, yes. In the minds of prejudice people it will so sound.

AN HON. MEMBER: Inaudible.

MR. SMALLWOOD: In twenty years in addition to say what we would do, we have done a lot.

MR. MURPHY: Yes.

MR. SMALLWOOD: Yes, we have, we have, we have, no more than ten per-cent. We have build 5000 miles of road, we did not promise to build 50,000 miles. We build 5000 miles of road, Mr. Chairman. We did that. We did it, we built them, 5000 miles. We paved 1100 miles. We spent half a billion on roads, \$500 millions, we did that. We did not promise to do it, we did it. We have spent money, and we have provided schools, and we have provided roads, and we have provided water and sewer systems, and we have provided other municipal services, we have provided electrification. We have done that. Not promised to do it, we did it.

MR. MURPHY: A big deal, who would you expect to do it, Prince Edward Island or

MR. SMALLWOOD: Exactly, exactly, this is so right. Who should do it, but the Newfoundland Government? But we did it. The point is we should do it, and we did do it.

MR. MURPHY: Sure we did.

MR. SMALLWOOD: Sure we did. And now because the minister gives an outline of a program of water and sewer systems in Newfoundland of \$17 million - \$17 million not \$17 billion - and it is not \$17 million in just one year, it is \$17 million spent over a number of years, the thing is denounced, as deceit.

MR. MURPHY: Inaudible.

MR. SMALLWOOD: The hon. gentleman no doubt has better ways of knowing what it will cost, than the Department of Municipal Affairs, who have had pretty considerable experience in knowing what is the cost of putting in water and sewer systems. These are not great water and sewer systems all of them. These are not great and extensive and expansive systems. Some of these systems

MR. SMALLWOOD: are just water lines. Some are water and sewerage. Some of them are in relatively small places. Some of them will cost a-half a million, a-quarter of a million, three-quarters of a million, some of them will cost as much as a million, some will cost \$100 thousand, some of them are only extensions to systems that are already there. But, if you shut your eyes and close your ears, and just allow yourself to become full, possessed of an undying, bitter hatred then it sounds unbelievable.

We will do it, this is a program of action. This is a program we will carry out, before the election it will be well underway. The election is not going to be next week. The election is not going to be next month. The election will not be for some weeks to come yet. And this program will be well underway, and people will have an ample opportunity not to judge us by what is said here tonight. They will not judge us by anything but the actual thing that happens. That is what we will be judged by, and that is what we are willing to be judged by. We will be very happy to be judged by it, when the moment comes to do the judging.

MR. COLLINS: "Yes Victoria, there is a Santa Clause." No doubt about it at all.

Mr. Chairman, when one looks over the list there to see, I do not know if it is proposed, but at least the minister has said, that he does have a proposal for it. I do not know how sincere that may be. I do not doubt the sincerity of the minister, but I do doubt the honesty of the Government and practicalty of the thinking.

Mr. Chairman, I hate to say this, but I think the time has for someone to say it, the rural areas of Newfoundland, the coastline, have been neglected down through the years. And we all know, that for twenty-one years, this Government would go right on neglecting them with the assurance for some reason or other which I cannot put my finger on right now, with the assurance that those areas would always return a Liberal member to this House of Assembly.

Mr. Chairman, in the Premier's own words a couple of years ago, "the tide went out." And I suspect the tide is still out. We have not had a tide report recently, but I think someone request it a little while ago, but nobody cared

MR. COLLINS: to admit just how far out the tide had gone. And in my opinion, Sir, this is nothing but political bribery in an attempt to redirect the tide back again. It is common knowledge now that the rural voter in Newfoundland is beginning to sit up and take notice, and act intelligently, and vote intelligently and certainly that intelligence was reflected in the recent, not the recent now, but the last by-election in Gander, certainly it was established beyond all possibility of misunderstanding or doubt, that the rural areas of Newfoundland were fed up with this kind of political bribery, when they returned almost all Federal members to the Conservative Party in Ottawa.

There can be no other meaning to this, Mr. Chairman, as far as I am concerned. Because we have had areas mentioned here today, which have been in existence since John Cabot arrived. They were here since the twenty-one years of Confederation. Hon. members if they want to take a visit to any of the areas mentioned in this list, which the minister has introduced in this House, will know that these communities have been there, they have been sadly and terribly neglected down through the years, not only in terms of water and sewer programs, but in terms of educational facilities, in terms of roads, and every other facility which is normally supplied by and normally is the responsibility of the Provincial Government.

In the Premier's own words a few minutes ago, he said, I do not know if he realized he said it or not, or if he meant to say it. But it had been decided by those in authority, which is his own administration, that those areas where we have announcements now of water and sewer programs, it does not say when they are going to be completed, it does not say, when tenders are going to be called. I doubt if you will see tenders called next week, Mr. Chairman, or next month or even this year. But the Premier said that these are areas, which, in his opinion and in the Government's opinion, will remain regardless of what might happen in terms of resettlement. Does that mean, Mr. Chairman, that all of the rest of the places in Newfoundland, (and I suggest that there are very many, many places left in Newfoundland) does that mean that for all the rest of the places around the coast that there is no hope, that they are

MR. COLLINS: definitely going to be resettled? Certainly, if we are to take the Premier at his word, this is certainly what he inferred, if this is what he meant or not, I am not sure, but this is certainly the way I understood it, is that the Government have agreed that those areas might have some future, and we are going to invest a few dollars to provide services for them. But, if we are going

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to listen to him as I did and draw the inference and understanding, then we must assume that every other community in Newfoundland is scheduled for resettlement. Sir, this amazes me because this Government - I do not know what sort of a course they are on or what sort of a program they are coming up with. You go up to the Department of Community and Social Development and we find an office there with a big sign on the door and staff inside - Resettlement Office, which is where people would go, I suppose, looking for resettlement grants. Across the hallway, Mr. Chairman, we have another one and that is marked, Rural Development. What sort of inconsistency is this? In the minister's own department we have one group toward moving people out and we have another group developing the area in which they are already living.

Now we have the Minister of Municipal Affairs and the Premier coming up with a program which, certainly, proves as far as I am concerned that the Government have decided that those people might have some future and others will have none.

Mr. Chairman, I do not think the people of Newfoundland will buy this. May be the calculation is that by devoting more attention to the rural areas and trying to get back in their favour - by devoting more attention to them, neglecting some of the urban areas, Government have arrived at the position - they say to themselves, well we can lose two seats in Corner Brook. We can lose a seat in Grand Falls, Gander and a few in St. John's, one or two others across the Province, but by doing this, we can recover ^{all of the} many seats, all of the many rural seats around the coast of Newfoundland and Labrador. Incidentally, I do not see anything about Labrador in this at all. Mr. Chairman, as far as I am concerned it is a cheap political trick and nothing but political bribery.

MR. MURPHY: Mr. Chairman, I must apologize for my little outburst when this was announced. You will forgive me. This is Mr. Marshall, the new member of the House of Assembly after Thursday. This need not go into

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the records, as this is not a part of the proceedings. But, Mr. Chairman, after being a member of this House for eight years and after taking part in so many elections and seeing so many programs outlined by this Government, when this one was announced tonight, I think it just about broke the camel's back, although I do not think I have a hump but I will pretty soon.

This - with this, the \$1 billion development we had last night and this, the famous roads' program we had last week. - \$500,000, there will not be an inch of this Province that has not been paved or with water pipes in it or with any other form of development on it. Now, I think, Mr. Chairman, quite frankly that it is going just a little bit too far, because anyone in this House, anybody in the Provincé, anybody anywhere could take a map of Newfoundland and go over it. You could start and pinpoint all the little areas and say this is it and when we heard of the famous roads program announced, I do not know how many items were on it, but again I repeat it is like the story used against Mr. Shaw in the last election on Prince Edward Island - not the last one, the one before it. If it moves, pension it and if it does not move, pave it.

Now I think this is applying to this Government's policy here. There are places here mentioned on these roads - there is a quarter of a mile here and a quarter of a mile there, half of a mile there and seven -elevenths of a mile there. There will not be a section of a road that will not have blacktop on it. It reminds me again and I repeat it. I thought it was the most amusing thing I ever saw in my life. It was when my hon. colleague from Gander- there was a by-election and roads had been promised - a piece of road down in Glenwood and down in Peterview, down Botwood way and there were several of us who had gone out from St. John's to help our hon. friend to be elected, which he was and Gander has been thanking God ever since for him and when we left Gander to go down to Botwood - I was down in that area working that day and machinery

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was moving in. I never saw as many paving machines in the Glenwood area. We went down to Peterview and the polling booths were in the school there just about half ways - about a mile and a-half of road there - the school rooms, where the voting was, were just about half ways. Right there, they started the paving that morning and there was steam and hot asphalt flowing all over Botwood Harbour and this was the day of the election and 8 a.m. that morning when the polls opened, sir, you had to get a permit from the mounties to get in the road to avoid the paving machines.

Now I think this has been typical, Mr. Chairman, and as you know, we try to be nonpolitical in this House. I do not think you have heard many discussions relating to party politics. We try to be very objective. This, to me, represents the same that I saw in action in that particular area.

MR. NEARY: The only difference is that there is no election.

MR. MURPHY: Not immediately - not tonight. God only knows what will come tomorrow. There are announcements being made every day. At that time, we were there - Mr. Ottenheimer and myself were in our hotel room and a few days before we said, "how can we best tackle this election here?" We decided that we start a campaign and give a prize for, "Name the Promise Contest," and what would be promised to that particular area for this particular election. We received many - I think one was a fountain in the Exploits River and another at the time was a second home for Lord Taylor somewhere on the banks of the Exploits. It went on like this, but it was quite interesting. I believe the message got to the people there, because my hon. colleague got a substantial majority in that election and was sent in here to St. John's to represent Gander.

I believe, Mr. Chairman, and I say this that if there is any amount of money that has been well spent in this Province, ^{it} is the money we spent on education. I think at last the people of Newfoundland have become

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educated enough to discern between fact and fantasy and if ever there was a fantasy and I think last night someone here mentioned about Alice in Wonderland, this type of thing, what has been happening in this House lately, when we get this sort of stuff thrown at us, and I believe Mr. Chairman, quite frankly, that this is not going to go down too well. We all know that this needs to be done but what anybody puts before us, water and sewerage projects to the number that the hon. minister has outlined and tell us it is only \$17 million, and we look at some of the prices that this Government have paid for projects for far, far, far less than some of the work that these will take - I do not know. I do not want to insult any of the members or staff of Municipal Affairs, but if this is the figure, I think it is going to be a long way out. This famous roads program where every bit of dirt road in the Province is going to be paved and then we have this famous \$1 billion project here that is not an election dodge, because it is really pertinent at this time, very important to the people that they know just what is going to happen. I think it is very, very important that we have this tabled at this particular time. I do not think we could have waited another week or ten days for this, because when you finish the Bulletin you turn to this famous one of Social and Economic Development Plan.

