



Proceedings
of the
House of Assembly

During the First Session
of the
Twenty-ninth General Assembly
of Newfoundland
1949

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Session 1949

House of Assembly,
St. John's, Newfoundland,
Wednesday, July 13th, 1949.

Newfoundland's First Provincial Parliament, and its 29th General Assembly, opened this afternoon at three of the clock.

The Members took their places as follows:

GOVERNMENT

The Hon. Joseph R. Smallwood, Premier and Minister of Economic Development, Bonavista North.

Hon. Leslie R. Curtis, K.C., Minister for Justice, Twillingate.

Hon. P. S. Forsey, Minister of Supply, Burin.

Hon. S. J. Hefferton, Minister of Education, Trinity North.

Hon. C. H. Ballam, Minister of Labour, Humber.

Hon. Edward Russell, Minister of Natural Resources, Bonavista South.

Hon. James R. Chalker, Minister of Health, Harbour Grace.

Hon. James J. Spratt, Minister of Provincial Affairs, St. John's West.

Hon. E. S. Spencer, Minister of Public Works, Grand Falls.

Gordon W. Janes, Fogo.

J. R. Courage, Fortune and Hermitage.

Baxter Morgan, Green Bay.

Patrick Canning, Placentia West.

O. L. Vardy, St. John's West.

Reg. Sparkes, St. Barbe.

Max Button, Trinity South.

Samuel Drover, White Bay.

George Makinson, Port-de-Grave.

OPPOSITION

J. G. Higgins, K.C., St. John's East.

Frank Fogwill, St. John's East.

D. I. Jackman, Harbour Main-Bell Island.

R. J. Fahey, Harbour Main-Bell Island.

Leonard Miller, Placentia and St. Mary's.

INDEPENDENT

Peter J. Cashin, Ferryland.

At 2.55 p.m., the Sergeant-at-Arms entered the Chamber, carrying the Mace, and ushered in the Speaker of the House, Mr. Reginald Sparkes, Member for St. Barbe.

The Speaker took his seat, and awaited the arrival of His Honour the Lieutenant-Governor.

At 3 p.m., the Sergeant-at-Arms informed the Speaker: "I have the honour to inform you that the Lieutenant-Governor is here to open the House of Assembly."

Met by the Speaker, who, with the Clerks, accompanied him to the Speaker's Chair, the Lieutenant-Governor entered the Assembly and took his place.

The Prime Minister (Hon. J. R. Smallwood) then rose to inform His Honour that the House had selected Reginald Sparkes, Member for St. Barbe District, as its Speaker, and presented him to the Lieutenant-Governor, who accepted the new Speaker and congratulated him on his high appointment.

In accordance with ancient tradition, the Speaker, in thanking

His Honour for his acceptance of him, requested of the Crown, through him, the rights and privileges historically granted to Members of the House. These were: Freedom of Speech during Debate, Freedom from arrest while carrying out their duties, and the Right of Free Access to the Crown.

Replied His Honour: "Mr. Speaker, I am pleased to grant your request."

His Honour the Lieutenant-Governor then read the following Speech from the Throne:

"I am pleased to welcome you to this, the First Session of the Twenty-Ninth Assembly of Newfoundland, and the first General Assembly of the Province.

"Today you are privileged to take part in launching Newfoundland upon a new phase of democratic government, and you may be sure that you have the attention of all our people, as well as their good wishes for abundant success in your endeavours.

"You meet today for the first time as elected legislators of the Tenth Province of Canada, and we may assume that our fellow-Canadians across the nation regard your re-entry into the realm of parliamentary democracy with sympathetic interest and wish you God-speed in your efforts for the advancement of this new Province. I should like to offer you my personal congratulations upon your election.

"Your close attention will be invited to a considerable amount of business which my Ministers will lay before you during the session which commences today. The Rules of the House of Assem-

bly require revision and amendment to provide for more efficient despatch in transacting the business of the House, and you will be asked to take the necessary action in this respect. My Ministers will also lay before you certain amendments to the Legislative Disabilities Act and to the House of Assembly Act.

"You will be asked to enact legislation providing for the re-organization of certain departments of government. Amongst the reforms which my Ministers propose are the creation of a Department of Public Health, a Department of Public Welfare, a Department of Supply, a Department of Provincial Affairs, a Department of Economic Development. My Ministers attach great importance to the creation of this last-named department.

"You will be asked to adopt legislation designed to expedite the creation of houses for war veterans.

"In the field of labor and social security legislation, you will be invited to give consideration to Bills affecting workmen's compensation, Fishermen's Insurance, Old Age Pensions, Widowed Mother's Pensions, a Fisherman's Loan Bank, and a Co-operative Development Loan Bank.

"For the purpose of enabling my Government the more efficiently to protect the public, you will be asked to enact a Bill to create a Public Utilities Commission, which is designed to furnish long overdue means of control in this important field.

"Important changes will be proposed in the Alcoholic Liquors Act. It is now widely recognized

that improvements need to be effected in some taverns where beer and wine are sold to the public, and the legislation which will be submitted to you is designed to effect these and other necessary improvements.

"In line with the policy of my Minister of giving energetic support to the economic development of the Province, and the conservation of her natural resources, there will be laid before you proposals for the creation of a Newfoundland Research and Conservation Commission, and for the creation of a Hydro-Electric Commission. The expectation is that men of outstanding experience and ability will be willing to head these two Commissions.

"My Government strongly believes in the possibilities of developing a profitable tourist trade in this Province, and there will be submitted for your adoption certain proposals designed greatly to increase the development of that trade.

"It is considered that Newfoundland should have her own degree-conferring University, and you will be invited to consider legislation which would confer upon the Newfoundland Memorial University College the status of a University. It is planned to widen and improve the functions, and thus increase the public usefulness, of this institution created originally in honour of our illustrious dead of the First World War.

"My Government will seek legislative authority to enter into a Tax Rental Agreement with the Government of Canada.

"My Government has been operating on the basis of Supply granted by the former Legislature, and you will be invited to make more ample provision for the needs of the Public Service during the current financial year and particularly for the additional public service which will be provided.

"To these and all other matters which may come before you for consideration, I ask your most careful attention.

"I trust that your labour will tend towards the prosperity and well-being of the people of Newfoundland and I pray that Divine Providence will guide and bless your work."

His Honour the Lieutenant-Governor having left the Chamber, at the conclusion of his Speech, the Speaker having returned to his Chair:

HON. L. R. CURTIS, K.C.,
(Attorney General): Mr. Speaker, without desiring to delay the Members of this House to deliberate without reference to the immediate causes for which it has been summoned, as set forth in the most gracious Speech from the Throne with which His Honour has been pleased to open this session of the Assembly; and pursuant to Rule 19 of this Honourable House, I ask leave, Sir, with the consent of the House, to introduce a Bill entitled "A Bill An Act to Amend Chapter 4 of the Consolidated Statutes (Third Series) entitled 'Of Legislative Disabilities and the vacation of seats in the House of Assembly.'"

MR. SPEAKER: Is it the pleasure of the House that the honourable gentleman has leave to introduce said Bill?

MR. CASHIN: Mr. Speaker, I regret exceedingly that I have to step in at this time, but it has been customary in the past, with all due deference to your own opinion, Mr. Speaker, that when the Speech from the Throne has been read that before any bills whatever are introduced in this House, that a mover and seconder in reply make their customary speeches, and that a short address be made by the Leader of the Opposition, and I think, Mr. Speaker, this afternoon, that this is a most unusual procedure. It has been 26 years since I came into this House, and I regret to have to draw this matter to your attention. In this matter of bills, I take it we would get notice on the Order Paper, but before any notice of bill is put on the Order Paper I would suggest that there be a mover and seconder to the Speech from the Throne, and a committee to draft a speech in reply to His Honour's gracious Speech, and that that would be debated and the necessary information be gathered during that debate in order to enable us to discuss properly this Bill which has been proposed by the Honourable the Minister of Justice.

HON. JOSEPH R. SMALLWOOD (Prime Minister): Mr. Speaker, Rule 19 of the House, on Page 6, toward the bottom of the page, says, "Before His Excellency's Speech is reported, some Bills may be read a first time." It is entirely in pursuance of that rule

that the Attorney General has requested leave to have the first reading of this Bill.

MR. CASHIN: I agree, Mr. Speaker, with what the Premier says, but I trust that this Bill is not going to just be read the first, and then the second time this afternoon.

MR. CURTIS: Mr. Speaker, I ask that this Bill be now read a first time.

MR. SPEAKER: I would say that in accordance with Standing Order 19, Newfoundland Standing Orders, this request was made, and since the House has given permission to the honourable member to introduce this Bill, the matter therefore is in order. The question, then, is that this said Bill as announced by the Honourable the Minister for Justice, receive its first reading.

First Reading.

MR. CURTIS: I move, Mr. Speaker, that this Bill be read a second time on tomorrow.

Motion agreed to.

MR. SPEAKER: I beg to inform the House that at three of the clock today we were honoured by a visit from His Honour the Lieutenant-Governor who was pleased to approve of the choice you had made in appointing me to be your Speaker. While attending upon His Honour I did on your behalf lay claim to all the ancient rights and privileges which His Honour has confirmed to us in as ample

a manner as heretofore they have been granted by his predecessors. Permit me to repeat my most respectful appreciation to this Honourable House for the high honour you have done me in electing me to be your Speaker. I have the honour also to inform the House that when His Honour the Lieutenant-Governor was present in this Chamber today he was pleased to make a Speech to the House of which I have, to prevent mistakes, obtained a copy. Is it your wish that this Speech should be read?

Speech from the Throne read by the Clerk for greater accuracy.

BAXTER MORGAN: I rise at this time for the purpose of moving that a committee be appointed to draft an address in reply to the Speech with which His Honour has graciously opened this the 29th Session of the Newfoundland Legislature. Before doing this, however, I would like to avail myself of this opportunity to tender you, Sir, my sincere congratulations upon your unanimous election as the Greatest Commoner in the land, and I have every confidence that you will fill that position with honour and distinction and with credit to this House, and I have no doubt but that the honourable members on both sides of this House will conduct themselves in such a manner as will make your duties as light as possible. I should also like to congratulate our Leader upon the very substantial majority which he has in this House. Not only has he a majority in this House, but also behind these Members he has a very large majority of the

people of this country, and truly can he be styled a Leader of the people. In this transitional period his task will not be an easy one, but I am sure that it must reassure him as he looks around knowing that whatever legislation he has in mind for the betterment and well-being of this country will receive a speedy passage through this House. I should also like to congratulate the Members of His Majesty's Loyal Opposition upon their election despite the odds that were against them, and I trust that they as well as the Government will, in all their deliberations, place the interest of Newfoundland and Newfoundlanders first. I note that His Honour made reference to the fact that this is the 29th General Assembly of Newfoundland, and the first of the province. We are the oldest Assembly in the whole of Canada, and it is well for us to remember that we inherit the great traditions of the past and that we build on their sure foundations. It is not alone the oldest, it is at the moment the youngest provincial legislature. And I feel sure that at this particular time all eyes are turned on this Chamber from the Atlantic to the Pacific, and I trust that we as legislators will conduct ourselves in a way that will bring greatness to the already great past of this province. We are enjoying Responsible Government in every sense of the word. This present Government is responsible to the Members elected to the "People's House." It holds office only because it has the confidence of the elected members; it can continue

to hold office only so long as it retains that confidence, and as soon as it fails to hold that confidence it must of necessity go out of office. This is all that is meant and all that could have been meant by the term "Responsible Government," and this today we enjoy. While this Assembly is a continuation of the old, it is also an Assembly with a new outlook. We are now part of the great Dominion of Canada; that great bastion of British democracy in the Western Hemisphere. We are proud to call ourselves Canadians, and we are proud to make our contribution to the Dominion. We are part of the third largest trading nation in the world, and through our duly elected representatives in the House of Commons of Canada we can now play a greater part than ever before in the family of nations. Who knows but that within the next few years we may even contribute a Prime Minister to the Government of Canada. As part of that great Dominion and as legislators we must see to it that social services and better living standards in this province are obtained. Too long have our people been living in isolation. Too long have they been in the backwash of the great social security measures that have for years benefitted our brethren across Canada. Too long have we lived under a standard of living lower than that of our neighbours. This is our opportunity to secure for our people their rightful inheritance. His Honour's Speech may well be referred to as a solvent for social problems. The "People's House" has been called

upon to pass laws which will greatly benefit our people. We are called upon to pass laws to reorganize the government departments. Such organization is long overdue, and when passed will result in a more efficient service. I am particularly pleased to note that it is proposed to set up a Department of Fisheries and Co-operatives. Our methods of catching fish are sadly out of date. It is true that within the past ten years or so we have made great progress in our methods of processing and marketing fish. But it is in the realm of catching fish that we need to make great progress. Our fishermen must have larger boats. They must be able to go and find the fish, rather than wait for the fish to find them. Modern drying and processing plants must be established so as to cure a catch which will be uniform. This can best be brought about through co-operatives. At the present time the largest live lobster marketing organization in Newfoundland is carried on on the northwest coast of this Province and is a co-operative. Their efforts have resulted in doubling the return to the fishermen, and through their co-operative consumers' societies they have received a fair return for each dollar earned. We must safe-guard the democratic rights of the people, and one of the greatest safe-guards of our democratic rights is the introduction of democracy into business. In this way, and in this way only, can the toiling masses of Newfoundland become masters of their own destiny. There is to me a very close relationship between

labour and co-operatives. Indeed, a labour organization seems to me just one other type of co-operative. Labour organizations try to obtain for their members fair working conditions and fair returns for their labour. They have one commodity to sell which is labour, and this they try to sell in the most profitable market. Coupled with consumer co-operatives, the lot of the labouring people in this country could be greatly improved. At the present time our Workmen's Compensation Act is sadly inadequate. It is merely an employer's liability act. Legislation providing for workmen's compensation and fishermen's insurance is long overdue, and it is up to this House to see to it that such legislation gets a speedy passage. There is a crying need for these insurance schemes and any person who has the interest of the toiler at heart will see to it that it is not opposed. Our Old Age Pensions are a far cry from what our people were receiving a few years back. It has been greatly improved, but in order to bring our Old Age Pensions in line with those in the other Provinces of Canada, new legislation will be necessary. And I am sure that all the Members of this House will readily give their assent to such legislation. Parties in the past have promised time and again that the Public Utilities Commission will be set up. At the present time we have many public utilities operating without benefit of supervision. Take for example the increasing number of bus lines in this country operating without supervision. Our taxi lines are on the increase, and I am sure that

it is our responsibility to see that the public is protected. Our electric light and telephone companies operate without safe-guards for the protection of the consumer. These services as well as others, should be placed under the watchful eye of a Public Utilities Commission. All parties promised the establishment of such a commission, and it is characteristic of this Party to see that the pledge is kept. During the past we have heard quite a lot of loose talk in connection with our great natural resources. At the present time we are not quite sure of what these natural resources are. We need less talk and more action. We must find out exactly what these resources are. We must find out the best and most modern ways of developing such resources. We must entice new capital into this province with which to develop these resources. We know that we have in this province a very plentiful supply of water-power. This water-power when translated into hydro - electric power could very well be one resource which when properly developed under a hydro-electric commission would attract new industries to this Province. Term 32 of the Terms of Union states that the Federal Government will maintain a ferry service between Port-aux-Basques and North Sydney. It goes on to say that when the highway between Corner Brook and Port-aux-Basques is complete that a suitable service will be put on the Gulf to make it possible to take motor vehicles across the Gulf. This, I feel sure, will revitalize our tourist industry. In the year 1947 the tourist

industry of Nova Scotia brought into that country no less than 320,000 people, and an estimated income to the province of \$25,000,000. Now, I happen to know both Nova Scotia and Newfoundland fairly well, and I am absolutely sure that we have far more natural tourist attractions in this country than they have in Nova Scotia. And when that connection is made I feel sure that we will get tourists in tens of thousands, bringing millions of dollars into this country, dollars which will be spent on such things as hotel accommodations, guides, souvenirs, gasoline and many other items. The point is that these dollars will not be spent at the expense of natural resources. In this connection I would like also to point out that in Nova Scotia very great pains have been taken to preserve, and in some cases rebuild, sites of historic value, and this has paid dividends in increased tourists in the province. I should like to commend the work of our Newfoundland Historical Society in this connection, but there still remains many things to be done along these lines. It has been said that fish is the most important export of this country. I submit, Mr. Speaker, that from an economic and social viewpoint, our greatest export has been brains. This has been due in a large measure to the fact that we have no degree-conferring University, and our youth must leave the country in order to finish their education. The unfortunate thing about this is that many of them fail to return. The elevation of the Memorial University College to the status of a degree-

conferring university will go a long way towards remedying this situation. The College was established under a Liberal Government; the teacher-training department, the influence of which, through the teacher, is felt in every town and village in this country, was established under a Liberal Government, and it is well fitting that it should be a Liberal Government which will change the status of the College to that of a degree-conferring university. Mr. Speaker, if this session of the House does no more than implement the proposed legislation contained in His Honour's Speech it will have done more for Newfoundland than any other Assembly. It therefore gives me very great pleasure to move that a committee be appointed to draft an address in reply to the Speech with which His Honour has so graciously consented to open this session of the Legislature.

GEORGE MAKINSON: Mr. Speaker, it gives me a very great pleasure to second the motion of the Honourable Member for Green Bay District; and, Mr. Speaker, I would like to extend to you hearty congratulations on your appointment to the high office which you now hold. I feel quite sure that you are well qualified to carry on this important work to a successful conclusion, and I feel sure that under your able guidance the dignity of this House will be maintained and the business of this House will be conducted in an efficient and speedy manner. Also, Mr. Speaker, I will ask that you grant me permission to extend to

our Premier hearty congratulations upon his great victory, a victory of which I am sure he must feel very proud. It has been a wonderful victory for the Liberal Party, not only in this Province, but also throughout the whole of Canada. It is no small honour to be the first appointed Premier, and a greater honour to be the first elected Premier of the Tenth Province. I am confident that under his able leadership and with the loyal support of his Ministers as well as Members of his Government generally that this Island shall prosper. His Honour the Lieutenant-Governor has been graciously pleased to open this Assembly with a Speech from the Throne. I am sure that many of you will say as I have that you have been inspired by this Speech. It has given us a new sense of security never before felt in this our Island home. I feel sure that we shall have the benefit of good legislation, and with the co-operation of the House as a whole that we shall go forward together and enact wise legislation; go forward together, so that we shall be able to take our place with the other Provinces of this great Dominion of which we now are a part. However, this does not mean that we have been led into Utopian sphere where all our troubles are over. I am sure that the House will not feel that way. However, it does give us a better chance for a good living for our people which is their right. It is very necessary for both Government and Opposition to work together and pass through this House acts of wise legislation in order that we may have a better chance to have

better government for this country. I sincerely hope that the dignity of this House will be upheld and that old sores and party strife will be forgotten at least for the time being, until we can have an efficient and speedy change-over from the old status to the new. I consider that a person's true political views, provided they are true, are not for personal gain, may be likened unto his religious beliefs, to be his own sacred privilege, without which we cannot hope to have true democracy. The Speech from the Throne has been fully commented upon by the Member for Green Bay District. However, there are one or two things which I have to mention. This Speech gives us information about the Bills which are to be placed before this House relative to the formation of new departments, such as the Department of Economic Development, which I consider to be one of the most important departments. Then again is mentioned a Bill introducing and providing for a Fishermen's Loan Bank and a Co-Operative Societies Act. I understand that this Fisherman's Loan Bank will be more or less to help the fishermen in capital investment so that our fishermen can get together and improve their lot possibly by building a dragger or a larger boat, they will be subsidized by the Federal Government to the extent of approximately \$165.00 per gross ton. That, as I understand it, will give our fishermen a better chance to better themselves, and I feel sure it will do much good for the country generally. As to the Social Security Bills, such as Workmen's Compen-

sation, the Fishermen's Insurance, Old Age Pensions, and Widows' and Mothers' allowances, I feel sure that these social Bills are something which we have not, at least up to the present time, been in a position to offer to our people. I know that the people of this country are feeling the benefits of some of these social security Bills and will receive greater security as time goes on. There will also be Bills introduced with regard to a Public Utilities Commission, a Conservation Commission, as well as a Hydro-Electric Commission. These Commissions are already set up in different Provinces of Canada at the present time, so therefore we should have such in our Province. We must have these security Bills introduced, and they must be passed, in order to put us on a parallel with other Provinces in Canada. Now I would mention the tourist trade. In my opinion, and I am sure in the opinion of many others in this House, the tourist trade could be developed into one of our biggest industries. We have everything to offer. We have had millions of dollars of free advertising in recent years. Never before in the history of our country have we had so many people on our shores from so many different places. Not only from the great Dominion of which we are now a part, but also from all parts of the United States. I feel sure that with good accommodation and good roads our tourist trade could be developed to a very great extent. However, before we can derive the full benefits of Confederation we must have a road across the country

and a ferry on the Gulf. This would give work, badly needed work, for our people, and in so doing shall save the giving of relief. For without work, Mr. Speaker, this Government of ours shall have to find relief. Then there is the matter of a University, the raising of the Memorial University College to the standard of a University is long, long overdue. It is very unfortunate that in the past the youths who would be our leaders of tomorrow have had to leave our shores and to go to the mainland in order to receive higher education and degrees. Here in this Tenth Province I feel that those underprivileged at the present time, for financial reasons, who are unable to leave these shores to receive higher education, will be given a chance. Provided this Bill goes through the House of Assembly, I feel that a great good will have been accomplished. I have great pleasure, Mr. Speaker, in seconding the motion of the Honourable Member for Green Bay District that a committee be appointed to draft an address in reply to the Speech from the Throne.

J. G. HIGGINS, K.C., (Leader of the Opposition): Mr. Speaker, I take this opportunity of congratulating you upon the great honour which has been bestowed upon you in electing you to this high office of this House of Assembly. I know, Sir, that you will keep the tradition that has been made by the great Speakers of the past from the day when first we received Representative Government to the hour, when, as we may say, legislative independence

of Newfoundland ceased. I am sure, Sir, that, knowing you as I do, knowing you for many years, you will keep that great line of tradition. This House of Assembly has seen wonderful Speakers and wonderful Members, men of integrity and decency and honesty, men who have been fearless enough to face the lion in his den, the Douglas in his hall, on any occasion when authority betook itself to infringe upon the rights and privileges of this House. The Speaker and Members never refused to face that authority with fearlessness and won their point. This House of Assembly throughout the years has viewed many wonderful scenes and done extraordinary work for this great country of ours—great, I may say, not in sense of wealth or anything of that kind, but great in the people themselves, for the people of this country are a fine people. It is unfortunate that correspondents have been spreading broadcast about the poverty of this country and giving an impression that the people of this country are degraded. Sir, Canadian members of the Armed Forces who were here during the war and members of the United States Army know well enough that the people of this country were never degraded. They spoke of them in the very highest way; they were people who had religious ideas, probably because they kept in front of them the injunction in our Coat of Arms, "Quaerite Prime Regnum Dei"—"Seek ye first the Kingdom of God"—for there is no class in the world less criminal than our people. It would be a truism to say that these people would divide their last crust of

bread with you. The people who write about this country speak about poverty; let them speak only of the poverty of the fundamentals. I take this opportunity of congratulating the worthy mover of the Address. For a maiden effort it was a great success. It was very well delivered, very clear and very concise, and I am sure that a speech of that kind foreshadows many speeches in the House by him. He is one of the coming young men of the House, and I trust everything he touches he will adorn, for I feel sure that his effort has shown everyone present that he is capable of producing very much better and very much greater speeches in the future. To the second, I offer congratulations, not alone on the very good speech that he has made, but also on the fact that he is present here. We are told that the brains leave this country. I fear that is the fate of all the eastern provinces of Canada. I am afraid that the halycon days have not come to us under Confederation in that respect. The inhabitants of Nova Scotia have been boasting how many great men they have sent to other parts of Canada; they sent their people there because it is a bigger place; and while I would like to see all Newfoundlanders stay here, I am afraid we shall still find the exodus going on in spite of our University. It is grand indeed to have a University here. But the worthy mover has spent many days on the Arctic wastes of Canada and amid the snow and the sun doing duty as a member of the R.C.M.P., and I am glad that now in his declining days—but, Mr. Speaker, I should

not say that; rather should I say that in his early middle age, after having retired from the R.C.M.P., having done his duty, he finds it worth while to come back to the land of his birth, where I hope we all of us will stay; and if we do ever happen to go up to the mainland as Prime Ministers of Canada, or as Attorney Generals of Canada, or in the Senate, I hope that we will come back to spend our last days in this country, and be buried in one of the cemeteries here. I hope, Sir,—but I do not wish you an early death yet—but I hope you will stay long enough to leave your bones in a part of your native country. We have not been supplied with a copy of the Address yet, Mr. Speaker, and we cannot speak on it. I hope and trust that when adjournment comes it will be to a date that will supply sufficient time to give us a chance to peruse and digest the Address so that we may be able to find some faults with it, if necessary, or at least be able to discuss it intelligently. I would ask then that when the adjournment is made by the Hon. the Prime Minister, he will make the adjournment to a sufficient day so as to give us time to digest the various matters set out in the Address.