It is not like the one we had here by a group of outstanding businessmen a few years ago, which was trash, and it was labelled as the reading for any ordinary Newfoundlander, not fit to be read. But, Mr. Chairman, I really think this is the ultimate - this is the ultimate in expecting people to swallow and particularly the people who have been longing and waiting and waiting for these developments for so many years, that are not luxuries anymore. Water and sewerage today is a necessity and to try to put across something like this on this hon. House tonight, Mr. Chairman, I really think, and I cannot get quite as explosive as my hon.

Mr. Murphy.

friend from St. John's West. I think he really put the point across how he felt about it, but I am not quite as intimate with the other side of the House as the hon. member is and perhaps that is why - perhaps, he has seen a lot more going on than I have, being on the inside, not being on the outside just sort of fooling around as the fellow says.

But, Mr. Chairman, quite honestly, I hoped to get up a bit earlier, but this thing struck me as so fantastic that it just - as the fellow said, "I was overcome at the moment and could not stand up." The price tag on this \$17 million, I would like to see it actually in operation and whoever does it, I think, he should be given all contracts and all authority for carrying out projects, when we see various other things, as I have said....

MR. CHALKER: A ninety-nine year contract for everything.

MR. MURPHY: Forever yes. So, Mr. Chairman, I can only say that I think, it is just a little bit - as my hon. colleague said earlier, "yes Victoria there must be a Santa Clause."

MR. CHAIRMAN: Shall 07-01 carry?

MR. CROSBIE: No, Mr. Chairman, not for a few minutes. This water and sewerage program reminds me of a fine old English music hall song, "They are moving father's grave to build a sewer." There will not be a grave safe in the country, if the minister's water and sewerage program is carried out. Every inch of the country will be dug up. They are moving father's grave to build a sewer. They are building it regardless of expense.

MR. MURPHY: I think we should put it in before the paving begins.

MR. CROSBIE: It is better to put in the water and sewerage before the paving. How does the song go? "They are moving father's gave to build a sewer." I would sing it. They are moving it regardless of expense. "They are removing his remains to put down those old drains and to make way..." Anyway that is as far as I can remember. I see the hon. minister has heard

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that song too.

Now, Mr. Chairman, I absolutely refuse to get excited about this whole situation. I am not going to get excited. I will not get excited. I will remain unperturbed despite the fact that for about the hundredth time this session, we have heard that piteous, that piteous nonsense from the other side of the House, only somebody girded by hate could criticize this piece of political cynicism. How many times we have heard that, this desperate attempt to get pity - this desperate attempt to arouse pity in the minds and hearts of the people of Newfoundland. - this famed allegation time after time during this session that somebody is critical of the Government because they hate, they hate the elderly old gentleman who heads it. How often have we heard it and how sick of it we are - that desperate untruth. What we are sick of, what we hate is the political cynicism that we see in this Chamber day after day, program after program. - political cynicism that the way to stay in power is to buy votes or pretend that where-with-all you got to buy votes. The hon. Leader of the Opposition mentioned the highways program - the great highways program for areas that are not included in DREE. Here is that great program in the Department of Highways - \$10 million less in their estimates, Mr. Chairman, this year than last. Last year they built hardly at all except with Federal money, but this year they are going to build roads and pave them in every section of the Island, and no price tag put on it. When we deign to ask what is the price of that great highway program, no answer to that.

They just do not give out that kind of information. That was the highways program. We have had the Minister of Community and Social Development, announcement after announcement after announcement, confusing the public. What is the position of water and sewer systems in DREE areas? Statement of April 30th., 1970 - here is the position on water

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and sewer systems: fifty per cent grant and fifty per cent loan basis. That is what the Federal Government is going to provide - fifty per cent grant, fifty per cent loan. So the Province or the municipality even in the DREE areas will have to borrow fifty per cent of the cost and what is borrowed must be paid back. There are eight special areas in that paper that were mentioned here tonight and in a statement of May 27th, we are told that the water and sewer systems for the DREE areas: Port aux Choix, a water system; Hawkes Bay, water and sewer; Holyrood, water and sewer; Bishop's Falls, water; South shore of Conception Bay, the first step in the water and sewer system. What is the first step? Dig a hole in the ground, turn a sod, what is that? St. Lawrence a water system; Arnold's Cove a water system; Corner Brook an extension of the water and sewer system.

Now no matter what those projects cost, fifty per cent of them are loans. They have to be paid back even in the famous DREE areas. There is an attempt being made to make everybody believe that in a DREE area it falls manna from Heaven. That it is all coming from the Government of Canada. The Province does not have to worry a bit. Well even in the DREE areas, the Province has got to pony up money and it has got to borrow money.

Now this list here is outside the DREE areas. This list here is not in DREE areas. Let us look at it: Badger Quay extension; Belburns, water; Clarenville water and sewer system extension: In Clarenville the only water and sewerage there - I think there is a water system, but there is very little of a sewer system or vice versa. That is a \$3 million or \$4 million job, Clarenville. Cook's Harbour, that is at least \$500,000, water system. Daniel's Harbour, that is \$300 or \$400,000. Deer Lake, water system extension. Dunville - what did the original Dunville system cost - \$2 million or \$3 million. Englee, that will not be

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done in Englee for less than \$500,000 to \$1 million and you can go on over the list. Musgrave Harbour - what is the cost of the Musgrave Harbour system. Musgrave Harbour, \$750,000 to \$1 million. St. Alban's - water and sewer system for St. Alban's, with that population spread out all along St. Alban's, Bay D'Espoir - what is that too cost? That is going to cost \$1 million or in excess of \$1 million. St. Mary's, Trepassey, Trout River, Twillingate - Twillingate is another expensive one and so on. This is supposed to cost \$17 million. Are these detailed plans and specifications - the minister might answer - could he tell us - let us in on a fact or two. Are there detailed plans and specifications for all those systems announced in his program? What is the estimate cost based on? What \$17 million - now the Premier made what is really a true statement. He did - the hon. the Premier did make a true statement.

He said, "We do hope to be in a position to carry out this program. We do hope to be in a position to carry out this program over the next few years." Yes, I guess we do hope. I guess we do hope. That is the true position. We do hope to be in a position to carry this out.

Now look at Newfoundland, Mr. Chairman, and look at all the things we need. I spoke about the metropolitan area in this debate today and what needs to be spent here and what the metropolitan area board needs to control pollution, water and sewerage and the dumping of cars and the rest of it. Conception Bay, from Holyrood to Topsail - what a massive sum is needed in the area for basic decent services before it becomes a complete cesspool. You can look everywhere over this Province and see the millions and tens of millions needed in every direction. Yet on comes the next Santa Clause, DREE, Always, every year, there is a new hope on the horizon. If it is not FRED, then it must be something else. When FRED gets busted, it becomes BILL. Yes, BILL, only it is called DREE. DREE is the miracle. What slogan will it be

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next year? What combination of initials will it be next year? Will it be D-O-N? Will it be P-I-E-R-R-E? What will it be? The difficulty is with trying to appraise the program or say anything, if ever you question that this will be carried out, then certain people will go around the Province twisting - they will, will flick down to Bellburns. Voters of Bellburn, do you know that in the House of Assembly your member was against your water system, when the poor old member was not against the water system at all. He just doubted - he just doubted that that whole big program could be done in the next four or five years and considered it to be a cynical promise. There were promises - it was all promised in 1966 and before that and after that.

Look, there is not one place on this list where one of us in this House or anyone in public life will say no to a water and sewer system or to a water system unless possibly one or two of these places might be evacuated, resettled in the next few years. Assuming that they are all - that none of them are going to be resettled - none on this list are going to be resettled, who can object to it? No one can. God knows or Heaven knows, Mr. Chairman, that there are dozens of communities waiting and have been waiting since 1966 for water and sewerage systems but where is the \$17 million that is - the minister has been asked - what is the Newfoundland Municipal Development Corporation going to borrow this year? The minister says, \$3 million to repay old loans and there will be some more that it is going to borrow because there are some water and sewerage systems, but we do not know the cost of them. Was that not what the minister said this afternoon and tonight, when this program, this Jeremiah add is produced to add to the great announcements and startling announcements and big announcements - when this is produced, we are told \$17 million. Why was not the answer to how much that the corporation had to borrow given this afternoon - \$17 million?

MR. DAWE: I did not say - they asked me how much we were going to borrow this year in addition to the \$3 million?

MR. CROSBIE: The answer is \$17 million, is it?

MR. DAWE: No, the answer is not \$17 million.

MR. CROSBIE: I advise the minister borrow it this year because will the bond markets be able to take it next year or the year after will all the borrowing that is going to be from Newfoundland? The Premier said that the people of Newfoundland know our record for the past twenty years. Well that record of the last twenty years cost plenty and the debt is there now to go against it. The debt is there and practically approaching \$1 billion. That is the difference between now and ten years ago or fifteen. It is not going to be that easy to go out and borrow the millions and tens of millions from now on. Yes, there has been a lot done in the past. There is not a group of men forming a government anywhere in the world who would not have come in here and done a lot - there was so much to be done. Certain groups might have accomplished a lot more with the money spent but the debts piled up too. Our position as a Province today is a difficult one and no amount of DREE pronouncements and FRED pronouncements and Community and Social announcements and Highway announcements, Municipal Affairs announcements or any other announcement can gainsay that fact. So that is why we greet the minister's program with reserve - one might say, reserve..

MR. WELLS: With reservation.

MR. CROSBIE: With reservation - who could blame us, and also with some skepticism - not because anybody over here hates any other old party in this Province. How tragic that that tired old chestnut has got to be dragged out day after day - ceaseless refrain and when it is not dragged out in the House, it is going all over the public airways and VOXM and that dribble with the Premier, every morning, this constant song of hate. Anyone listening to that program or in this House knows where the hate is in the political life of this Province and it is all the other way around.

It is no good to say much about it. That is it. That is the technique that has been chosen. That was the technique chosen in certain events a few months ago. It is going to be the one chosen in the coming election. Do not kick a certain old party out now. They all hate him. They are all ganging up

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on him. That is going to be the refrain we will hear in the next few months. Well if it works, so much the worse for Newfoundland so much the worse for everyone.

MR. WELLS: Mr. Chairman, no sense in letting this go by with just that tiny amount of skepticism which was expressed. We might as well have some more to add to it. It is hard to describe it really. It is a bit beyond reasonable belief.