MR. SMALLWOOD (Prime Minister): Mr. Speaker, I would like to add my voice to the chorus of congratulations extended to you on your election by this House as its Speaker for at least the next five years—or five or ten years; how much longer will depend, of course, upon the next few general elections. As the honourable the Leader of the Opposition has said,

you occupy a position which has been held by some of the outstanding figures in our parliamentary history. This Legislature was opened today by His Honour the Lieutenant - Governor, who was once himself Speaker of the House of Assembly. Amongst the very distinguished visitors in the Chamber today was the Honourable Mr. Justice Winter, himself a former Speaker of the House. But I like to think of you as one who occupies the position once occupied by that greatest, I think, that greatest figure in all our Newfoundland history, the late great Dr. William Carson, who was Speaker of the House of Assembly. A great tradition established and carried on by great men, by great Newfoundlanders, amongst whom we must number a common fisherman in the person of the late W. F. Penney of Carbonear. A great tradition which, Sir, I am quite confident will be more than maintained by your Honour. I would like to offer my own personal congratulations, and I feel that I speak for the whole House, to the Members who moved and seconded the motion for the appointment of a committee to draft the Address in Reply, the honourable Member for Green Bay and the honourable Member for Port-de-Grave. We are rather proud of the average of information, ability, speaking ability, that we have on this side of the House. I am not overlooking the fact that we are confronted by gentlemen whose names have gone down already in the history of Newfoundland for their great ability as speakers, but at the same time we are very proud that we have here beside

me a group of men, who, I believe, could take their places probably in any legislative chamber of the North American Continent, excepting only, perhaps, the Senate and House of Commons of Canada, and the Senate and House of Representatives of the United States of America; and these two members who have spoken are amongst the best, but not altogether the best, I think they would admit, that we have in these ranks to the left of your Honour. I would like at the same time to offer our congratulations to the honourable the senior member, I suppose I should say, for St. John's East, upon his appointment as Leader of the Opposition, Parliamentary Leader of his Party in the House. You would not expect me to agree with the ideologies of the honourable gentleman, but I can say quite sincerely that most of us on this side who know him, admire him, admire his staunch patriotism, Newfoundland patriotism, love of Newfoundland, love of Newfoundland history, tradition, folklore; and if I personally had the selection of the Leader of the Opposition I think that the honourable gentleman would have been my choice, and I hope that the honourable gentleman opposite sees nothing sinister in that remark. I am sorry that the honourable gentleman has not followed the custom of the House in commenting upon the remarkable character of the Speech from the Throne, on the fact that it was "remarkable more for what it did not contain than for what it did." The ghosts of the past must have a worried look at this serious

omission, because it must surely be the first time since 1855 that a House has been opened by a Speech from the Throne without the Leader of the Opposition telling us that it was remarkable more for what it did not contain than for what it did.

MR. HIGGINS: I presume we will have time for that next week, Sir.

MR. SMALLWOOD: The opportunity, Mr. Speaker, is gone, and gone forever. To make such a remark on the opening day is where it properly belongs. It would be my duty to reply to the Leader of the Opposition in any criticisms of a cursory nature he might make of the Speech, but since I see he has in fact made none, my duty has become a very pleasant one. May I express the hope, Mr. Speaker, and I know that I speak for all my colleagues, that in the next few weeks and years, despite the hard-fought electoral battle a few weeks ago, despite the inevitable, perhaps natural, bitternesses that developed upon the election, the joy on this side of winning and perhaps the disappointment on the other at losing, despite these and other things, we may collaborate closely as parties on both sides of the House, in an effort to make this Newfoundland a better place for Newfoundlanders. I know that it must be the hope of the gentlemen on the other side, as it is of those on this side, that as a result of our term of office in this Chamber, whether on the Government or Opposition side, Newfoundland and Newfoundlanders will be better; and that is about all I

might, I think, properly say at this stage, Mr. Speaker.

The motion for the appointment of a committee to draft the reply to the Address from the Throne was then put and carried, and the following committee appointed: Baxter Morgan, George Makinson, John G. Higgins.

MR. SMALLWOOD: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill entitled "An Act Respecting the Department of Economic Development" and a Bill "An Act Respecting the Department of Fisheries and Co-operatives" and a Bill "An Act to Amend the Old Age and Blind Pensions Act, 1949" and a Bill "An Act to Amend the Gasolene Tax Act, 1949" and a Bill "An Act Respecting the Department of Public Welfare" and a Bill "An Act Respecting the Department of Public Health."

MR. CURTIS: I give notice that I will on tomorrow ask leave to introduce a Bill entitled "An Act Further to Amend the Co-operative Societies Act, 1939." I also give notice that I will on tomorrow ask leave to introduce a Bill entitled "An Act Respecting the Department of the Attorney General." I further give notice that I will on tomorrow ask leave to introduce a Bill entitled "An Act Respecting the Department of Provincial Affairs." I further give notice that I will on tomorrow ask leave to introduce a Bill entitled "An Act Further to Amend the Crown Lands Act, 1930." I further give notice that I will on tomorrow ask leave to introduce a Bill "An Act to Amend Chapter

I of the Consolidated Statutes (Third Series) entitled "Of the Promulgation and Construction of Statutes."

MR. CASHIN: Mr. Speaker, permit me at this time to give notice of a few questions to be placed on the Order Paper for the next session:

(1) Hon. the Premier if it is the intention of the Government to introduce legislation at the present session of the House establishing Department of Welfare, Home Affairs, Supply, Labour, Co-operatives, and the Premier's Department. Also if monies have been expended by these Departments during the past three months; from what funds and under what authority have such monies been expended?

(2) Hon. the Premier to table a Statement showing the total amount of money expended by his Department since April 1st, 1949, to date; to whom these monies were paid and on what authority such expenditures were made?

(3) Hon. the Premier to lay on the table of the House an explanation of the duties of the Ministers of Home Affairs, Labour, Supply, Welfare, and Co-operatives.

(4) Hon. the Premier if Professor Allan Fraser is at present in Ottawa discussing with the Department of External Affairs the possibility of union of the four Maritime Provinces. If so, who is paying his expenses and is he there at the request of the Dominion Government or any of the other Provincial Governments involved?

(5) Hon. the Premier to lay on the table of the House a Statement showing the number of Government employees (exclusive of Railway employees) who have been transferred to the Federal Government payroll, the number who have been retained by the Provincial Government (exclusive of school teachers) and the number who are now out of work because of the transfer of Newfoundland to Canada.

(6) Hon. the Premier if any arrangements or contracts have been entered into by the Provincial Government of Newfoundland with the Federal Government of Canada for the completion of the highroad across the Province of Newfoundland. If such contract or undertaking has been made, give details of the project.

(7) Hon. the Premier to table a Statement in full of the discussions he had with the Premiers of Nova Scotia, New Brunswick and Prince Edward Island during his recent visit to Canada, and if such visit was for the purpose of discussing the possibility of the union of the four Provinces as outlined in his press conference at Moncton on July 5th. In fact, give the House full details of the business of Newfoundland brought up at these conferences. Table a Statement showing the amount of the cost of this particular trip to the mainland and if the other Provinces contributed in any way to the expenses incurred. On what authority was this particular visit to the mainland obtained? If the suggestion came from other Provinces or was it an idea of the present Provincial Government of Newfoundland?

(8) Hon. the Premier if the Provincial Government of Newfoundland has purchased "Canada House" on Circular Road from the Federal Government at Ottawa. If so, what price has been paid for the property? On the other hand, if the property has not been purchased by the Government, what rent will be charged the Provincial Government for the use of this house as Offices and Premier's residence? Is "Canada House" intended to be the official residence of the Premier of the Province of Newfoundland?

(9) Hon. the Minister of Finance to table a Statement showing the actual financial position of the Bank of Canada. This information to include the amount of notes outstanding against the Bank; as well as the gold reserves held by the Bank against such note issue.

(10) Hon. the Minister of Finance whether, under the Terms of Union with Canada, Newfoundland is further financially involved as guarantor of the Bond Issue of approximately two million (£2,000,000) sterling granted the Paper Industry at Corner Brook now known as Bowater's Newfoundland, Limited, or whether such liability now is taken over by the Federal Government at Ottawa.

(11) Hon. the Minister of Finance to table a Statement showing in detail the outstanding loans against the Provincial Government held locally, as well as the Sinking Fund against each loan. This information to include War Savings Certificates.

(12) Hon. the Minister of Finance to table a Statement showing the present standing of the

Newfoundland Savings Bank. Also to inform the House if the rates of interest being paid depositors in the Newfoundland Savings Bank are being changed; as well as give a detailed Statement of the securities held by the Bank against such deposits. And further, to advise the House of the present standing of the Sinking Fund of the Newfoundland Savings Bank; where the Sinking Fund is being held and what securities comprise the Sinking Fund?

(13) Hon. the Minister of Finance to give a Statement of the Revenues and Expenditures of the Provincial Government of Newfoundland from April 1st, 1949, to June 30th, 1949. Further what these Revenues and Expenditures are, to be given under the various headings.

(14) Hon. the Minister of Finance to table a Statement showing the actual amount of National Debt of Newfoundland taken over by the Federal Government of Canada on March 31st, 1949, as well as a Statement of the Sinking Fund established in the United Kingdom in 1937.

(15) Hon. the Minister of Finance to table a Statement showing the amount of loans granted to the various companies operating in Newfoundland, which loans were to be used for the encouragement or expansion of the fishing industry. Give the amount of loan to each individual company, the rate of interest which is to be paid the Government by each particular company; the names of the directors of the companies concerned; also

state whether any particular company is in arrears of interest and if so, what action has been taken by the Government to collect such interest? In addition, give a Financial Statement of each company to date; also what security, if any, each particular company has given the Government as collateral for the loan advanced? Further, to inform the House for what period these loans have been made and if sinking funds have been established by these particular companies to protect the Government?

(16) Hon. the Minister of Finance to table the following information: (1) What balance of available cash stood to the credit of the Exchequer Account of Newfoundland in the Banks of Newfoundland on March 31st, 1949? (2) What outstanding amounts were due the Newfoundland Government in the way of interest-free loans to Britain as at March 31st, 1949? (3) Have these loans been repaid to the Provincial Government; or has any effort been made to collect these monies? If not, why not? (4) What monies were due the Provincial Government on March 31st, 1949, in the way of sterling credits caused by the financing of fish sales during the past two years by the Newfoundland Government? Have these sterling credits been repaid in dollars by the Canadian Government or the British Government? If not, when can we anticipate payment?

(17) Hon. the Minister of Finance if any legislation will be enacted establishing a Department of the Auditor General in Newfoundland under Provincial Gov-

ernment; who is to be the Auditor General and who is at present performing the duties of the Auditor General for the Provincial Government of Newfoundland?

(18) Hon. the Minister of Finance to table a Statement showing the total revenues obtained by the Board of Liquor Control since April 1st, 1949, to June 30th, 1949. Is it the intention of the Government to make any change in the present administration of this Department and if so, what is the proposed legislation?

(19) Hon. the Minister of Finance to table a Statement showing in detail the total amount of the financial surplus of the Newfoundland Government as at March 31st, 1949; as well as to inform the House whether or not one-third of this surplus has been set aside on deposit with the Government of Canada as provided for under Section 24, sub-section (a) of the financial terms of Union with Canada.

(20) Hon. the Minister of Finance to table a Statement showing in detail the various amounts received or due the Newfoundland Provincial Government by the Federal Government of Canada. Have these amounts been paid the Newfoundland Government? If not, why not?