MR. WELLS:

and it follows on, the great highway pronouncement of, oh I do not know, three weeks or a month ago with this monstrous list of highways that, I believe, included one highroad in Nova Scotia somewhere, it is that broad. It certainly included one highway that, just in the last few days, the rebuilding of a highroad to a certain community that in the last few days it has been announced it is going to be resettled. That was included in the list and it was read here three weeks ago and it was either this morning or yesterday one of those communities an announcement was made it was going to be resettled. A community of, I do not know, twenty to twenty-five families. That is real planning, real organization. Millertown Junction, it was announced this morning or yesterday and included in that list a little while ago was the rebuilding of the road to Millertown Junction.

Anybody can stand before a map and pick names of the wall and throw them on a list and say we are going to pave all the roads.

MR. STARKES: Could you read the list again?

MR. WELLS: It is there. The road to Millertown Junction is going to be rebuilt. It is in the Minister's list that he read out. He also announced, as I recall,

MR STARKES: Who made the announcement?

MR WELLS: The Minister of Highways made the announcement.

MR STARKES: When did he announce it?

MR WELLS: I do not remember. I heard it on a news item, on the radio, this morning or yesterday morning. I think it was probably the Minister of Education.

MR SMALLWOOD: The road had not been announced. It does not matter if the place closes down, it does not matter, the road having been put in the list it must be built?

MR WELLS: No. I do not expect

MR SMALLWOOD: It is in the list. The place may close down, but the road is in the list, so it must be built.

MR WELLS: Stupidity I do expect, inhumanity I do not really expect.

Nobody would be insane enough to do that, surely. He is not going to say that.

MR. SMALLWOOD: It is in the list. Well, what is the argument?

MR. WELLS: What I am saying is just how valid is the list, just how well thought out is it, just what plans have been done for it when two or three weeks after it is announced that community is going to be resettled?

MR. STARKES: Who says this?

MR. WELLS: Check it, let the Minister check it. I told the Minister I heard it on a news item this morning and I told him I do not know who announced it.

AN HON. MEMBER: He must assume the responsibility for it, or he should not make the statement.

MR WELLS: I told the Minister I heard it on the news this morning and I told the Minister I did not know who made it. Now does he want me to say it again? Does he want me to say it again, or does that not sink in? If the Minister knows the community, he knows it is the case.

AN HON. MEMBER: Yes, I doubt it. He may have been there some time.

MR WELLS: Anybody who knows the community knows it is the case. I am surprised there is not water and sewerage for Pearson's Peak. Everything else is in here. Why not? Have a fountain out at Pearson's Peak.

Like the Highways announcement - going to rebuild a certain road, and the member for St. Mary's stood up and said, "Are you sure?" Yes, rebuild that road. "It has not been built yet", he said, "How are you going to rebuild something that has not been built." Then on top of everthing else, \$17. million. Well, I will admit quite frankly, Mr. Chairman, I will admit to the Committee that I know just about nothing about assessing the cost or how you go about assessing the cost of installation of water and sewer facilities. I have what is the average layman's general knowledge of it and that is not a great deal. I admit it quite frankly. I have a fair idea of what you have to do. You have to dig ditches, run pipe lines and plan it and have the right levels and the right direction of flow and a pumping station if necessary to lift it up to get it out and so on, all of these things are necessary.

I do not ^{know} what it cost to put water and sewer facilities or have an approximate idea of what it cost the city of Corner Brook, for example, when it extends water and sewer in a certain area. \$250,000. goes the length of

MR. WELLS:

Country Road or half the length of Country Road to upgrade it, not put them in as they have been there all along. This is an extension to running a trunk sewer line costs that much money and we are talking about putting water and sewer systems for that much money in Twillingate. Do people realize what the soil is like in Twillingate and what Twillingate is like? Trout River, do the members of the Committee realize that, Roddickton, Rocky Harbour, Fogo, Englee, Daniels Harbour, Gaultois and that is only a partial list, Ramea, Isle aux Morts, Channel, Port aux Basques and most places you have to blast every inch of the way to get a ditch down. \$17. million, most of us are gullible to a degree, Mr. Chairman, but I cannot imagine the gullibility, it is beyond description, the gullibility of people who are so gullible as to believe that we are going to believe this. It is incredible.

The great White Paper on the park was the same sort of thing. We have cannot a sane and sensible approach to a water and sewer program. We have to have nothing but the biggest the world has ever seen. We even rebuild roads that are not built. It always has to be the biggest, the best and the most. We cannot settle for a park. We want a couple of airports thrown in, a couple of more parks, all kinds of highways, ferry services, that is what is in it and all listed as musts. Who is going to believe it? Who is going to accept it? The final insult to the intelligence of the people of this Province and to show, to demonstrate just how much planning has gone into this, how well thought out it is and how much it is proposed to spend on this project this year, to demonstrate that in the printed estimates that we have before us, there is not even a nominal or a token figure in there. The Minister moved a token figure tonight and then stood up and announced it, a token figure of \$100.00, yet he is going to undertake work right away and the Premier stands up and says it is going to be started this summer, under way in a number of weeks. Who are they trying to fool?

Quite frankly, Mr. Chairman, I think it is bordering on the criminal to raise peoples hopes in all of these communities that they are going to have a water and sewer system underway in their communities this spring. It is admitted that it will not be finished next year, or the next year or perhaps

MR. WELLS:

not the next or even the next. It may take four or five years he said. Nobody is opposed to this, nobody is opposed to having water and sewer in all of these communities or having roads throughout the Province where they are necessary, reconstructed and paved. Nobody is opposed to having airports in the great Northern Peninsula and in Labrador and a paved road all the way, historic sights and parks at L'Anse-au-Meadows and Port au Choix and the whole development of the great Northern Peninsula. Nobody is opposed to it. All we are doubting, all we say about it is it just does not seem reasonable or practical, How can it be done? It is almost criminal to get the hopes of people up that these things are going to be done and water and sewer is going to be provided in their community this year or the start is going to be made on it this year when if we are being honest at all we have to recognize that little or nothing is going to be done this year.

The Minister, I noticed, did not move an amendment that said, "We propose to spend \$4. million of the \$17. million this year on getting the projects underway." It would have been considerably more credible had he done that. What does he do? He moves the token vote \$100.00. Let us put in a token vote for it. Who can believe it even if it is true, even if the whole thing is true and it is all going to be done for \$17. million and it is all going to be done within three years, even if that is all true -

MR. SMALLWOOD: It is not, not three years.

MR. WELLS: Well four years or five years, even if that is all true. How can we really believe it or have any faith in it when it suddenly popped out of the hat and there is not a cent in the estimates so the Minister stands up and moves a token vote be placed in the estimate of \$100.00. How can we believe that any work is going to be done on it this year? If the Government intends to do work on it this year, if it does it is deceiving the House by putting in a token vote, deliberately deceiving the House by putting in a token vote because a token vote means that nothing is anticipated. It is there in case the emergency arises. So if the Government plans on spending money this year then they are deceiving the House with this token vote. No wonder we cannot believe it or cannot accept it. It is too much like the great

MR. WELLS:

highway announcement. Nobody can even take a wild guess, perhaps not even the Department of Highways at how much that great announcement is likely to cost. They cannot. Maybe they can take a wild, wild guess that it would be within \$30. or \$40. or \$50. million of the true figure.

How could they have any reasonable and practical estimate when they are talking about rebuilding a road that is not even built? How can there be any reasonable estimate as to the cost of that? No wonder, Mr. Chairman, no wonder we do not believe it and I only wish we could go back to discussing the Minister's salary again and I know what I would do with it, make a token vote out of it.

MR. STARKES: Mr. Chairman, I do not mind sensible criticism but when you run into silly, idiotic criticism I have to make a reply and this is silly, idiotic criticism, that is the highway's announcement. I clearly stated in this House, I said reconstruct the road from Admirals Beach to Mall Bay, I was interrupted by the member for the district and I explained that it was a typographical error and the hon. member knows if he was here.

MR. WELLS: I never heard any explanation.

MR. STARKES: You should have been here.

MR. WELLS: I heard the Minister say, "Yes, I said reconstruct."

MR. STARKES: Your place was here. If you were not here it is not my fault as I was here and I made the explanation. On the road to Millertown Junction that is another silly, idiotic criticism, nothing more or less than silly and idiotic. I announced in the road maintenance program that we would make some minor improvements in the road to Millertown Junction and to criticize that was silly and idiotic and nothing else but.

AN HON. MEMBER: (Inaudible).

MR. WELLS: Maybe the Minister does not know either so I will excuse him.

MR. WORNELL: When I hear the hon. member for Humber East I have two minds. I am wondering whether he is playing to the gallery or whether he is exercising his debating abilities or whether he has an eye to the political future. Now whenever I join the debate -

MR. WELLS: Would the member prefer that I read poetry, would he prefer that?

MR. WORNELL: Mr. Chairman, perhaps the hon. gentleman would improve his mind if he did read some good poetry but anyway that is irrelevant. The point I want to make now is that in debate I think we should try to be relevant. There are fifty places here and I just made a list, there are only one, two, three, four, five, six, seven, eight, ten, twelve, fourteen, sixteen, there are seventeen places with water and sewer, seventeen places. The others out of the fifty that would be thirty-three places would just have water system's or sewer system's or extensions. Now it is quite feasible, Mr. Chairman, for these fifty places to have water or sewer or water and sewer or water and sewer extensions provided for \$17. million.

MR. CROSBIE: Each.

MR. WORNELL: No, no, I am very positive about this. Now, of course, I am not an engineer. The hon. gentleman stated that he did not have any engineering ability or engineering knowledge but he was of the opinion that this work could not be done. I am of the opinion and I think my opinion is just as valid as his. I am a novice, I am certainly not an engineer but I do know that you can conceivably install water and sewer in these places for \$17. million. So it is not inconceivable. Now I am saying nothing about where you are going to get the money, I am saying nothing about when it will be done but I -

MR. CROSBIE: Gaultois will cost close to \$1. million.

MR. WORNELL: Gaultois, yes.

MR. CROSBIE: At least \$1. million.

MR. WORNELL: Actually I think you will find that Gaultois -

AN HON. MEMBER: (Inaudible).

MR. WORNELL: Yes, a water and sewer system. That could be an expensive installation.

MR. WELLS: Twillingate, Fogo and all the rest.

MR. WORNELL: That is true but there are \$17. million there and as I have said there are only seventeen places with water and sewage and it is conceivable, it is possible. So I do not think we should throw this out as being a pipe dream. When it will be done I do not know but no-one has said that it will be done this year, no-one has said it will be done next year and quite frankly there are four places in my district and I am very happy to hear this news.

MR. DAWE: Mr. Chairman, I would just like to make a comment on this. He said about \$17. million. This has been under active consideration by the Department of Municipal Affairs for quite some time and this figure was not just pulled out of the hat. This is based on preliminary surveys and in some cases a design has been completed for many of the systems and we are confident that even in some of the communities a considerable reduction can be made for some of the communities themselves have indicated that they will do the work with their own forces. I quote just one example, we have estimated \$700,000. for Wesleyville and I was talking with the Mayor of Wesleyville only last week and he indicated to me that they could do this with their own forces, that is they would hire the equipment, purchase the pipe and use local labour and he estimated to me they could do this for \$150,000. in Wesleyville.

MR. WELLS: And the engineers say \$700,000.

MR. DAWE: That is our estimated cost. I am quoting the Mayor of Wesleyville. I said he indicated to me, that ^{is} who I am quoting, by a telephone conversation only last week. We would like to, we were under consideration to, this is in two areas, I think Pound Cove is one part of Wesleyville and we have had consideration to let them try one portion of this part of the contract and see exactly how much they will do it for.

MR. WELLS: That was wrongly recommended.

MR. DAWE: I am quoting the Mayor himself and this figure was not pulled out of the hat. It has been under active consideration and these are preliminary estimates. I said about, it could vary ten per-cent but this is about the cost for this project as announced.

MR. SMALLWOOD: Mr. Chairman, I would like to add a word to what I have already said. We are talking of an amount of about \$17. million which would more or less clean up, which would, more or less completely satisfy the needs of this Province, at least the island part of this Province, as far as water and sewage is concerned. Now, Mr. Chairman, you have to remember that there are already a lot of water and sewer systems in the Province, there is quite a bit of it. We have in the last twenty years put in a lot of water and sewer systems. I do not know how many dozen systems we have put in but we have put

MR. SMALLWOOD:

in a lot of water and sewer systems in this Province in the last twenty years and the DREE program calls for a number to be done and this number that we have now announced tonight would when added to the others clean her up. This would be it, this would turn the key, this would satisfy Newfoundland's needs for water and sewers.

Now that being so we have considered in the Government whether we would make an all-out effort and do it in three years. Three years would take about \$6. million a year, now that is capital account, that is the cost of putting the systems there. The one thing stopped us from making the decision to do it in three years, it can be done physically in three years or that might stretch into four. You let contracts, the contractor let you down, this Town Council agrees to do it on its own and then comes back with apologies and says, "You know we will not finish it, it will go on into next year." So a three year program could so easily become four years. What stopped us from deciding to do it is this fact that after it is done, when you have installed all these systems and the systems are in operation and everybody is happy because they have them, at that point the Newfoundland Government has to bring into this House each year on current account a request for so much money to subsidize the operation of the system after it is in operation.

So it is not just the capital account expenditure that has to be made to provide the systems and the \$17. million but the \$17. million would involve us in an annual charge thereafter for maybe twenty, thirty years or more, an annual charge of an amount the size of which I have forgotten now although it was very recently fresh in my mind but a lot of other figures on a lot of other things have also been in my mind and are in my mind everyday, enormous numbers of things have to go through my mind as through the mind of any Minister and indeed through the mind of most active men. If I remember rightly when the day is reached that these installations are made, completed, from that point on the Newfoundland Government would have to come into this House each year and ask the House to vote something of the order of \$2. to \$3. million to subsidize the system because you see, Mr. Chairman, in very few places will you find it possible to charge enough to the householders, to

MR. SMALLWOOD:

the consumers, to the users of the water and sewer system, to charge it up to them in the monthly rates, to amortize the cost of putting the plant there and operating it after it is there. So what you do is this, you canvass the householders of the settlement where it is proposed to put in a system and you say to them, "If this system goes in you will have to pay \$6.00 a month to the Town Council or to the water Board or whoever is operating the water and sewer system or \$7.00 a month or \$8.00 a month or \$10.00 a month." Now depending on the cost of putting it there someone must pay the cost. Now that amount that the householder has to pay does not pay it all. The balance is paid by the Government and the Government has to come in once a year to this House and ask for authority to pay out that money to subsidize the water and sewer system.

Mr. Chairman, the House might be greatly surprised. I ask this day to have the figure compiled for that but I do not think it is ready yet, I ask today to have a table compiled for me, I do not know if it is ready yet but the table I ask to have compiled is this: How much money have the householders in those places in Newfoundland where there are water and sewer systems paid, how much have the householders paid altogether in the aggregate from the beginning to now and how much has the Government paid from the beginning to now in the cost of keeping them going after they are put into operation? In these estimates there is an amount somewhere provided which the Committee will be asked or has been asked or is about to be asked to pay to cover the best part of \$2. million. Already the Government are paying as we are doing with rural electrification. We are paying out large sums of money every year to pay part of the electric light bills of hundreds, in fact of thousands of customers. They pay so much and the Government pays so much. So also with the water and sewer systems, the customer pays so much and the Newfoundland Government pays so much and if we were to spend the \$17. million in the next three or maybe the next four years then once that was done we would have to come in here and ask the House for authority to spend perhaps twice as much as we are spending now. Instead of \$1.8 million it would probably be the best part of \$4. million if it was not more and this is the only thing that stopped

MR. SMALLWOOD:

us from deciding on a three year program to finish off, to settle the matter, to dispose of it, to reach the happy point that we have almost reached now with rural electrification. We have almost reached where every place in Newfoundland now, almost, is lit electrically, not with kerosene oil lamps at all. We would like to be in the happy position of being able to say proudly, "Well, every place in Newfoundland that is ever going to have water and sewer system now has it." We would like to be able to say that and

MR. SMALLWOOD: We could more or less say it when this program was carried out, together with the program within the DREE area. This is a program outside the present DREE areas, and outside what are likely, as far as we can foresee, to be DREE areas. These are areas for which only Newfoundland Government is responsible, in the main. But there are some in this list that are in, we hope, DREE areas. So that the \$17 million will not all of it, fall upon the Government of this Province, a lot of it may come from the Government of Canada, in the areas where - that will be designated as DREE areas. Now one other point -

One final point I think, under this heading. The amount of the token vote that we will ask the House to authorize. It is down for \$100. The token vote Mr. Chairman, throughout the Estimates, is always \$100. A few years ago it used to be one dollar. But we rounded it out at \$100 and \$100 has become the traditional, the conventional amount, as a token vote. When you must have authority, but you do not know what you are going to spend, you ask for a token. Now that gives you authority to spend. You may spend, not the \$100 that you are authorized, but you may spend the \$1 million or \$5 million. It is a vote. It is an appropriation. It is only \$100, but this gives you authority to spend more, if you have more to spend. When you have the token vote of \$100, you do not even have to spend \$100, but you may spend a million. Now, until we know, and until we decide, and we have not decided, to this moment, how many years we will divide this program into, three, four or five. If it is five years, five into seventeen is three point something million a year. If it is three, then it is five point something a year. We have no difficulty foreseeing our abilities - to do it in three years, probably stretching into four, if you think only of the capital account, the original cost of putting the assistance in. What makes us hesitate to do it in three years, leads us to lean toward five years, or even six years, is the fact, after it is done and you have spent your capital then you have forever probably, an annual, recurring amount - maybe not forever, but certainly for the lifetime of a bond issue.

Now that is the first point on the token. The other point is this - that if you had a token of \$100. If this Committee authorizes \$100 token, we could spend \$3 million this year on water and sewer system, without dipping into the Treasury for one dollar. Because what has happened in practically every case where we have financed a water and sewer system, and we have financed dozens of them, literally dozens. I do not remember how many dozen - sixty, seventy - seventy-two systems - we have done. We have done that many. That is done. That is in operation. And in every case, or nearly every case of these seventy odd cases, what we have done is this: We have given an order in Council authorizing a bank to advance the money to the Town Council. The Town Council draws the money from the bank for say a year, or two years. And then when that falls due, the bank is paid off out of the proceeds of a bond issue, which the Government guarantees, or which the Municipal Finance Corporation would provide. The Municipal Finance Corporation would pay off the bank, so that for two years, we could go on, actually not spending any money out of the Treasury, and getting say as much as \$6 million spent to build - \$6 or \$ 7 million spent to build water and sewer systems this year and next year. So that we would not be limited by the amount of the token.

In the first place, the token is only a token, depending on how much money we have - how much capital account - and may I remind you of something, Mr. Chairman; the Committee would do well to remember? The Minister of Finance is in his seat again here today, just back from Winnipeg. And in Winnipeg the Minister of Finance of Canada made a very important announcement, of a hundred and eighty millions or some large sum of money, which is to be made available to certain governments - the governments of certain provinces on capital account - on capital account, which, not later than four years after they pay it to the Government of the Province, the Government of the Province must spend on Trade schools. Now this will bring us a substantial sum of capital money this year. A pretty substantial sum of money. Now leave out another very - even more substantial sum of money that we are

going to receive and we now think we know what we are going to receive. No use asking us, we are not going to tell, because we only think we know. We only think we know. We do not know, but we think we know what we are going to get under these three headings. No. (1) The Capital Account - that the Government of Canada are going to divide among certain Provinces including this Province. No. (2) What we are going to get on Current Account under the Heading of Equalization - increase in equalization payments. No. (3) What we are going to get as our share of the amount of money the Corporation income tax - instead of paying it in arrears, sometimes many months arrears, a speeding up of payments so as to put the money in the hands of the Governments that need it now, so that they can spend it now, rather than next year, so as to help to reduce unemployment and help to improve the economy now, rather than waiting until next year. And then finally, under another heading - Amounts by which we have been, and I hesitate to use word "short-changed," because short-changed has a flavour of a deliberate holding back or denial of the payment that ought to have been made. So it is not short-changed, but under payment that we have received in certain Federal payments due us. And we are going to get them now, and we are going to get them this year, so that there will be substantial sums of money coming into our Treasury this year, that we did know that we were going to get - it is much better than ^{we} hoped we were going to get - we more than hoped - we had fairly good reason to believe, I did - we did not provide for it. We did not budget for it. We are not going to budget for it. A bird in the hand is worth two in the bush - until this cash is received, that we believe we are going to receive, we are not going to budget for it. But it is a nice thing to know that we are going to have a few dollars more than we expected, and certainly more than we budgeted for. I hope that I have covered these main points of criticism across. I must say, in my experience in this House, I have never, never before seen or heard a public

announcement by the Government fall with such dismaying effects upon the minds and hearts of those across the way. I never heard the like of that before. They virtually went out of their heads - they virtually went out of their minds Mr. Chairman. They virtually went berserk at the thought of our launching a great water and sewer program for fifty settlements costing \$17 million to be spent and provided over the next four or five years. I am astounded by it. They have calmed down now, and they are able to talk a little more rationally and a little more calmly, and I daresay, in the end they will vote for it.

MR. HICKEY: Mr. Chairman, possibly I am the only one on this side who has not gone out of their head, but Sir, I welcome the announcement.