(21) Hon. the Minister of Finance to table the following information: Referring to Page 5 in the Estimates of Revenue and Expenditure prepared by the late Commission of Government, give a detailed statement of the Revenue of \$20,476,800.00 under the heading "Finance"; also de-

tailed Statement of the Revenue of \$2,858,000.00 for Public Health and Welfare. And also to explain how, for the year 1949-50 the Revenue for the Board of Liquor Control is shown as \$3,700,000, whilst the Revenue for the previous year was but \$1,500,000. Is it proposed, in view of this, to enact legislation involving over 100% taxation on future sales of the Board of Liquor Control in Newfoundland? Under the headings of "Expenditures" table a detailed Statement showing under the Department of Public Works as Expenditure of \$6,656,000.00.

(22) Hon. the Minister of Finance if either during the month of April or May, 1948, Mr. J. B. McEvoy, K.C., applied for and received through the Foreign Exchange Control Board the sum of \$3,000.00 U. S. funds? If he received such an amount, for what purpose did he require such a large amount of American funds, and table a Statement accordingly.

(23) Hon. the Minister of Finance to lay on the table of the House a Statement showing the actual subsidies to be received each year from the Federal Government of Canada under the various headings. This is not to include Transitional Grant.

(24) Hon. the Minister of Finance what amount was paid by the Federal Government for the Newfoundland Broadcasting System?

(25) Hon. the Minister of Finance to lay on the table of the House a Statement showing the Revenues and Expenditures under separate headings for the fiscal

year 1948-49. Also this information would indicate total amount of Capital Expenditure incurred for that period.

(26) Hon. the Minister of Finance to inform the House what is the intention of the Government in connection with the operation of the affairs of the Newfoundland Hotel? To table a Statement showing the financial position of the Newfoundland Hotel as at March 31st, 1949; as well as the Revenues and Expenditures of the Newfoundland Hotel from April 1st, 1949, to June 30th, 1949. Have any negotiations taken place between the Provincial Government of Newfoundland and the Canadian National Railways with respect to the transfer of the Hotel to the Canadian National Railways?

(27) Hon. the Minister of Finance to table a Statement showing the amount of Capital Expenditure incurred by the Province since April 1st, 1949, to June 30th, 1949, giving details as to the expenditure incurred.

(28) Hon. the Minister of Finance to lay on the table of this House a Statement of the financial position of the St. John's Housing Corporation at the present time—that is to say, what amount of money is owed the Newfoundland Government by the *St. John's Housing Corporation*; if further advances are to be made that Corporation to complete that project or is a proposition under consideration to take over this whole project by the Federal Government? Also give a Statement showing the Revenue and Expenditure of the Housing Corporation at the present time; also inform the House who is chairman of the

Corporation and give the names of the other members of the Corporation.

(29) Hon. the Minister of Finance what advances have been made by the Newfoundland Government to housing projects outside the City of St. John's; what amount of money has been expended on such a project and have any payments been made against the principal by such corporation?

(30) Hon. the Minister of Finance to lay on the table of the House for the information of the country generally, a Statement showing the actual cash position of the Province of Newfoundland as at June 30th, 1949. That is to say: (1) Cash in the Bank of Montreal or other Canadian Bank in St. John's; or in the Newfoundland Savings Bank. (2) Amounts due by the British Government to Newfoundland. (3) Amounts due to the Province of Newfoundland by the Federal Government of Canada.

(31) Hon. the Minister of Finance if the Federal Government has paid to the Provincial Government of Newfoundland any portion of the first year's Transitional Grant which amounts to \$6,500,000.00? Also, has the Federal Government at Ottawa paid to the Provincial Government of Newfoundland non-recurring revenues amounting to \$7,906,500? (Shown on Page 4 of the Commission of Government Estimates for 1949-50). If this amount has not been paid, when will it be paid?

(32) Hon. the Minister of Finance to lay on the table a Statement showing how the amount of \$1,112,400.00 outlined as "Dis-

charge of Accounts Payable at date of Union" is made up. Also how it is proposed to expend \$4,136,800 on the "Development of Resources and Expansion of Existing Services."

(33) Hon. the Minister of Finance to table a Statement showing the total amount paid Sir Gordon Macdonald as salary and allowances during his term of office in Newfoundland.

(34) Hon. the Minister of Finance to lay on the table of the House a complete Statement for each year beginning with the year 1937-38 and ending March 31st, 1949, of the Sterling Sinking Fund established by Act of Parliament in 1933 against the 3% Guaranteed Stock which amounted to £17,795,000. Give the information for each year as to the amount of the Sinking Fund both in sterling and in dollars; how the Sinking Fund was invested. If it was used to purchase the 3% Guaranteed Stock; why was it not deducted from the principal of the national indebtedness each year? If surplus cash each year over and above the amount used for the purchase of 3% Guaranteed Stock was available, how was it invested and what interest was obtained? In other words, give a complete Statement, each year, which would be provided the Finance Department by the trustees of the Sinking Fund. Name the trustees.

(35) Hon. the Minister of Finance to table a Statement of the present standing of the 3½% loan due 1950 amounting to £569,796, 3s. Also present standing of 3½% loan due 1953 amounting to £302,731, 18s. 1d. It is known

that during the year 1944-45 £800,000 was set aside for the redemption of both these loans at 2½% interest, and the information now required is what will be the balance due when the loans become matured?

(36) Hon. the Minister of Finance to table a copy of the Auditor General's Report for the year 1931-32.

(37) Hon. the Minister of Natural Resources to lay on the table of the House the following information: (1) Is the Bowater Paper Company cutting any pulpwood for export during the present season? (2) Under the terms of Union with Canada, is the Bowater Paper Company to be subjected to the imposition of regular Corporation taxes by the Federal Government at Ottawa? (3) Will the Provisional Government of Newfoundland continue to receive the \$150,000 annual payment instead of Income Tax as outlined in the original Agreement with the Company?

(38) Hon. the Minister of Natural Resources to lay on the table of the House a Statement showing the rates of wages paid the loggers and other workmen in Newfoundland as well as a Statement of the rates of wages paid for similar work in the provinces of Ontario, Quebec, British Columbia, New Brunswick and Nova Scotia.

(39) Hon. the Minister of Natural Resources to lay on the table of the House a Statement showing any amendments to the Bowater Paper Co., Ltd., Agreement of 1937; to give the reasons why such amendments were made,

particularly with respect to the financial Agreement. Also to lay on the table of the House a further statement showing the total amount of pulpwood exported under the original Agreement; saying whether the Agreement is being carried out to the letter in this respect; and if not, has the Company paid the Government the fines which are imposed under such Agreement?

(40) Hon. the Minister of Natural Resources to table a Statement showing the earnings and expenditures of the Clarenville vessels, separately, for the fiscal year ending March 31st, 1949; as well as the earnings and expenditures from April 1st, 1949, to June 30th, 1949. What is the policy of the Provincial Government concerning the future operation of these vessels? Are they now being operated by the Railway on the commission basis or by the Department of Natural Resources?

(41) Hon. the Minister of Natural Resources and/or Labour is it true that at the last meeting of the Woods Labour Board the two operating pulp and paper companies in Newfoundland made efforts to reduce the wages paid to their various workmen, and if so, what steps the Provincial Government of Newfoundland is taking to see that no reduction in wages takes place in these operations?

(42) Hon. the Minister of Public Health to table the Auditor General's Report covering certain discrepancies in the Department of Public Health and Welfare alleged to have taken place a few years

ago; to give the total amount of such discrepancies and to inform the House whether or not any action has been taken by the Government to bring those responsible for such discrepancies to justice.

(43) Hon. the Minister of Public Works to table a Statement in full showing all contracts given the Concrete Products Co., Ltd., for construction of highroads; the amount per mile charged for such construction and if this company is now performing work for the Government. Table copies of all agreements covering the various contracts and advise the House if tenders were called for the construction of these roads or were such contracts merely negotiated between the Government and the Concrete Products Co., Ltd.?

(44) Hon. the Minister of Public Works and the Minister of Natural Resources to table a Statement of all monies paid for machinery, equipment and spare parts to the Newfoundland Tractor & Equipment Co., Ltd., from 1934 to date. Also inform this House whether tenders were called for in connection with this business and if not, why not?

(45) Hon. the Minister of Public Works, if a special Tourist Bureau is to be set up as reported in the daily press, and if so, is the position of Tourist Traffic to be awarded to the lady who now conducts the business of that Department most efficiently, or is another individual to be appointed to the position to supersede the other official, and if so, why such change is taking place?

(46) Hon. the Minister of Home Affairs whether or not Mr. J. B.

McEvoy, K.C., was paid by the Commission of Government for his services as Chairman of the National Convention. If he was paid, how much did he receive and how many days did he sit as Chairman of that Convention?

(47) Hon. the Minister of Home Affairs to lay on the table of the House a Statement showing how \$100,000 was spent in connection with the Provincial Election. Also to lay on the table of the House a detailed statement showing how the amount of \$200,000.00 is to be spent covering "Provincial Legislature, Remuneration of Ministers and Members, Allowances to Lieutenant-Governor and other costs." Is it understood that the Lieutenant-Governor is to receive a special allowance from the Provisional Government as outlined in these Estimates? If so, to inform the House whether such procedure is followed in the other Provinces of the Federal Union.

(48) Hon. the Minister of Home Affairs to inform the House whether it is the intention of the Provincial Government to provide the services of a chauffeur and orderly for the Lieutenant-Governor of the Province as outlined in the Estimates of Expenditure for 1949-50.

(49) Hon. the Minister of Home Affairs to inform the House whether it is the intention of the Provincial Government to continue the services of the Public Relations Officer and staff at a cost of nearly \$5,000 to the Provincial Treasury; and what are his duties?

(50) Hon. the Minister of Home Affairs to table a Statement showing the amount paid through his

Department for expenses, motor cars, chauffeurs and other help on account of Sir Gordon Macdonald during his term of office in Newfoundland.

(51) Hon. the Minister of Justice if he has received a letter from Mr. W. J. Browne, K.C., M.P., recently, enclosing another letter addressed to Mr. Browne from certain Liberal supporters in St. John's West. If so, to table copy of the correspondence and advise this House of the action, if any, which has been taken by his Department in connection with this particular matter.

(52) Hon. the Minister of Justice to table all correspondence in connection with negotiations between the Newfoundland Government and the Labrador Mining Company, Ltd., since this particular mining company was incorporated in Newfoundland in 1937. To advise this House what legal firm conducted the negotiations on behalf of the Mining Company; what legal firm is now representing the Company. As well as to advise the House as to why the ten cents a ton royalty on all ores produced was cancelled and a 5% Profit Tax substituted therefore. In fact, table all correspondence in connection with this particular proposition. Also if the Labrador Mining Company, Ltd., is incorporated under Newfoundland laws; who are its directors; what is the paid up capital, if any, and where the Head Office of this Company is located in Newfoundland.

(53) Hon. the Minister of Education to table Statement showing how the amount of \$61,500 under the heading "Travelling and Sub-

sistence" 1948-49 was expended; giving the details showing the amount each individual received. Also if these monies were expended on travelling outside of Newfoundland, did the persons expending such monies make any reports to the Department and if so, table copies of such reports.

(54) Hon. the Minister of Education to lay on the table of the House a Statement showing the salaries and allowances paid to the professors and teachers of the Memorial University College. Also include in this statement any payments which may have been made to individual members of the Board of Governors of this University.

(55) Hon. the Minister of Education to lay on the table of the House a Statement showing the total amount of money expended for the purchase of equipment and accessories, film and negative stock; together with documentary film of Newfoundland; as well as to whom payments were made for such purchases.

(56) Hon. the Minister of Education to lay on the table of the House a Statement showing how the amount of \$240,000 under the heading of "Grants for Denominational School Services" 1948-49 was distributed.

MR. SMALLWOOD: Mr. Speaker, I move that the House adjourn to Thursday, at three of the clock, and would assure the Leader of the Opposition that there is no necessity to commence tomorrow the debate on the Address in Reply. That debate cannot begin until the committee appointed has drafted the Address and

brought it before the House. When that will be, of course, I cannot say. The Leader of the Opposition is himself a member of the committee, and the House will be in the hands of the committee as to when they bring their report before us.
Adjournment taken.

Thursday, July 14th, 1949.

The House met at three of the clock.

The Speaker announced the names of members of the following committees:

Select Committee to Revise the Rules of the House

Hon. Mr. Speaker.
J. R. Courage.
Attorney General, Hon. Leslie R. Curtis, K.C.
Minister of Public Health, Hon. James R. Chalker.
Patrick Canning.
J. C. Higgins, K.C.
Frank Fogwill.

Internal Economy Committee

Hon. Mr. Speaker.
Hon. the Premier.
Attorney General, Hon. Leslie R. Curtis, K.C.
Minister for Finance, Hon. H. W. Quinton, C.M.G.
J. R. Courage.

The Library Committee

Hon. Mr. Speaker.
Gordon W. Janes.
Samuel Drover.
Patrick Canning.
Leonard Miller.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I do not know whether it is under this heading, but I would like to table the accounts of the St. John's Municipal Council for the year ending December 31, 1948, together with the report of the Auditor General thereon.

MR. CASHIN: Mr. Speaker, might I at this time suggest that the Notice of Motions of Questions and the questions to be asked be placed on the Order Paper. It is a long time since we had a House of Assembly and it will take us a little time to get into the run of things. The same comment applies to second readings.

MR. SMALLWOOD: Mr. Speaker, we have tried to secure copies of all the Order Papers, without success. If the honourable gentleman from Ferryland happens himself to possess any old copies of Order Papers or any other member or any member of the public, we shall be very happy to have them so that in printing our own—arranging and printing our own Order Paper for this Legislature we could follow the old form as closely as possible. Up to the moment we have not been able to find a copy of an old Order Paper, and have therefore been obliged to do a certain amount of extemporizing and generally to conform as far as we knew how and as far as the Rules and textbooks would suggest is the proper form.

MR. SPEAKER: This is true. Major Cashin, I would like to say in justice to the Clerk that we followed Page 12, Standing Order

45. That is, 3, Giving Notice of Motion and Questions, and No. 4, Asking and Answering Questions, that is, next, Asking and Answering Questions.

MR. CASHIN: Mr. Speaker, regarding the questions that are on the Order Paper, the answers usually are that they are in course of preparation by the various departments. I would suggest that the answers to questions, which are very, very necessary should be prepared with all possible speed; those that are concerned with the financial situation at the present time especially, and I hope that they will prepare them speedily. While I am on my feet, Mr. Speaker, I would like to point out that there are no copies of the Speech from the Throne. We should have had copies of the Speech from the Throne this afternoon. That is the old custom. I am not complaining, Mr. Speaker, because this is all new. I think they should supply us with copies because the matter will have to come up for discussion.

MR. SMALLWOOD: Mr. Speaker, contrary to the opinion of the member from Ferryland, we have replies to some of the questions, which I shall be very glad to give. No. 1, addressed to me: No, there is no intention to introduce at this session legislation establishing a Department of Labour, Department of Co-operatives or the Premier's Office. There is the intention, announced in the Speech from the Throne, to introduce legislation establishing the other departments mentioned. No moneys have been expended by the Department of Co-operatives,

for no such department exists. With regard to the other departments and the Premier's Office, moneys have been expended during the last three months from departmental supplies or D-2, Head 4, of the Department of Home Affairs.

No. 3. There are no Ministers of Supply or Co-operatives. The other Ministers mentioned administer the departments of which they are the heads.

No. 4. The Government has no knowledge that Mr. Fraser is in Ottawa or that he is discussing with the Department of External Affairs the question of union of the four Maritime Provinces. The remainder of the question therefore does not arise.

No. 6. The answer is in the negative.

MR. CASHIN: What about No. 5? Have you the answer to that?

MR. SMALLWOOD: No. Nos. 1, 3, 4, No. 6, and now No. 7.

No. 7. It is not in the public interest to table the statements in full of the discussions I had with the Premiers of Nova Scotia, New Brunswick or Prince Edward Island, or to give the House full details of the business of Newfoundland brought up at these conferences. The cost to Newfoundland of my visit was \$175.00, of which I may say \$148.00 represented return fare by T.C.A.. The visit was exceptionally cheap because some of the Premiers were kind enough to provide for my accommodation at the best hotels, and I may add, the best suites in the best hotels. My decision to make the visit was taken by me

with the knowledge and consent of my colleagues.

No. 8. The Government has rented from the Government of Canada the building known as Canada House. The rent payable is \$100.00 per month. The portion of the building used formerly for offices will in future be used to provide accommodation for the offices of the Premier and the Department of Economic Development. The part used formerly as a residence has been let to Mr. J. R. Smallwood as a private residence, and he will pay \$50.00 per month rental to the Government. There is no intention that Canada House or any part of it shall be used as an official residence of the Premier.

No. 9. The Government has no knowledge of the financial position of the Bank of Canada.

No. 10. The answer to both parts of the question is in the negative.

MR. CASHIN: Are the answers to any of the questions written?

MR. SMALLWOOD: Yes, I am tabling them in the House.

No. 17. It is not contemplated that legislation will be introduced to establish a Department of the Auditor General, but we will be happy to announce any change there may be in the personnel of the Auditor General's Department. The position of Auditor General is at present held by Mr. L. G. Machin.

MR. CASHIN: Mr. Speaker, with your permission, I would like to ask—in connection with the office of the Auditor General—am I to understand the Auditor General

was employed by the British Government to audit the accounts of the Commission of Government?

MR. SMALLWOOD: Before the Commission of Government went out of office, Sir, they arranged to re-engage the services of Mr. Machim as Auditor General. We pay him to the end of the current calendar year, that is, I believe, to the end of December.

MR. SPEAKER: Your wish then, Major Cashin, is that the remainder of the question be deferred? I would like to say for the information of the House that the Speech from the Throne is in the hands of the printer.

HON. L. R. CURTIS (Attorney General): Mr. Speaker, Major Cashin has asked me a question, No. 51. I have received no letter from W. J. Browne. I have received through the mail anonymously, and as the letter is not by Mr. Browne to another individual, and it is probably the letter to which he refers, but as that letter was sent to me anonymously, and as the letter is not addressed to me I do not feel it would be in order for me to publish it.

MR. CASHIN: The letter is not addressed to the Minister of Justice?

MR. CURTIS: Not to me.

MR. CASHIN: Not to you?

MR. CURTIS: No. He wrote the letter to somebody else, and sent me a copy of it, but there was no covering letter. I presume it came from him. I do not know from whom it came.

MR. CASHIN: He did not write it to you.

MR. CURTIS: It was not addressed to me. The second question, Mr. Speaker, I may say I know nothing about the matter whatever.

MR. CASHIN: What is that?

MR. CURTIS: No. 52.

MR. SPEAKER: I may say that No. 51 came to me rather unexpectedly, or we would have been forced to rule it out on the ground that it related to matters outside the House, and did not relate to any bill or any motion or any business before the House.

Second Reading:

MR. CURTIS: Mr. Speaker, I rise for the purpose of moving the second reading of this Bill, but before doing so, Sir, I would like to join with the other members who spoke yesterday in extending to Your Honour our sincere congratulations upon your election as the First Commoner of the Land. We know, Sir, that you are well qualified to fill the position. We know that you will fill it with distinction and we know that you will pass over the office unsullied at the expiration of your term to your successor. We hope, Sir, that you will personally enjoy very much the honour to which you have been called. This Bill, Mr. Speaker, is a Bill, An Act to Amend Chapter 4 of the Consolidated Statutes (Third Series) entitled "Of Legislative Disabilities and the Vacation of Seats in the House of Assembly." This

Act, I might say, Sir, is contained in the Consolidated Statutes 1916. It has been amended time and time again. I have not gone back beyond 1916 but since 1916 it has been amended on eleven different occasions; in 1917, again in 1918, second amendment in 1918, again in 1920, again in 1925, then again in 1926; in 1927 it was very considerably amended, in 1929 it was amended again, in 1932 it was further amended, in 1933 there were two amendments. So you see, Mr. Speaker, this is an Act which is more noted for its amendments than for its original contents. You will notice, Mr. Speaker, that when this House met yesterday, on Monday, there were three vacancies on the Government benches: the Hon. Mr. Keough, the Hon. Mr. Quinton, and the Hon. Dr. Pottle not being present. These gentlemen felt that they should not sit until their personal position was clarified. When the present Government took over office from the Commission of Government we found that in the interval many of the Government Departments had been altered. We found that the Department of Natural Resources had been created, and that the old Department of Agriculture and the old Department of Marine and Fisheries had been incorporated into it. We found that the Department of Public Utilities had been created to embrace the former Department of Public Works. We found that the Department of Public Health and Welfare had been organized, and that it was under the control of its own Commissioner. The object of the Government, Sir, coming in, was to take over the reins of office from the Commission of Gov-

ernment with as little disturbance as was absolutely necessary. We therefore proposed to retain the post of Commissioner of Natural Resources, and to that Department we appointed my colleague, Mr. Keough. We decided also that we would retain the Department of Public Health and Public Welfare, but we felt that this Department was far too heavy for one man. The Government had in contemplation extending very considerably, as you know, pensions for the old and pensions for the blind, and we felt that the Department of Public Health and Welfare under one Minister was giving that Minister far too great a responsibility. We therefore, in order to dislocate things as little as possible, created a Minister for Health and a Minister for Welfare, and divided the Department between these two gentlemen by Order-in-Council, pursuant to the Terms of Union, which applies to the law of Newfoundland. Section 13 of these Terms reads:

“Until the Legislature of the Province of Newfoundland otherwise provides, the powers, authorities and functions vested in or imposed on any member of the Commission of Government, of Newfoundland, as such member, or as a Commissioner charged with administration of a Department of the Government of Newfoundland, at or immediately prior to the date of Union in relation to matters coming within the classes of subjects by the British North America Acts, 1867 to 1946, assigned exclusively to the Legislature of a province, shall in the Province of Newfoundland be vested in or

imposed on such person or persons as the Lieutenant-Governor in Council may appoint or designate."

The Governor-in-Council designated the Minister of Health to take over the responsibility for certain parts of the Public Health and Welfare Act. The Governor-in-Council also appointed the Minister for Welfare to take over certain other parts of that Act. We also credited, Mr. Speaker, the Minister of Supply to take over the work of the Supply Department of the Department of Public Utilities and Supply. We found afterwards, Mr. Speaker, that proceeding as we did, the Ministers appointed were obliged to contravene the provisions of Section Two of Chapter 4 of the Consolidated Statutes. We are not sure that they have contravened this Section, which reads as follows:

"The above section shall not apply or extend to or include or in any way affect the following persons, that is to say:

(1) The persons who may respectively hold the offices of Attorney General, Colonial Secretary, Minister of Finance and Customs, Solicitor General, Minister of Agriculture and Mines, Speaker or Deputy Speaker or Chairman of Committees of the House of Assembly, Minister of Public Works or Minister of Marine and Fisheries."

That was the original list published and set forth in the Consolidated Statutes, but since that list was made out other names have been added; the Minister of Militia was added; the Minister of Shipping, the Prime Minister, the Min-

ister of Posts and Telegraphs, the Minister of Education, and there have been several other additions from time to time, so that it would take a lawyer some considerable time to find out who is not included in that list, which is the list of exemptions to the provisions of Section 1 of the Chapter. However, it seems, Mr. Speaker, quite definite that the Minister of Health is not included, and that the Minister of Welfare is not included, and one of the main objects of this Bill is to amend this Section of the Act, take out these names, and substitute in place of them all the few words, "Any person holding office as a Minister of the Crown." Now, we did not propose, Mr. Speaker, to name the present Ministers of the Crown, because during the present session the names of several of these Ministers will be altered. For instance, the Minister of Finance and Customs has ceased to exist; in future he will be the Minister of Finance. The same is true with the Minister of Home Affairs; he will cease to be the Minister of Home Affairs and become the Minister of Provincial Affairs. Therefore, it is more or less impossible at the moment to detail the various names that the Ministers may have in two months' time. We therefore proposed, and in this Bill make provision for the use of the words, instead of all these words, to use the words, "Any person holding office as a Minister of the Crown" and then we continue with "The Speaker, the Deputy Speaker," etc. I may say that in doing this we followed the wording of the Dominion Elections Act, Section 20 of which names the persons who in Canada are exempt from the provisions of this Act. I might

just quote the Section of that Act, Mr. Speaker,

“The provisions of this Section shall not render ineligible,

(a) The member of the King's Privy Council holding the recognized position of Prime Minister, or any person holding the office of President of the Privy Council, Secretary of State for External Affairs, Minister of Justice, Minister of Finance, Minister of Mines and Resources, Minister of Public Works, Postmaster General, Minister of Trade and Commerce, Secretary of State of Canada, Minister of National Defence, Minister of National Health and Welfare, Minister of National Revenue, Minister of Fisheries, Minister of Labour, Minister of Transport, Minister of Agriculture, Minister of Reconstruction and Supply, Minister of Veterans' Affairs, Solicitor General, Parliamentary Secretary, Parliamentary Under-Secretary, or any office which is hereafter created to be held by member of the King's Privy Council of Canada.”