MR. SMALLWOOD: Go a little faster. I would love to listen, but do not go asleep. Speak up. You can do it.

MR. HICKEY: The two of us cannot talk the one time.

MR. SMALLWOOD: You can do it - come on. Spit it out of you.

MR. HICKEY: I wonder Mr. Chairman, if that is what the hon. the Premier wants me to - really spit it out. I am not sure Sir, that would be wise. However, Sir, I would say at the outset this news must be welcome to the people in all of those municipalities. No one is going criticize the implementation of a program that is going to give people water and sewerage.

MR. SMALLWOOD: I love that man.

MR. HICKEY: Mr. Chairman, I am having a job to continue, and the next thing I am going to have to offer the Premier twenty dollars for those compliments. Really we are not that rich on this side. Sir, whatever criticism of this program that comes from this side, I am sure it is passed on in a constructive manner. To say that any hon. member is against water and sewerage, for any community or any municipality, is crazy. We are members of this hon. House, and certainly no Newfoundlander would be so selfish, and Mr. Chairman, he would and could only be classed as selfish - it would be pure selfishness to condemn, without just cause, this kind of an announcement. But Sir, there is one statement the Premier made, that is rather alarming, if I heard

it correctly. I believe he said that with this list water and sewerage in the Province will be completed. This will take care of the problem. Now I feel sure he did not really mean that. Did he really mean that?

MR. SMALLWOOD: What I said was that taking what has been done - seventy-two we have now, those that will be done in the DREE areas that have been designated, those that will be done in the three DREE areas that have been accepted in principal, and those that will be done in the DREE areas that we hope will be DREE areas, together with these, that will sew it up.

MR. HICKEY: In other words Mr. Chairman, there are other areas to be taken care of.

MR. SMALLWOOD: Yes.

MR. HICKEY: Well at least Sir, I am glad to hear that. I can think of quite a number of areas where there is certainly a need for it. We are not going to carry this Item yet Mr. Chairman. What sort of can get me a little steamed up, Mr. Chairman, is that just this afternoon I was pointing out the great need for water and sewerage at the Battery - and the hon. the minister, I am sure in good faith, advised me that he would be glad to meet with me to discuss the problem. I do not know if I was right or not, but I sort of walked away with the impression that money was a bit scarce and that the most he could do for the present time is talk. And Sir, now I find that we are talking of \$17 million, as if we have it right in our back pocket. And I am at a loss to know why an area such as the Battery is not included in this list.

Sir, there is another question that bothers me. There is a small community off Portugal Cove Road, called Penetanguishene. It can be classed as nothing other than a cesspool, a very acute problem of pollution. Now Mr. Chairman, the residents in this area, being very conscious of the problem, got together about a year ago and approached the Government, through the Municipal Affairs department, to have themselves organized in either a local district improvement, local improvement district, Community Council, or some such kind of organization, for the main and sole purpose of providing

a water system or a sewer system, or both. Mr. Chairman, they were discouraged. They did not get to first base on this project. I am given to understand, Sir, that permits are still being granted in that area. They were not for quite some time. But I understand in recent days, from some of the residents, that construction is under way on some additional homes. And so, Sir, I cannot for the life of me understand why we would discourage an area like this from becoming organized, so that the Government could lend some form of assistance by way of a water system or a sewer system.

Then Mr. Chairman, there are the areas of Torbay and Quidi Vidi village - and his honour, the Deputy Speaker, represents the district wherein there lies a community which has an acute problem of pollution - that of Pouch Cove. Now Mr. Chairman, there is no problem in those areas in terms of permits. It is under no one's jurisdiction at the moment. Building is continuing. And the problem is being further aggravated and yet we do not find anything for those areas. Now I realize, Sir, that there are no organized groups in the communities of Torbay and Pouch Cove.

But Sir, the Battery and the general area surrounding the Park, those are parts of the City of St. John's. And we are told Mr. Chairman, over and above the shifting of responsibility from one level of government to another, we are told that one of the reasons that this problem is not being tackled, to date, is because of lack of funds. And Sir, the municipal people do not seem to ^{be} as short of funds as they would like us to believe, and while I am all for progress, I cannot get awfully excited about our new City Hall when people do not have bathrooms or toilets. And we find that the Provincial Government are not short of money in embarking upon a program such as this. In it we find low level of Government prepared or willing to look into this matter and do something about it. Now Mr. Chairman, there is another area which the junior member for Harbour Main district must be awfully concerned about, in that area of Conception Bay stretching along the highway from Manuels to Seal Cove. Is that being taken care of? Well Sir, I am glad to hear that. I was sorry to see it was not on the list.

But it is good to know that something is being done in that area. Well Mr. Chairman, I am certainly not going to condemn the program just because my area or the communities in my district that need those services are not included - I am not going to condemn -

MR. SMALLWOOD: It must be a reasonable criticism -

MR. HICKEY: It may be a reasonable criticism, but I do not deny the people who live in those areas the essential services that I am looking for the people that I represent. And so I do not condemn the program as such. I undoubtedly, am a little suspicious by nature - maybe I am a little suspicious that all of the area - whether or not all of the areas will be done. Let me just say that - I will take the minister's word for it, and I will take the Premier's word for it. And I will accept the fact that they are sincere, and that they are determined to carry out this program, and until such time as they do not, I will reserve my criticism. I would in closing, impress upon the minister again and the Government that when we hear of projects such as this, Mr. Chairman, and in spite of the constant reminding by myself and other people concerned with this problem, insofar as the Battery is concerned - and I hate to be harping on that particular matter, but I have no alternative. I have an obligation to those people, and I must speak up when the opportunity presents itself. I would urge Government to look very seriously at this problem. As I have said this afternoon, if the people who are directly responsible are not going to take the initiative, then Government has an obligation to do so. And I would hope Sir, that in the very near future, something is done.

MR. CROSBIE: Mr. Chairman, just before we leave this Item, what the last speaker said was certainly correct. Assuming this program would cost \$17 million, or whatever it costs, it does not satisfy the needs of this Province with respect to water and sewerage. The member for St. John's East Extern, has just mentioned certain communities. The point is, that covered in this list are only incorporated municipalities. And there are many places throughout Newfoundland not incorporated that need water and sewerage that are not included

in that list. There are places like Old Perlican, Bay d'Verde, that is just two that come to mind. Petty Harbour, the Goulds and there are any number of other large communities around Newfoundland, who are not incorporated, not included in that program - so that program does not nearly meet all the needs. In addition to which this program does not cover the areas - the eleven alleged DREE areas, where this Province has defined fifty percent of the money for the water and sewerage system in those areas. And on the Conception Bay, from Holyrood to Topsail - all that it says in the DREE program; is that a study is being made / ^{of the} situation, and it is hoped to make some kind of start this year. That is all it says about the area from Holyrood to Topsail and that certainly has to be noted. I pointed out this afternoon that every year a larger and larger part of the Estimates of Municipal Affairs are really debt repayment. These two Items are wholly debt repayment here. 1311-09 - Paving Grants \$945,000. That is debt repayment. That is money the Government must find to pay off loans. And 1311-10 - Water and Sewerage Systems \$1,880,000. That is debt repayments. These are amounts that will have to be in next year. They are debt repayments, and should be considered that way. And when all these systems are done, as the Premier says, these amounts are even going to be much larger. Now As the Premier says that the other day the Minister of Finance went out West and came back with a bonanza. There are going to be a few more million dropped down from Ottawa this year. What about the minister's - if these millions are dropping down, they are dropping into an endless bucket. It is not only water and sewerage the Government needs these few extra millions for - what about the municipal street paving program, that the minister announced this afternoon, was not going to be carried on this year? - as just one small example. If all this money is around, if there is a plentitude of money - so we do not need to worry about it. What about the hospital? There is about \$150 million worth of hospital construction promised around the Province. Let us not forget that. So that money will not go very far to

meet the promises and the papers that the Government has presented in this House this year - as being a minor part of it.

Now the Premier was surprised by the reaction of this side of the House to this portentous great announcement. Frankly Mr. Chairman, being in the House is almost the same as being on drugs. Every few days you get another injection of heroin or marijuana or something you hear another big announcement. That is another injection into the blood stream. I believe the hon. the Premier has withdrawal symptoms. Did anybody see one of those movies where they have the withdrawal symptoms? That is what is happening with this Government. The Government are going to come off the drugs when the next election comes. The Government will be coming off drugs, and we will see those terrible withdrawal symptoms as they fade into the past. They are all shaky in straightjackets - this is what we will be seeing in this House - there will be a few remnants that will be in this House once the next election is over - they will have the withdrawal symptoms, and that is what we are getting here from all those announcements.

MR. CROSBIE: That is it, that is the Liberal Common Room, the snake pit. we will all go over there and look in, they will give you straight jackets, the cold sweats, the hot sweats. This is what is coming so do not be surprised by the reaction.

People get cynical Mr. Chairman when they hear announcement after announcement, week after week, fifty-two weeks of the year for twenty-one years. You have to give them a bigger dose of drugs. You know, when you get on drugs you start off with a small amount. I have not been on them yet, I am going on them soon, as soon as the House closes. You start off with a little bit and then the habit gets you and you are whacking it into that vein, you are pushing into this one and soon all your veins are marked up Mr. Chairman.

MR. SMALLWOOD (J.R.): (Inaudible)

MR. CROSBIE: I do not know what I am on this session

MR. SMALLWOOD: (Inaudible)

MR. CROSBIE: I wish I was on drugs, I am going to go on drugs I would say when this nightmare finishes in the House here. You see, when you start on that course of drugs, hypnotizing the population, you have to keep giving the population more and more and more, and the past twenty-one years has built up to the crescendo we have had this session. A billion dollar announcement there, a half billion there, a puny little five million there, and tonight we have a seventeen million. I mean, there is no wonder that we got a little reaction there. The leader of the junkies, the Opposition, got all doubled up and could not speak when he heard the announcement. So, the Hon. the Premier should not be too surprised Mr. Chairman.

MR. CHAIRMAN (NOEL): Does the item carry? Carried. Does 02 carry?

MR. CROSBIE: Do we know why this \$100. is needed here, for Newfoundland Municipal Financing Corporation?

MR. ERIC DAWE: It is a token vote.

MR. CROSBIE: Why does Newfoundland Municipal Finance Corporation need a token vote? Who is it going to pay money out to? It only lends money, it borrows money itself and lends it out to other people, what is the token vote? Why does it need it?

MR. DAWE: (Inaudible)

MR. CHAIRMAN: Does the item carry?

MR. CROSBIE: Mr. Chairman, that is not as far as I am concerned, a satisfactory answer. The Newfoundland Municipal Finance Corporation borrows money and lends it out to municipalities. Now why the \$100, if it is not necessary let us save \$100. this year. The \$100. got added up.....