They include in the last line what I propose in this case, Mr. Speaker, with the consent of the House, to substitute in the place of all these names. I may say, Mr. Speaker, that each of the members concerned went to his District as a certain-named Minister and was elected as such Minister.

The second amendment to this Bill deals with the director of Bowater's Pulp and Paper Mills, Ltd. Originally there was a provision whereby any member of the Government might hold office in the Newfoundland Power and

Paper Co., Ltd. as the Government Director. Subsequently the Act was amended to have included the Director of the International Power & Paper Co. Since Commission of Government came in that has been changed to Bowater Company and the amendment in Paragraph 3 provides for the change of name so that the Government may be able to appoint a Director of Bowaters.

During the year 1927 there was a general amendment made to the Disabilities Act which made it unnecessary for any new administration formed after any General Election to have its members — the members of the Government—go back to the country for re-election. I think my friends remember that provision which was made in 1927. At that time there was, as you know, Mr. Speaker, a House of Assembly and a Legislative Council. Now we have just the House of Assembly, and no Legislative Council, and the Government feels that, though there may be no need from our point of view, for the amendment, the time has come when we might, for once and all, cut out that provision of making it necessary for ministers to go back for by-election. If some of my learned friends on the other side would join the Government tomorrow as Ministers with portfolio, I think it would be most embarrassing and most unfair for them to have to go back. In any event, the practice has been in the past to pass the necessary legislation to avoid the necessity of their going back, and that is the reason for all these amendments to which I have just referred; eleven of them in the seventeen or eighteen years from 1916 to 1933. For that reason

we have rewritten Section 3 of the Act, and the only change is to wipe out that clause which begins

“and who being at the same time a member of the House of Assembly, shall resign his office and within six months after such resignation accept of any other of such offices; unless the administration in or under which he held such office shall have resigned and a new administration shall have been formed and shall have occupied any said office.”

We are suggesting, Mr. Speaker, that those words be stricken out and that instead of naming the various offices which are mentioned in the Act we have just these words: “Any person holding office as a Minister of the Crown and the persons who may respectively hold the offices of Speaker or Deputy Speaker or Chairman of Committees of the House of Assembly or the member of the House of Assembly holding the recognized position of Leader of the Opposition.” I would say, Mr. Speaker, we have added the Leader of the Opposition because the Government has under consideration the question of following the procedure in other countries and allowing him a remuneration for his services, and in such an event I am not sure he would be allowed to accept any emoluments without going back to by-election, since he did not go to the country as Leader of the Opposition. I would move, Mr. Speaker, the second reading of this Bill. I think I have made its provisions quite clear to the honourable members, but I would be glad to answer any questions that members see fit to ask. I move the second reading.

MR. CASHIN: Mr. Speaker, I take it this is a question of expenditure—what is this going to cost? I have no objection to this Bill; I remember the 1927 Act distinctly, but we are starting off anew—

MR. SMALLWOOD: Mr. Speaker, may I interrupt? I wonder if the member for Ferryland—we have no official Hansard reporters; the record of the remarks made here are being transcribed electrically. Since yesterday's session the member for Ferryland, I find, is farther removed from us than he was then, which leaves the unfortunate situation that he is quite a distance removed from the nearest microphone, which is the only way at present of recording his remarks for posterity, or for the benefit of this House, and I wonder if he would mind—I know he can—raise his voice a little so that the nearest microphone would catch his remarks.

MR. CASHIN: The point is, Mr. Speaker, before we have more ministers of the Crown, we have got to know where the money is going to come from to pay them. This Government has just recently taken over from the Commission of Government, and I feel that, in justice to the House, and in justice to this Province, that the Government should lay their cards on the table and show us the actual financial position of this Province as it actually existed on April 1, 1949, before we start voting money away, because this really means voting money. Now we do not know how much money was handed over on April 1st by the Commission of Government; we do not know how much was spent up to

the present time. We know nothing whatever about it. We do not know how much money is owed the Government. We do not know what our assets are. We do not know what our liabilities are. The Commissioners ran the country for fourteen or fifteen years, handed it over to an Interim Government, and I think the Government owes it to itself and to the other members of the House and to the country. In my opinion, at any rate, as an independent member of the House, the first thing that should be done here is to lay on the table of this House the actual financial position, of Newfoundland as it existed on March 31st, 1949, before we start passing any legislation which involves expenditure, so that we know where we stand; because all these things have got to be paid for, and taxation of some sort or another has got to be brought in to pay these expenses. I have no objection to this Bill, no objection whatever, but I think one of the first things we should have before we pass this legislation is a statement—an auditor's statement, if you will, to tell us the actual financial position of Newfoundland on April 1st 1949, when the Government was taken over by the Hon. Mr. Smallwood, before we pass these Acts altogether.

MR. CURTIS: Mr. Speaker, I would like to say that it is precisely for some such purpose that we would like to have this Bill put through, because my friend, Mr. Quinton, does not feel like sitting in the House while his own position is in doubt, and therefore it is my intention this afternoon to try to get this legislation through so that Mr. Quinton and

Dr. Pottle and Mr. Keough might be in their places to assist the House.

MR. CASHIN: Mr. Speaker, in reply to the honourable Minister of Justice, that when this legislation goes through, if it goes through, if the Committee and third reading of this Bill goes through, that the Government are prepared to lay on the table of the House the actual financial position of Newfoundland as it existed on April 1st—

MR. SMALLWOOD: Mr. Speaker, a member may speak only once or second reading, and I think I will do that now. The information sought by the member for Ferryland will be tabled just as rapidly as the departments concerned or the officials can gather, compile and type it, without any evasion or qualification; just as rapidly as it can reasonably be done, without dropping all other work. It is the duty of the Government, and of every department of it, to furnish the House—not the Opposition, the House, of which the Opposition members are a part—with all conceivable information to which the House is entitled, nothing else, and to do so with all reasonable speed. The answer therefore is that we are not waiting actually for these ministers to be able to take their places properly and without any doubts or hesitation in their own minds, to prepare that, because it is being prepared now in the various departments. But obviously it requires the presence of these ministers to explain verbally anything which is not entirely comprehensible in the written replies. Now, just one other point—I think it ought to be said

at the very outset, because one of the questions tabled yesterday, or of which Notice was given yesterday—deals directly with, and if it does not deal with sufficient directness, undoubtedly there will be other questions, affecting such matters as the rate of indemnity to members of this House; the rate of salary for Ministers of the Crown, the rate of salary for officials of the House, the Clerk, the Assistant Clerk, the Solicitor, Sergeant at Arms, the pages, the messengers and doorkeepers, and the question of additional indemnity—i.e. that is what you will call it—for His Honour the Speaker; the question of an additional indemnity for the Leader of the Opposition, if we are to follow the universal practice throughout North America, the practice of recognizing the special importance in the scheme of things of the Leader of the Opposition and the fact that he has additional duties over and above those of the ordinary member of the House as the Leader of His Majesty's Loyal Opposition, an integral part of Parliamentary life. If we are to do all these things, and table, as we must, this information, I think perhaps it would be as well if it were to be made clear now that virtually all these things will cost the Public Treasury of Newfoundland almost nothing—almost literally nothing, perhaps indeed literally nothing; the fact being, that, as in the case of other Provinces making up the Union, so here we will receive annually from the Government of Canada, an amount of money totalling, I think, speaking from memory, \$180,000 for the support of government and legislature, and always provided the total expenditure on the Government, that

is the members of the Government, as salaries, of the members of the Legislature as indemnities, to the various officers and servants of the Legislature as salaries, do not amount to more than \$180,000 a year, including also stationery, printing and newspapers, magazines and books, and the ordinary expenses that always go with the Legislature, if these do not in the aggregate total more than \$180,000 a year, we will have the position where our Legislature, and indeed our Government, cost the Public Treasury of Newfoundland exactly nothing. If they total a sum in excess of \$180,000, then, all paraphernalia which a former Minister of Finance I think, called "The trappings of an elephant on the back of a mouse" will cost the people of Newfoundland whatever it does cost net over the sum of \$180,000. I doubt very much whether we will be by quite a small margin. We will have the happiness of hearing the Government of Canada say: "We will contribute \$180,000 a year towards the cost of your Government and Legislature," and I think our aim should be to keep, if reasonably and practically possible, within the limit, but if it has to go over then to go as little as possible over that annual grant received for these purposes.

MR. CASHIN: Thank you. Mr. Speaker, I know this is my third offence, but the main thing I am after is this financial statement, which I feel the Government should have tabled in the House before we went on with any business whatever.

D. I. JACKMAN: Mr. Speaker, somebody here a few minutes ago

—I do not know exactly who it was—stated that these Ministers went before the country. I would like to ask a question, by what authority did these Ministers go before the country? It is only now we have an elected government. This Interim Government—this so-called Interim Government—was by appointment. The people of Newfoundland had no chance to say who was going to be Minister of this or Minister of that or Minister of something else. In my District, the people of Harbour Main and Bell Island let it be known to the people of Newfoundland that they did not want the Minister of Supply in their District. This Government is a Responsible Government elected by the people; not like the Commission of Government as in the past, when it was run by seven men, and seven good men; and this is going to mean that the people of Newfoundland are going to be asked to add six more to it, a total of thirteen, and I say with all respect that we have no right to make that decision. If these men are going to accept these jobs, let them go to the people, and let the people decide whether they want them or not.

Second reading adopted.

MR. CURTIS: Mr. Speaker, I was wondering if my learned friends in the House would give their unanimous consent to have this Bill committed forthwith. It might possibly save their coming back here tomorrow, because if we could get this Bill through all stages today I think I might suggest to the Premier that the House on its rising do adjourn until Monday, when all the members would

be present and we could get down to business. However, I am in the hands of the House. If the House will give its unanimous consent I would ask that the House resolve itself into a Committee of the Whole forthwith, but in the absence of that I would proceed with the other Motion.

MR. CASHIN: I have no objection to letting the Bill go into the Committee of the Whole. In connection with the Speech from the Throne, since the Committee has been appointed to draft a Reply to the Speech from the Throne, I suggest that the debate on the Speech go in the Order Paper on Monday.

MR. SMALLWOOD: Mr. Speaker, I appreciate the attitude of the member for Ferryland, but I think he is just slightly mixed there—just slightly. The debate on the Address in Reply, that debate can begin only when the Address in Reply itself is brought in here. The committee appointed yesterday has to draft the Address in Reply to the Speech from the Throne, and that is the occasion of the debate; the presentation of that Address in Reply, when the Committee brings it in. Now with regard to the other point, I have already undertaken, and I repeat the undertaking, that all accounts, not only our Provincial accounts to which the honourable member referred specifically, but all accounts, will be tabled here just as soon as the officials in the departments can gather the information together and get it typed and deliver it to us; but the fact is that yesterday these questions were given notice of; to-day at a few minutes to three, just a few minutes before the House opened, this

Order Paper was received back from the printer and we had to have the actual questions. To my own knowledge the clerks and solicitor of the House were until one o'clock this morning getting the voluminous Bills of the two sittings ready, and the Order Paper for today is all very new to virtually everyone in the House, so that it would be probably by about this time when I am speaking that the questions will reach the various departments. That will be appreciated. I might suggest, indeed, that we might follow the practice of the National Convention in tabling questions, to table three copies. You see, Mr. Speaker, if I might point out this fact, all questions are to conform to certain conditions. Opinions must not be expressed in them; they must be straight - forward questions for straight-forward information; information must not be given in them; they must be just what their name implies — just questions. They must not reflect on His Honour the Lieutenant-Governor, His Majesty the King, on the persons of Ministers, and so on, and so on. There are quite a number of conditions surrounding the asking of questions. Well, when questions are tabled naturally they go through the test, through the Speaker and through the law officers of the House as to whether they are parliamentary form. When the House rises, say at 6:30 in the day, by the time that has been done it is probably the following day before the questions are directed to the departments to which they relate, and then it is hardly to be expected that the minute they are in the office, if it is a busy office, that the Deputy Minister, if he has conferences—some of these men are

extremely busy—will drop everything else to prepare the answers. In the case of Finance, the Deputy Minister or the Secretary as it is still called, until we change it by Act, is actually on the mainland of Canada at this moment, so that the Finance Department has no head at this moment.