MR. SMALLWOOD: We do not know how much money to give them because we do not know how much they will need, we give the token which is authority to give them money and the token is \$100.

MR. CROSBIE: But it loans them money, it does not give it to them.

MR. SMALLWOOD: The Government gives them money or lends them money, one or the other.

MR. CHAIRMAN: Does the item carry? Carried.

MR. CROSBIE: O6, I want, the Provincial Planning advisory Board Mr. Chairman, there is no vote there, is that Board now no more? Will it no longer be hearing appeals around the Province, or advising the minister?

MR. DAWE: Mr. Chairman, the Board is still in existence but, it will not be hearing appeals.

MR. CROSBIE: What will it be hearing?

MR. SMALLWOOD: Speeches from the other side of the House.

MR. WELLS: Good, good

MR. DAWE: This way it is just a planning, advisory board.

MR. CHAIRMAN: Does 11-30-1 carry? Carried.

MR. CROSBIE: What engineering surveys are planned for this year? There is a lot more to this than meets the eye Mr. Chairman, because usually engineering surveys are paid for by the municipalities out of loans guaranteed by the Province. Now, these are engineering surveys that are going to be paid for by the Province, so what ones does the minister expect to have done this year? Why is it not under DREE along with everything else? Everything is DREE these days.

MR. DAWE: Mr. Chairman, this vote actually is to cover the cost of detailed and preliminary water and sewage systems. To say exactly which ones we are going - or doing now, or planning to do, we have planned to do several actually and the cost of the preliminary studies range from \$1,000. to \$2,000. and then

we have various other engineering studies and to say exactly what particular area council - this particular study will be completed this year I am not in a position to say, but this is the reason made each and every year and this is the reason for it.

MR. CHAIRMAN: Does 11-30-1 carry? Carried.

MR. SMALLWOOD: Did you read your statement?

MR. DAWE: Mr. Chairman, before

MR. CROSBIE: Will it be in the nature of an announcement?

MR. SMALLWOOD: Let him make his statement.

MR. CROSBIE: It is in the nature of an announcement is it?

MR. DAWE: I have a prepared statement on housing.

MR. CROSBIE: Okay.

MR. DAWE: Mr. Chairman, I wish to announce to the House the Government's housing and land servicing program that can be best described as follows;

(1) Land acquisition and planning in order to achieve orderly, comprehensive land development in growing areas, as well as to aid in the maintenance of stable price structure, the Government in continuing to create major land banks in St. John's and the Corner Brook area. In addition, we have acquired lands in some other communities. In most other areas of the Province however, lands banks are not required as raw land is either readily available at reasonable cost, or is presently held by the Crown.

At St. John's, we have an agreement with the Government of Canada and Central Mortgage and Housing Corporation, for the acquisition of 850 acres on a seventy-five-twenty-five cost sharing arrangement, and recently we have executed an agreement with the Federal Department of Regional Economic Expansion for the acquisition of an additional 620 acres. These lands will be held and used as needed for residential, commercial, recreational and industrial purposes. All acquisition costs are now being met, and physical land planning is being carried out.

In Corner Brook, the first part of a program to acquire 300 acres of land is completed, and compensations are presently being paid. Servicing of the land so acquired is also underway. The acquisition of this remaining land will now go forward. In this regard, we have executed an agreement with

the Federal Government and C.M.H.C., whereby they pay seventy-five percent of the cost.

Planning of the total area of 300 acres will now proceed and it is our intention, subject to Federal approval, to proceed with the actual servicing of a second phase as quickly as possible.

Serviced building lots will be created in several areas of the Province, sufficient in total to accommodate approximately 950 new housing units. In the interest of efficiency we believe that the use of a central authority as established in the Newfoundland and Labrador Housing Corporation is the most effective way to develop the land servicing, particularly in the case of the smaller communities where the assistance afforded relieves them of finding the necessary administrative and technical resources to carry out such development.

Subsidized rental housing: All Canada is experiencing housing problems as housing costs have outstripped the ability of the individual to pay. The Government recognizes that our people have not escaped these problems, especially in our larger centres and also where resettlement is occurring. The Government is very much aware that our people need assistance primarily for home-ownership. This is the traditional type of tenure, the one most desired. We recognized however, that the very heavy increase in interest rates is further limiting the number who can undertake home-ownership of a decent quality.

Federal funds for lower income families are more readily available for rental units, we therefore, must take advantage of such funds and meet our most urgent needs for the construction of additional, subsidized rental units. It is the Government's strong hope, however, that before too long Federal assistance will be offered to enable the home-renters to become home-owners. I shall repeat that again Mr. Chairman, it is the Government's strong hope however, that before too long Federal assistance will be offered to enable home-renters to become home-owners. We are committing this year an amount slightly more than \$4 million on subsidized housing.

Shell housing: Shell Housing which is a technique whereby money is

made available to construct housing to the shell stage, has recently been receiving Federal support. During this year therefore, the Government's policy will be to construct and offer for sale as many units as long-term financing will permit. Our initial start for which financing is now being arranged, is for fifty such units. As soon as these have been successfully developed, we hope to continue on a much more vigorous scale, and it is our hope to develop this program into a truly, Province-wide housing scheme acceptable to Central Mortgage and Housing in all the major growth centres of the Province, such as, Stephenville, Come by Chance, Happy Valley, Corner Brook, Grand Falls, Windsor, Gander, St. John's, Port aux Basques, Burgeo Harbour Breton, Grand Bank, St. Lawrence, Baie Verte, Buchans, Lewisporte, Clarendville, Conception Bay and other areas as the need arises.

MR. CROSBIE: Ming's Bight?

MR. DAWE: Just to mention some typical communities. In addition to building these houses, the staff of Newfoundland and Labrador Housing Corporation will assist applicants in clearing up land titles and also render technical advice as needed. We plan to spend up to one and one-half million dollars this year on this program. The Government is convinced that this is one of the best approaches for many of our people if they are to get home-ownership and at the same time keep mortgage payments to a minimum, and take full advantage of the construction skills and ingenuity of our people.

I would like now to refer Mr. Chairman, to other activities of the corporation. In addition to this housing that is being purchased by the Department of Public Welfare, the Government in 1969 authorized Newfoundland and Labrador Housing Corporation to assume the purchase of housing for the needy. Since that time, fourteen units have been purchased on the open market and thirty-three are presently being negotiated. The location of these units are widely spread throughout the Province. The estimated cost for this year is \$200,000. We will also continue, in partnership with C.M.H.C., a program of upgrading older subsidized rental units. It is planned to carry out further work this year on 140 units in the Cashin Avenue area, and on 152 units in the Empire Avenue area, both in the city of St. John's.

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The estimated cost of these renovations will be approximately \$660,000. Housing for Government employees located outside the capital city will also be constructed. This relates to housing for medical officers, and welfare officers who are located in various districts throughout the Province. The total cost to be spent this year will be \$440,000. In all Mr. Chairman, the total program for this year will involve approximately \$10, 600,000. In addition of course, a portion of the DREE program is inter-related and activities in these fields are in addition to what I have just stated.

MR. MURPHY: Mr. Chairman, it is very difficult to get all the facts as the hon. minister outlined them. I do not know if he is going to table this report on housing, but I have heard that there is some - I think the total figure is \$10,600,000. over a period of time and this is spread not only in St. John's, but throughout the Province. On many occasions when I stood in this House and I talked of housing, particularly housing that is needed for low income families, I always wondered why this Government are not purchasing homes, existing homes that are scattered throughout this city and range from the nine, eight, nine, ten thousand dollar bracket, and enable people who are working - not people who are on social assistance, but are working to get in and establish a fair rent so that they can own the homes.

They are not concerned, it could be twenty-five, thirty, forty, fifty years, it is going to be a family home anyhow, and as has been repeated in this House on many occasions, Newfoundlanders are inherently home owners and not tenants or cliffdwellers as they call the high-rise apartments.

We speak of subsidized housing, I do not know just how many units there are. We opened recently the ones on Kenna's Hill. I think they are beautiful - they are beautiful apartments. The ones at Buckmaster's cost in the vicinity of \$21,000. each, but we are still carrying on, and not to the same degree at this moment because they are pretty new, we are carrying on, and perhaps perpetuating a system that was started by - I believe the Commission of Government when the famous homes on Cashin Avenue were built and I think we called it Westmount at the time - where people in need of homes, and a great majority working people were brought into these apartments -

subsidized apartments - I believe the percentage is twenty-two percent now, if I am not mistaken, of income earned in the home to go as rent. They can be there for 152 years and still not own one stick, that is in these subsidized apartments.

With the monies, and there is one figure here

MR. SMALLWOOD: The hon. gentleman could also add not only one stick of the house or any other property. They would live and die without ever owning any property.

MR. MURPHY: I think my meaning is quite clear to anybody who is paying rent, and particularly fairly high rents. Because, anybody who is spending twenty-two percent of their income for housing, and not owning it - I know there were cases, and I think the hon. member was in on the same deal two or three years ago I think in the Freshwater Road area where we had particularly a group of council employees at the time, and

MR. MURPHY: We had a bad winter there I think it was three years ago, and these gentlemen earned a fair bit of overtime, and when their assessment came, I think it was the first of July the following year, some of the rents went to \$195, \$180, and I think \$200 a month. And they phoned me and said, this was the rate and what would they do, and I told them to move into King's Bridge apartments. Why stay on Freshwater Road. But my feelings on these always was that there should be a level of a charge there, whether it is maximum or whatnot - not because a man earns (and they will argue to me this is the principal of subsidized housing) but a house is a house - it is worth X dollars whatever it is. If you rent a house down on Elizabeth Avenue, an ordinary house - and it is a private deal, and the house is renting for \$100 a month. And they will not say to you, how much are you earning, they are concerned with getting \$100 a month. If you are earning \$500 a month, you pay \$100, but not because the guy is earning \$1,000 he has to pay \$200 a month. And I believe subsidized housing should be on the same level with a rentable value or a fair market value established, but anybody that does not reach a certain income, yes we have to subsidize these people. But if we are going to charge rents like have been charged to some of these - the Government are not subsidizing the tenants. I think the tenants that is paying the high rent is subsidizing the other tenant. We have cases, and I do not know if this is changed, where many of these homes built in the Whiteway Street area out here years ago - there was an agreement in their lease that they could own - buy these houses after some time. But I do not know if they can do it now. But I know there have been people there for eighteen and twenty years, and they are still paying rent. And I quote again, and the case was never fixed up - about this chap who was in there and his furnace was giving trouble and he put in one on his own - an oil furnace. He moved out a few months afterwards, and he got no credit for putting in his furnace. Still a few months after, they installed furnaces in every house, and he broke the terms of his contract. This is what we call law. This is legal. The legality of the contract was broken

because he replaced a furnace that had been condemned by a plumber as being hazardous, and the Housing Corporation were going back and forth putting pieces of steel in here and pieces of steel in there, until it reached the stage where the plumber or whatever says, I will no longer take the risk of fixing this furnace, so he installed one without the consent of the Housing Corporation. A few months after he got out of this house and bought one, and instead of paying on the furnace he put in that house four or five years ago - and get no remuneration from the Housing Corporation. Although they installed oil furnaces afterwards. And I will give the hon. minister the name if he wants it afterwards. I have gone to every minister, everybody on the Commission - the Minister of Justice, and he is still paying on the furnace that he put in for somebody else for the Housing Corporation.

Mr. Chairman, I started off earlier to say my ideas on this thing, and I still think they are practical. And I brought it out in 1962 when I came in this House, and the Premier said it was a wonderful idea, and everybody else said it was a wonderful idea, and that is where it stayed. And that is the fact of enabling people in the middle income bracket and the lower income bracket, to purchase houses at a reasonable rate - existing houses in the City of St. John's. And they are available. They are available all over the center of St. John's, and I refer to places such^{as} Freshwater, Pennywell - Road, all these areas, on LeMarchant Road where I live - the houses are fairly reasonable, any that are for sale. And why do we not move people into these, and leave this subsidized housing for people who are not working at all - perhaps the Department of Welfare might like to place them. I think we have to be practical. Building today we know is doubled what it was ten or twelve years ago. And here are hundreds of homes for sale, and these homes have been good soundly built homes, perhaps forty or fifty years old. People have reared their families in them. Perhaps there is only the man and his wife, perhaps in their sixties living in the home, and they would prefer to be out in an apartment, and leave this family home, and sell it and get something perhaps for a down payment on a bungalow. I do not know. But I

remember I think it was four or five years when Mr. Nicholson was with Housing, and the same thing was discussed down at the Newfoundland Hotel, and at that time I think there was sixty-four or sixty-five - the Federal Government introduced this. I think where it was something like ninety percent or something - and I think that was first year they recognized the fact that Central Housing and Mortgage would help with purchasing existing homes. And I believe this is something that we should go into, instead of these great building - I do not know what the apartments on Fenna's Hill cost in relation to the ones at Buckmasters. But I bet the costs were a bit higher. And this Government talks about building subsidized apartments and so on and so forth. I certainly hope they do not reach the same stage and the ones that were built at Pepperrell, for Janeway - and I think the hon. member figured they were about \$50,000 each. I think they have Mother of Pearl mantelpieces and inlaid gold carpet.

MR. DAWE: Tenders will be called for that type of housing Mr. Chairman.

MR. MURPHY: You are going to call for tenders are you? Not a bad idea - Make sure that there is no one there with electric hammer and saw on the job, and we said his equipment was here - I say if he leaves his hammer and saw, the fellow that was there before - his equipment was on the scene, and we had to give him a job because it was cheaper - is that the reason given for Pepperrell?

But I wonder Mr. Chairman, if the Government is giving some consideration to this existing home - I notice that the Department of Welfare has purchased some homes in the City for indigents. But there are hundreds of homes here in this City, and I feel it would add greatly to the economy, of not only the City, perhaps they might exist outside, but I am thoroughly familiar with the City. And everybody that buys an existing home is always going to spend a few dollars on it whether he does it himself and improves the electrical part of it, or perhaps installs a shower or fix up the bathroom and so forth. And these are the things that generate the few dollars for the tradesmen.

MR. SMALLWOOD: I must say I do admire the hon. gentleman's consistency and persistency on this theme. The day he came into this House I think he has been talking the same lines, and it is good common sense -

MR. MURPHY: Sure, and I am wasting my sweetness on the desert air.

MR. SMALLWOOD: No, I would not say that, but it is good common sense - do not look at me and blame me, I do not have anything to do with it.

MR. MURPHY: Does the hon. minister know -

MR. SMALLWOOD: No, we are bound by Central Mortgage and Housing and their rules.

MR. MURPHY: Well I would like to know - am I talking through my hat - where there is a clause in Central Housing and Mortgage for the purchase of existing homes under a very -

MR. SMALLWOOD: So we are bound by those rules.

MR. MURPHY: Yes, and there is a very - I hate to use the word "Liberal" at this stage, a very "Liberal," agreement. I hate to give publicity to my competitor. But - many many hundreds of people would like to own their own homes and they are for sale, and it would create the fashion of homes that the Government would go out and purchase them as I heard the minister say, they purchased homes on the open market, or whatever way they are available. \$4 million at \$10,000 each - how many homes would that purchase? 400 homes? And instead of seventy-five dollars a month, you have this rotating fund - and this would be a fund that would be established, a special fund and you have 400 paying seventy-five dollars a month rent. I know there would be something taken out for maintenance and so forth, but 400 at \$30,000 each month is going into this rotating fund, \$30,000 a month - and you are gradually building it up. There will be charges come out of it, but the administration will not be that much, because we have employees now are being paid for managing these things. And each couple of months, there will be a couple of more homes. And in five or six years, there would be very few people that could not afford to buy a home at a reasonable price. But here again, Sir, someone has to face the facts of life - that everybody cannot live in the

Kent's Pond development or any of these big areas. We just cannot do it. Perhaps twenty-five percent of the people might do it within a short income of I think over \$8,000 - to own one of these homes with carrying charges so soon and so forth. But we have an awful lot of people are still in the \$4,500 and \$4,000 a year bracket, that would love to own their own homes, and perhaps work on it, improve it. In my own district - during this past three or four years, Spencer Street, Field Street - anybody who passed through these areas, and see the difference in the homes, since we have this bit of cedar clapboard and stuff like this. It is amazing. Now these homes are joined together I grant you - they do not have big lawns in front or anything else. But they are comfortable homes, and I would challenge anybody to go into any of these homes. Most of them if they do not have a regular furnace, they have a floor furnace there that supplies the heat for them. They have the modern plumbing, and I would like at this time, because if this Government does not last another year, it will be enforced in the next year, I will guarantee you that -

MR. SMALLWOOD: If this Government what?

MR. MURPHY: If the Government does not last one year - did I say that right?
I am not committing myself now -

MR. SMALLWOOD: After the election we will be elected for five years.

MR. MURPHY: Five years?

MR. SMALLWOOD: Yes.

MR. MURPHY: So if this Government continues another year - I do not expect to see this enforced, but after that year, after December 1971 which is the eclipse of the moon and the eclipse of the Liberal Party. The P.C.'s will be taking over and these plans will go into effect because our motto has been to cater to the people of the Province.

MR. SMALLWOOD: The hon. gentleman does not mean the P.C.'s - he means the P.C.R's -

MR. MURPHY: P.C. R's?

MR. SMALLWOOD: Got it?

MR. MURPHY: Sharp as a tack! The P.C.'s and the Reformers.

MR. SMALLWOOD: No, not reformers.

MR. MURPHY: Oh not reformers? Renegades?

MR. SMALLWOOD: Right.

MR. MURPHY: So gentlemen, the invitation is extended again by the Premier - But Mr. Chairman, quite seriously, I think this housing today must be one of the greatest problems for an awful lot of people. And I am talking about the middle income people - the guy that is working as utility man - I would say forty percent of the Civil Servants here, which embraces 10,000 or 12,000 people I presume on the whole, and you have 3,000 or 4,000 and you read the salary scales here. A great number of them are under \$4,000 - \$4,500 a year. I do not know what the obstacle is.

MR. SMALLWOOD: Would the hon. gentleman let me tell him?

MR. MURPHY: Does the hon. Premier want to speak on this matter? Well, Mr. Chairman, I am just finishing up now, and as I say this is about the umpteenth time I have mentioned this thing, and I am beginning to feel just a little frustrated that no one listens to me. But the Premier listens every year and says it is a wonderful idea and away we go.

MR. SMALLWOOD: Mr. Chairman, the hon. gentleman should mark down today's date, which is June 9 - write a red circle around June 9, 1970, because this is a day that will go down in his career. He has won a great victory in the announcement made by the minister here tonight. He probably did not listen - what page is it on? Turn to page 4. The bottom of page 3 and the top of page 4. Go to the bottom of page 3. And there he will see an announcement by this Government of something that the hon. gentleman has been advocating for years. Now here is what is happening. This Government with its own funds, not Ottawa funds, not Central Mortgage and Housing Corporation funds, but its own funds - this Government are buying some houses for cash, wait now - buying some houses for cash. We bought some, and we are about to buy more, of a standard that Ottawa will not give us money to buy. That is point number one. Now just hear me out. Point number

one. Ottawa will not buy second-hand houses. Ottawa will not give the money or lend the money to the Government of Newfoundland, to buy second-hand houses - for sale. But what Ottawa will do is lend money to this Government to enable this Government to buy second-hand houses to rent, not for us to buy them for resale - but for us to buy them to rent. They will do that. But they will do it only for houses of a certain standard, right? Before they lend us the money to enable us to buy that house, that second-hand house, that second-hand house must be up to a certain standard, O.K? But we are going a step further than that. We are buying houses now, and this is the announcement my colleague has just made.

MR. MURPHY: I do not like the expression that is used "needy," -

MR. SMALLWOOD: All right. Forget that. Second-hand house. We have now started a new idea. We may be the only Government in Canada that is doing it, and if we are the hon. gentleman I think deserves the credit.

MR. MURPHY: We will call it the "Murphy Plan."

MR. SMALLWOOD: We will call it the "Murphy Plan." No, he can stay "Tory," but even a "Tory" sometimes, can yield up a good idea, and he has yielded up a good idea, and the seed fell on good grounds - not on stony ground - the seed fell on the right ground, and the result is it is sprouting tonight. The Government of Newfoundland now - probably the only Government in Canada, are buying houses second-hand, for renting, of a standard below what the Government of Canada will give us the money, or lend us the money to buy. Now in addition to that, we are going after Ottawa to lend us money to buy houses for renting - they will not lend us money to buy houses to sell, but they will - houses to rent. We are going after them to lend us money to buy houses of the standard that they insist on. So there will be two levels of housing. Now the hon. gentleman will agree that there are many standards of housing. There are slums - not fit for human habitation.

MR. DAWE: We are making representation to C.M.H.C. and at the same time to make houses available for resale -

MR. SMALLWOOD: Well up to now, Central Mortgage have not agreed to that. We are

MR. SMALLWOOD: pressing them to lend us money with which we will buy second hand houses for resale, up to now they have not done that. We are urging them to do it. But up to now they had rent money with which the Provincial Government can buy second hand houses to rent. Now we are going after that, and pressing them also for the other. But in the meantime not waiting for that, we have become probably the first Government in Canada, thanks to the hon. gentleman, and I am not trying to coax him over here. I am not trying to get him to abandon his Tory principles, I am not. This is not a bribe, this is not an attempt to try entice him over here away from his Party.