MR. CASHIN: There is a man there who can do just as well.

MR. SMALLWOOD: We have an excellent man there in Mr. Channing, who is extremely good, and I think probably one of the coming men of the public service of Newfoundland.

MR. CASHIN: Mr. Hickey is there, too.

MR. SMALLWOOD: Mr. Hickey is there too. The long and short of the matter is that we are trying to be reasonable as reasonable can be, in conformity with the reasonable attitude of the member for Ferryland. This information will be brought in, without any evasion, equivocation or delay, just as readily—we do not say we are going to do a thing when we are not going to. We want things done with speed and efficiency from the departments, but we do not want to dislocate the public service. Important as we are here in this House, the public service must go on, and consistent with that we will have the information here. Now, if we adjourn until Monday it will give the different departments, to-day, this is what?—Thursday; Friday, and Saturday, and perhaps Monday morning, so that by Monday afternoon we possibly should have the answers to virtually all these questions. In addition to that, the gentlemen on the other side of the

House will have more time in which to read and study the Speech from the Throne, and possibly by then the committee appointed yesterday will have brought in its Address in Reply, and then we should be ready on Monday to get down to business and carry forward without any delay.

Motion re Suspension of Rule 261. Carried.

COMMITTEE OF THE WHOLE.

The Speaker leaves the chair, and Mr. Courage takes Chair of Committee.

MR. HIGGINS: There is one very serious aspect to which I would like to draw attention. I feel that eleven or twelve government departments are too many. Very likely the civil service will be increased very largely, but the most important thing of all is that this is giving the Government the right to create any further ministerships that they may wish. In the olden days here there was always a provision put in which prevented the Government from increasing the number of ministers, and that is because in each and every case there was an amendment to the original Act, the names of the ministers who would not be under disability were especially named—that is, the Attorney General, the Colonial Secretary, or whatever the office is. At the present moment, if this Act is passed, the Government will have the right, without infringing on the Disabilities Act, of adding any number of ministerships that the Government wishes. That is a serious aspect of the case, and it is my opinion, and I suggest that the names of the ministers who are going to be brought in now under this Act should be specially

named. The Attorney General's set-up in Canada is different, but we have always had these safeguards here, and I think we should continue to have these safeguards. I think eleven or twelve too many ministers, but the other point is very much more important, and if it is the intention to have these ministers in the Disabilities Act they should be specially named, not personally named I mean, but by the name of the office they hold.

THE CHAIRMAN: You are moving this as an amendment?

MR. HIGGINS: As an amendment, yes.

MR. CURTIS: I would like to say, Mr. Chairman, in reply to my learned friend, that just at the moment we cannot name these ministers. If he feels that the Government is likely to step over the traces I should certainly be very glad to fall in line with his request, but at the moment we do not know the names of the ministers whose offices we are going to create this year, and I think we might arrange to bring in a further amendment; in fact eventually we might bring in a brand-new Act because this Act is very old-fashioned. I notice other countries have much more modern ones. I would assure the honourable member that it is not the intention of the Government to take advantage of this section. As a matter of fact I consider this section the better way of doing it rather than to have a lot of names there. For instance, I think the Attorney General, whose name is in this Act—it is our intention to do away with the office of Minister of Justice, and that Minister will be known as the Attorney General, because that is the prac-

tice through Canada, in the case of provincial ministers, and the names of the various ministers are as it is now dealt with. I would ask that we carry on as we are, with the assurance to my friend that we have no intention of asking the House to give us those powers he mentioned. I can quite see the point he makes. I think the Leader of the Opposition can trust us not to take advantage of the Act in the way he suggests.

LEONARD MILLER: Mr. Chairman, I can sympathize with the position of the Cabinet. The Deputy Finance Minister is in Canada and cannot answer questions and the Minister of Natural Resources cannot attend to answer questions to that Department. I sympathize with the position, and I am sure that it would expedite the business of this session to have this matter taken care of right away. In consequence of that I was wondering if, and in view of the fact that the Premier has told us that his Cabinet will not exceed twelve men, that if some reference could be included in the amendment there "Any person holding office as a Minister of the Crown, provided that the number of these Ministers will not exceed twelve." I do not want to impede the progress of this Bill, and I do not agree with making a law which will go beyond this present Cabinet.

MR. SMALLWOOD: The suggestion of the member for Placentia-St. Mary's is that Section 2, subsection (1) should read, "Any person holding office as a Minister of the Crown" then in brackets "provided that the total number be not greater than twelve." Does that

meet the Leader of the Opposition's point, too?

MR. CURTIS: That would read "Ministers of the Crown will not exceed twelve in number."

MR. SMALLWOOD: The member for Bonavista South draws attention to the fact that you will need the same change at the bottom of page 2, third line, third line from the bottom.

MR. HIGGINS: (Reads) "Any person holding office as a Minister of the Crown, subject to" so and so.

MR. CURTIS: Mr. Chairman, I might suggest, in Section 3, and not in Section 2, because Section 2 deals purely with candidates for election. The appointments to office are covered in Section 3, so that I think if we put that provision in Section 3, it would be enough. There is no need to have it in Section 2. So I think, if the members of the Opposition would agree to omit any amendment here we will put the amendment they suggest in in Section 3, which deals with appointments made before the House of Assembly and after election.

MR. HIGGINS: "The number of Ministers shall not exceed twelve," that will be put in Section 3?

MR. CURTIS: We will put that in Section 3. There is no need of it in Section 2.

(First three sections passed).

Clerk reads Section 4. (Re repeal of Section 3 of old Act).

MR. CURTIS: After Section 3 put sub-paragraph 1, and then we

will add sub-paragraph 2 to cover the point raised by the member for Placentia.

(Bill passed Committee).

Committee rose, reported having passed the Bill with some amendments.

Mr. Speaker returned to the Chair.

MR CURTIS: I move, Mr. Speaker, with the unanimous consent of this House, that this Bill be now read a third time.

Bill passed Third Reading.

MR. SPEAKER: No. 6 on the Order Paper

MR. SMALLWOOD Mr. Speaker, will we take them one at a time? I move that a bill 'An Act Respecting the Department of Economic Development' be read a first time.

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SMALLWOOD: I move the first reading of a bill 'An Act Respecting the Department of Fisheries and Co-operatives.'

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SMALLWOOD: I move the first reading of a bill 'An Act to Amend the Gasoline Tax Act, 1941.'

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SMALLWOOD: I move the first reading of a bill "An Act to

Amend the Old Age and Blind Pensions Act, 1949."

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SMALLWOOD: I move the first reading of a bill "An Act Respecting the Department of Public Welfare."

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SMALLWOOD: I move the first reading of a bill "An Act Respecting the Department of Public Health."

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. CURTIS: Mr. Speaker, I would like to point out before proceeding with these Bills, that in the Order Paper I do not think it is correctly put down. These are Motions asking leave to introduce Bills as set forth, and I propose therefore in my Motion to follow the form as it should be. In other words, I ask leave now to introduce a Bill "An Act Further to Amend the Co-operative Societies Act, 1939." My Motion is to ask leave to introduce that Bill.

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. CURTIS: Mr. Speaker, I would ask leave to introduce a Bill entitled "A Bill An Act Respecting the Department of the Attorney General."

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. CURTIS: I ask leave, Mr. Speaker, to introduce a Bill entitled "A Bill An Act Respecting the Department of Provincial Affairs."

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. CURTIS: I ask leave, Mr. Speaker, to introduce a Bill entitled "A Bill An Act Further to Amend the Crown Lands Act, 1930."

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. CURTIS: Mr. Speaker, I now ask leave to introduce a Bill entitled "A Bill An Act Further to Amend Chapter I of the Consolidated Statutes (Third Series) entitled 'Of the Promulgation and Construction of Statutes.'"

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SMALLWOOD: I think, Mr. Speaker, that that concludes the Order Paper for today, and I consequently move the adjournment of the House until tomorrow, Monday, if that is satisfactory to the gentlemen on the opposite side.

MR. HIGGINS: Mr. Speaker, before this motion for adjournment is put I would like to make one request, with your permission, Sir, and that is, that Acts of Parliament are difficult things to decide, and sometimes it takes a long time to find out exactly the meaning of certain sections. Now, if these Acts could be published and put in our hands as soon as possible, we will have some time to digest them and

find out exactly what is in the Act in question. Coming here to the House and having the Act put in our hands just before it is discussed puts us in a very awkward position. If we had three or four days to go over the Acts—after all, three or four days for some Acts is altogether too short a time, but I think if we got them in our hands tomorrow we would have the weekend to go over the Acts. There are quite a number here.

MR. SMALLWOOD: Mr. Speaker, the Leader of the Opposition will, of course, appreciate that this particular Bill is rather exceptional and having gone through three stages in one day, is a lot of compression. Ordinarily there would be a day for second reading, another different day for Committee of the Whole, and still another day for third reading. There will not be the kind of compression there was today, but copies of the Bills as printed will undoubtedly be available to the Leader of the Opposition just about as rapidly as they come from the hands of the printer. I think—I am not too sure—that by statute Bills and Acts must be printed by the King's Printer, which in the case of a number of Acts is quite a congestion in the one printing office. Nevertheless they are doing the best they can, and just as rapidly as these Bills come from the hands of the printer they will be made available to the Leader of the Opposition so that we can have ample time to consider them before the actual debate on them begins in the House. Of course, the Leader of the Opposition does appreciate that under the Rules of the House a Bill must be printed in time for

the second reading. For the first reading it can be merely in manuscript of type-written form, but for second reading it must be printed, so that if the second reading of a Bill is to be given on the day following its first reading there is then only the time between the first reading and the second to have it printed. So there is not usually—as a matter of fact, if, for instance, today we give first reading, as we have done, to a number of Bills, it is only following that that we can place the order with the printer to have them printed in time for second reading. In this case we are having a long adjournment until Monday. That will give time to everyone concerned to study the Bills in question, but if we than Monday, the printed Bills than Monday, the printed Bills would be laid on the desks of every member tomorrow when the House opened at three o'clock. Then when the second reading came, which is the debating stage, most members would have had very little time to digest the Bills. But within these limits, physical limits set by the Rules—Rule 205—

MR. HIGGINS: 268—265 or 268, page 48.

MR. SMALLWOOD: "All Bills shall be printed before Second Reading", 268, page 48, yes. Due to that, of course, there is some little difficulty, but I think perhaps we can overcome that with good will and some efficiency. You can always postpone the second reading, you see; you do not have to have the second reading on the day following the first.

MR. HIGGINS: Oh, no.

MR. SMALLWOOD: My motion is that upon its rising the House do adjourn until three o'clock on tomorrow, Monday, Mr. Speaker.

Adjournment taken to Monday, July 18th, at 3 of the clock.

Monday, July 18, 1949.

The House met at three o'clock.
No. 2 on Order Paper.

HON. L. R. CURTIS (Minister of Justice): Mr. Speaker, before No. 2 is proceeded with, I might say that His Honour the Lieutenant-Governor is willing to come here at half past three to-day to give Assent to the Disabilities Act, which we passed through all its stages yesterday, but on going through the manuscript we notice that by a mistake in the enactment clause, it states, "The Governor and the House of Assembly" and not the "Lieutenant - Governor and the House of Assembly." I think that is a change that should be effected, and with the consent of the House I move that this House now resolve itself into a Committee to consider and amend that Bill in that particular. It is simply a case of writing the word "Lieutenant" before the word "Governor." I would move that the House resolve itself into a Committee of the Whole, with the consent of the House.

MR. CASHIN: Mr. Speaker, in connection with that Bill, do I take it that after this Bill is passed and the change made, we are going to have the presentation of the report of the Select Committee appointed to draft the Reply to the Speech from the Throne?

HON. J. R. SMALLWOOD
(Prime Minister): Yes.