MR. MURPHY: Inaudible.

MR. SMALLWOOD: What is that ribbon? What is that ribbon?

MR. MURPHY: That is the Marshall's.

MR. SMALLWOOD: The Marshall Plan?

I say sincerely that the first time the hon. gentleman made that remark in this House - how long has he been in the House? Several years here now.

MR. MURPHY: It seems like about 1912.

MR. SMALLWOOD: That is only this session seems like that. Other sessions went along very beautifully. But I do congratulate the hon. gentleman, the first time he gave utterance to that idea, I look impassive, as though it did not interest me, but my mind worked furiously on it, because I am always looking for good ideas, I do not care where they come from. And I talked with some of my colleagues, and at least, I have got a colleague there now - who is going boots and all after this idea from the hon. gentleman. And so now you are going to see a few sparks flying. We have to be careful not to buy slums. You buy a slum only to tear it down, to demolish it, that is all you would buy a slum for. And other thing is, the hon. gentleman knows, as well as I do, and I know as well as he does, and everybody knows when it becomes public knowledge that a government is in business, you know to buy land, or to buy buildings, up goes the price - right?

MR. MURPHY: Yes, that is right.

MR. SMALLWOOD: Usually, up goes the price. So what we will have to do is operate indirectly somehow or other, so you know, it will not be known that we are out and up goes the price. We do not want that, there would be no sense in that. The higher the price goes the fewer the number of houses could be brought with a certain amount of money, you have to stretch that money as far as you can, because what you are trying to do is not make money on it, you are trying to provide houses for people, for human beings, for families, I hope the hon. gentleman will be with us all the way on this. If on nothing else, he has got too, he is stuck with it, he cannot help himself now, he would be very inconsistent, if he did not praise us, and back us up in this announcement that my colleague has made here tonight.

MR. MURPHY: After next year I may retain that the Premier is collecting the rents, Sir.

MR. SMALLWOOD: Collect the rents? I would be a very poor collector, I can tell the hon. gentleman that.

MR. CROSBIE: Mr. Chairman, this is an interesting statement that the minister has made, and it appears to be quite sensible. I have some questions on it, I may as well start with the one that the Premier just finished with, the housing for needy persons. I would like the minister to clarify it anyway, when I am finished, housing for needy persons. The Newfoundland and Labrador Housing Corporation has taken over from the Department of Welfare the business that the Government has been in for years of buying houses all over Newfoundland, for people who are receiving welfare assistance. And the houses have been brought for prices ranging from \$300 to \$10,000. We have got answers to questions, here in this session, of how many have been bought and so on.

Now this statement here says that \$200,000 is to be spent to assume the purchase of housing for the needy. I took it from the statement that needy in this case means the same people who were being helped by the Minister of Welfare, it used to be done through his department up until September of last year. That is who needy means. There is an amount of \$200,000 to be spent this year, not matched by Ottawa-it is all - now if this is housing for welfare recipients, there will be fifty percent of their rent will be paid by Ottawa. So the Housing Corporation will get - thirty-three units are being

MR. CROSBIE: negotiated, and the cost for this year is \$20,000, so certainly these units are only going - the Government is going to buy them for an average cost of \$6,000 or \$7,000. Now is this not the housing under the old welfare scheme? That is the first question.

It is not revolutionary - if this Province is helping to make home-ownership easy, Mr. Chairman, it would not be the first province of Canada to do it. As so often there are these exaggerations. The Province of Ontario started three or four years ago, the home-ownership made easy plan. The home-ownership made easy plan in Newfoundland has been if you are a welfare recipient, you might get a house from the Government for nothing. That was home-ownership made easy. But it was not a very good house. And hundreds of those houses, the title was put in the names of the welfare recipients. But the Province of Ontario has had a plan for three or four years, to help people in Ontario acquire home-ownership through supplying them with second mortgages on generous terms, using their own money, the money of the Province of Ontario. So if this Government was doing it, it would not be the first in Canada. Not the first in Canada at all. British Columbia has got a similar scheme. So let us forget the exaggerations: If this Government started to do it wonderful, wonderful if we have the money to start to do it. But do not start saying, that we started the whole thing in Canada, and we are probably the first province to do it. We are not.

MR. WELLS: You mean it cannot be called a "Murphy Plan."

MR. CROSBIE: It can be called -

MR. MURPHY: Inaudible.

MR. CROSBIE: I still say call it, the "Murphy Plan", but do not call it the first Murphy Plan in Canada. That is all.

Now, Mr. Chairman, to go back to this statement here - the cost is \$10,600 of this program for this year. Now in the estimates we have in current account, Newfoundland and Labrador Housing \$343,000, and capital account \$954,000.

Now most of that \$10 million in this program will come from Ottawa. Some of it will be in ninety per-cent loans; some of it will be in seventy-five

MR. CROSBIE: percent loans. It is all in loans, but bearing from seventy-five to ninety percent. So with several million dollars this Province can spent \$10 million, it will get the rest from Ottawa.

I would like the minister to explain, of the \$10,600, the cost of the program, exactly how much is being put up by the Province? And how much is coming from CHMC through loans? Because there is only \$954,000 in capital account for the Newfoundland and Labrador Corporation.

The 858 acres, the new town in St. John's; and the new town at Corner Brook 300 acres - progress is underway. But here are two areas, Mr. Chairman, where we had heard great announcement after great announcement, announced first, I think, two years ago or three years ago, a new town for St. John's and one for Corner Brook. Last summer in June a tremendous announcement after the Premier announced he was going to be a Leadership candidate. A fantastic announcement, about a satellite city for St. John's; about a satellite city for Corner Brook. There was going to be hundreds of millions spent - the amount of money that would be spent over the next fifteen years added together and put in the headlines, was hundreds of millions. There was going to be water and sewerage all over the Province. That was all announced last year. All announced last year, and another one of the great announcements last summer. So the new towns are nothing new. They are an excellent idea, it is the right way to go about. The whole process started in 1966, when I was minister, and I am glad to see it being carried out. It takes a little time, it has taken three or four years. But it is good to see that this is continuing.

MR. WELLS: The Crosbie Plan.

MR. CROSBIE: You can call that part the "Crosbie Plan", all right. Let us be fair, you got the Murphy Plan.

Land servicings - another 950 new housing units. That is good. Subsidized rental housing - it is the Government's strong hope, (now that has got a familiar ring) the Government's strong hope, one does not need to wonder who wrote this announcement. However, that before too long Federal assistance will be offered to enable home renters to become home owners. Very true, Mr. Chairman, if that problem can be overcome. If the Government

MR. CROSBIE: can be encouraged to do that, it will be a great break through. Because anybody that is study the housing scheme at all, realized that subsidize rental forever is not the answer. For example, the Blackhead Road, it would be much preferably on the Blackhead Road to have the housing individual units - individual houses, subsidized rental, and the occupant having a chance to acquire ownership, after a certain number of years have gone by. If the Government of Canada would agree to that, we will not have half the problem we are having now on the Blackhead Road or anywhere else. But they have not agreed to it yet.

Now subsidized rental - the District I represent, Mr. Chairman, contains the most subsidized rentals, I would say three-quarters, two-thirds anyway of all subsidized housing units are in the district of St. John's West. Buckmaster's Field, Empire Avenue, Hoyles Avenue, Cashin Avenue, Anderson Avenue, they are all in my district. And what I am interested in is this - there is nothing in this statement here, it talks about building more subsidized rentals - \$4 million, which I am certainly in favour of. There is nothing in this statement about the rental scale. Now it was announced by Mr. Andras, who is the minister of the Government of Canada in charge of housing, about two months ago there would be a new rent scale for subsidized rental housing. By the way, in the same statement a spokesman for Mr. Andras, later said that Federal Law prohibits the purchase of units by tenants. And no change is possible because of the present strain in the national money supply. So that is the Federal policy - no change is possible in that at the moment.

But he announced a new rent scale, which would affect 149,000 public housing tenants in 1970. And that scale would reduce to twenty-five percent from thirty per-cent, the maximum portion of income to be paid by one family. It would reduce to 14.4 percent from 16.7 percent, the minimum portion payable by people in the lowest income group. For families with more than two children, rents would be reduced by \$2. a month for each extra child.

MR. CROSBIE: Now I would like for the minister to answer when I am through when is this new scale going to effect Newfoundland? Because there are several thousand people living in St. John's West, who are paying rental in the subsidizes rental units on the old scale, and they are very anxious to know when is the new scale going to go into effect?

MR. WELLS: Inaudible.

MR. CROSBIE: No this is not Elizabeth Towers. This an announcement does not apply to Elizabeth Towers.

There are a lot of problems as the minister knows in connection with subsidized rental, and one is; that the theory is; that after you acquire a certain income the rent that you have to pay drives you out of the public housing, you cannot afford to stay in it. There are tenants in subsidized rentals in St. John's paying, they used to be paying anywhere from \$120 to \$180 a month, because there income was up to \$500 or \$600. And the theory was that this would drive you out into other accommodation, now that theory is fine, if they can find other accommodations, Mr. Chairman. And some of these units are paying far more than the economical rental, far more than would have to be charged.

MR. WELLS: Where does the money go?

MR. CROSBIE: I agree one hundred per-cent with the Leader of the Opposition, when he suggests -

MR. SMALLWOOD: I believe that.

MR. CROSBIE: Just listen to who is piping up. The hon. the Premier just agreed with the Leader a few minutes ago, now he is piping up again.

MR. MURPHY: But this is only going to be a point.

MR. CROSBIE: This is only going to be a point. This is not going to be all down the line, I am afraid. But the point is this, that why spent on projects like Buckmaster's Field and Kenna's Hill, \$21,000 a unit. To construct subsidized rental apartment, when you could buy as the Leader says, throughout the city, you could buy decent homes for a cost of anywhere from \$8000 to \$14,000 or \$15,000 and rent them on a subsidized rental basis. I know the Province cannot do this without - they would have to get the agreement of the Government of Canada. Is there any change of getting this agreement?

AN. HON. MEMBER: Inaudible.

MR. CROSBIE: Is it 11:00 P.M? I notice that is a minute before the witching hour, Mr. Chairman, so I will cease there.

On motion the committee rise report progress and ask leave to sit again.

Mr. Speaker returned to the Chair.

On motion report of this committee by concurred in, committee ordered to sit again on tomorrow.

MR. CURTIS: I move, Mr. Speaker, that the remaining Orders of the Day do stand deferred, and that the House at its rising do adjourn until tomorrow, Wednesday, at 10:30 A.M.