The House resolved itself into Committee of the Whole.,

MR. CASHIN: Mr. Chairman, I was absent from the House the other day. I think there was an amendment of some sort, or a change made in that Act to the effect that the Ministers would not exceed twelve. Is that correct?

MR. SMALLWOOD: Yes.

MR. CASHIN: Because, why I mention it at this time is because I take it from what I have heard that we are going to have twelve Ministers of the Crown, and twelve people who occupy positions of trust and emolument, and twelve Departments. Is that correct, twelve Departments of Government?

MR. SMALLWOOD: That is correct.

MR. CASHIN: With all respect, I would like to draw the attention of the House to the fact that in the Province of Nova Scotia, which has a population of twice as much or probably more than twice as much as Newfoundland, they have six, or at the most, seven departmental heads. Now the other day the Premier pointed out that all this is being paid for by the Canadian Government to the extent of \$180,000 a year. But what may appear on the face of it is not so, because these departmental heads are going to have clerks; they are going to have everything else attached to them, and on top that, the Canadian Government, in my opinion, at any rate, is getting away quite easy because the subsidies which are abandoned by Newfoundland

under the Terms of Union are anything but adequate and anything but equal, and consequently anyone who tries to tell me that this \$180,000 which the Canadian Government is granting us to pay these bills for legislation, departments, and so on, I cannot agree with you. However, the position is this, now we are discussing the thing and it is going to go through I take it. During the term of the Commission of Government, and I can go back to Responsible Government, the Department of Public Works took care of the Railway, the Gander Airport, the Supplies, Lighthouse, and Mines. To-day the rail-lighthouses are gone out of it, and now you are putting in two men to do less than one man did before. Now that might be a matter which could come up for debate when the Estimates of expenditure come along, but to tell me that it is necessary to have twelve Ministers of the Crown to administer the affairs of the Provincial Government of Newfoundland, it is not right; it is not proper. As a matter of fact I would go so far as to say it is not decent, because every prime minister is in the position now where there are twenty-eight members in this House, both sides, when the gentleman is selected for Labrador, we find twelve of them Ministers of the Crown, with twelve departments; we find the Speaker and the Chairman, and we find fifteen members of the House receiving emoluments over and above their sessional pay. It does not add up to me, Mr. Chairman. You can take any Department you wish to-day. The Prime Minister's Department, the Finance and Customs and you cannot collect any revenue there except what you can get in sub-

sidies from the Canadian Government; the Department of Marine and Fisheries, the Department of Agriculture and Mines, was looked after by the Commissioner for Natural Resources. Now you are going to have two or three people looking after that; the Department of Home Affairs, nothing to do there. It is a waste of public money to have a Department of Home Affairs to-day, that is all. And to begin with, Mr. Chairman, I have asked—I do not know whether I am going to receive any reply to that question to-day or not — I asked that the financial statement of this country as it existed on April 1st, 1949, or at March 31st, 1949. It has not been forthcoming, and I would go so far as to state that in that connection when the Commission of Government handed over to the Provincial Government, they should have handed over the financial statement of the country as it existed then. I question, Mr. Chairman, whether you know the financial condition of Newfoundland to-day. I question whether any member of the House knows; they should know before they start passing Bills to create expenditure, and I would like the Minister of Justice to tell me if he knows right now where this country stands financially at the moment. I doubt whether any member of this House knows. They should know. Before they start passing Bills to create expenditure we ought to know where we stand, and I ask the Minister of Justice to tell me if he knows right now where this country stands financially before he starts passing Bills through this House creating twelve departments, five additional departments, and I ask him to tell me right now how this country stands financially

at this moment. I would like the Minister to give us that information.

MR. SMALLWOOD: Mr. Chairman, I find something very entertaining—if the honourable gentleman does not mind my saying it—about his speaking in such kindly fashion by inference about the late Commission of Government, about what they did, and the small number of men to do it. I am not going at this time, because I do not think it is in order for me to do so, I am not going to have anything to say about the number of or the desirability or otherwise of the number of Ministers of the Crown, or the number of departments into which the Government is divided — the time will come for that—and we would not create these departments if we were not fully prepared to defend our action, and the honourable gentleman will find when the proper time comes that we can defend our action without any difficulty in the wide world, and that we can handsomely justify to the country and to this House what we have done.

Now that one point, so that I will not be misunderstood. What I said here yesterday was that the Government of Canada was voting—the Parliament of Canada under Statute, indeed under the British North America Act, was voting to the Government of Newfoundland a sum of \$180,000 annually, towards, that is the word that I used, quite properly, towards the support of Government and Legislature, obviously not to bear the full cost of the Government of Newfoundland, obviously not to cover the full cost of the whole of the Civil Service of Newfoundland. That would be

expecting a lot from the Central Government at Ottawa, but \$180,000 a year towards the cost of supporting the Government and Legislature of the Province, as indeed they do in all of the other Provinces. The amount would become greater annually if our population reached, I think, the figure of 400,000, and then it rises to a higher figure, and when the population rose to another still higher figure the annual subsidy would rise accordingly as elsewhere in the Dominion. Now again I want to reassure the honourable gentleman on the point he has raised, the doubt he expressed, about the answers to questions. Virtually all of his questions will be answered to-day—virtually all. A number will not, but by to-morrow virtually, in fact literally all of these questions should be answered.

One other point. The report of the Select Committee appointed to draft the Address in Reply is I understand ready, and it ought to be tabled this afternoon, in which case the debate on the Address in Reply ought to proceed if honourable gentlemen, the members of the House, are prepared to proceed with it. As far as the present debate is concerned, the honourable member for Ferryland will recognize that it is a pure technicality. It has been the practice in Newfoundland, ever since 1729, to refer to the head of the State, the head of the Government, as "His Excellency the Governor." In the Bill he is so described and we have got to fall into the practice, especially in the drafting of legislation, of referring to him as "Lieutenant-Governor," and the only purpose of the Committee of the Whole at this moment is to insert that one word.

MR. CASHIN: Mr. Chairman, so far as that is concerned, the Lieutenant-Governor can come here tomorrow. My point right through is that I want the financial position of the country. Now I have asked a lot of questions in connection with the finances of the country, and I am going to get a reply to these tomorrow, and I'll have to make a statement myself. I have here your exact position as at March 31st, 1949, made up by the accountant that was attached to the delegation at Ottawa, and it does not look so hot to me. Therefore that is one of the reasons why I kind of protested when we were going to establish twelve departments. My friend the Premier mentioned that I spoke kindly of the Commission Government. Well now, I spoke kindly of Responsible Government in which I was once a Minister of the Crown, the only one that is in here at the present time. Now, look at it. We had a Prime Minister, one, and he was obviously Chairman of the Executive, that is one; we had a Minister of Justice, two; Finance, three; Colonial Secretary, did Education also, four; Public Works, five; Posts and Telegraphs, six; Agriculture and Mines, seven; Fisheries, eight. We had eight departments in the days of Responsible Government; now, with less work to do, no post office—remember the post office is gone — the mines are practically gone. The Public Works Department did all the purchasing in those days. Now you are going to create a Department of Supply, and I understand everything has got to be purchased just as in the days of Commission Government. I never agreed with that personally, but

when we had Responsible Government, when we had all our work to do, when we had to collect our own revenues, when we had the Post Office and the Customs Department, we had eight heads of departments. True, we had five Commissioners one year, which we got a lot of criticism over, Agriculture Commissioners. Mr. Chairman, I am going to tell you that we had a repetition of the Agriculture Commissioners right here in this Act. We are passing an Act, so to speak, to create another five Agricultural Commissioners, and we are covering it up under the title of departments. That is the position. However, if you people have made up your minds, whatever the financial position is, you are going to put it through, but not one of the gentlemen opposite me has got up yet and said he knows what the financial position of the country is. But I happen to have a fairly good idea. On April 1st, 1949, when this country entered into Confederation with Canada—

MR. SMALLWOOD: Mr. Chairman, if the honourable member will bear with me for a moment?

MR. CASHIN: Yes.

MR. SMALLWOOD: The last thing in the world we want to be here—we are all friends; we all know each other; small problems, small population—is try to be sticky, to adhere too rigidly to the rules of debates; parliamentary practice. We could be very sticky about that, in which case we might perhaps justify the words of the late E. M. Jackman, "The trappings of an elephant on the back of a mouse," but nevertheless there are

definite parliamentary rules which all bodies, from the trade union to the legislature of this Province, have to follow, and that is, to stick to the subject. On the Speech from the Throne, practically the sky is the limit on the debate on the Address in reply. Talk about the weather. Talk about anything under the sun at any time in any point of history. You could begin with the year A.D. 1, and come all down through from first to last, and talk about anything under the sun. But here we are in Committee of the Whole, with an amendment proposed by the Attorney General that the word "Lieutenant" be inserted before the word "Governor." Pure formality. A necessary formality. Have we got now to talk about the financial position of Newfoundland when in fact we know that, according to the rules, we must do that at one time; we know that the members have the right to ask questions, that the Government has the duty to answer them, that the information will be tabled, that the proper time will come for a completely full discussion of the financial position of the Province. Must we now, while we debate whether we will insert the word "Lieutenant," have a discussion on the financial position of the Province, and is it in order to do so? I suggest that it is not, that we have no right to talk of principles at all in Committee of the Whole; that is not the purpose of Committee of the Whole, to discuss principles. The principle of this Bill has been adopted by this Legislature; we are now discussing, as we have the right and only the right, to do, detail; mere details and still less I suggest have we

the right to go off into a discussion of the financial position of the Legislature on a question of an amendment to insert the word "Lieutenant" in front of the word "Governor." Now the honourable gentleman is a veteran of this House. In one sense I am a much older veteran than he is. I began to come in here long before he did but not as a member. This is my first time as a member of this House, but I have been coming here since 1914, and I have a great sentimental regard for this Chamber, and I have great regret for the manner in which in the last ten or fifteen years it operated. The tone and the level of parliamentary debate indeed degenerated, and I would like to see all of us here, as I am sure all members are indeed anxious, to see that the level be kept as high as possible, and that at the outset we make an honest attempt to keep to the rules, or else let us abolish all rules and have a free-for-all in which anyone can say what he likes. If you want that kind of thing, you could have a lot of fun, I admit, and in that kind of rough-and-tumble I do not think I would take second place. I have yet to find a rough-and-tumble fight in which I had to take second place. On the other hand, perhaps it would be better, at the beginning of a new session, with self-government restored, we will, I think, command the respect of the people if we conduct this House according to parliamentary rules with dignity and decorum. That is a big concession, the honourable gentlemen will admit, coming from me, because I like to scrap as well as the next one, and it would be just

as great a sacrifice to me personally to have this thing conducted in a decent, straightforward way as it will be for the honourable gentleman, but I suggest that in the interest of democracy and self-government, the people will respect us a lot more if we do conduct our business according to the rules.

MR. CASHIN: Mr. Chairman, do I take it from the honourable gentleman that I was undignified in the remarks I made? Does he not realize that this is a Money Bill, and in a Money Bill anything in connection with the expenditures of money can be introduced? I was not here the other afternoon when this thing finally went through but what I am getting down to is that a Money Bill should not be passed until such time as we get the financial position of the country.

THE CHAIRMAN: I think, Mr. Cashin, we are speaking on the Enactment clause—

MR. CASHIN: It is a Bill which involves the expenditure of many thousands of dollars a year. Can we afford it? Can you tell me, Mr. Chairman, or any other gentleman on either side of the House, whether we can afford it or not? Now, with respect to dignity, I have been in this House twenty-six years, and I have been a visitor to this House for over forty years. Now, the honourable gentleman said that during the past fifteen years it was in operation it was undignified. Well, that is casting a very grave reflection on some of the finest men this country ever produced. Morris, Bond, Squires, Cashin, Coaker, were they all un-

dignified people? Take Cashin, and I suppose that is what you are trying to get at—I am going to be the rowdy of this House. We go into the district of Ferryland, and find that they elected a Cashin thirteen times. Is that undignified? I do not intend to be undignified, but I do intend to extract from the Government somehow, or other, the exact financial position of Newfoundland as it existed March 31st, 1949, and I am going to take my seat now and you can put in "Lieutenant" instead of "Governor" or anything you like, but I am going to insist, and I have the right to insist, that the financial position of this country is laid on the Table of this House at the next sitting of Parliament.

Amendment passed.

Committee rose and reported having passed the Bill with Amendment.

MR. SMALLWOOD: Mr. Speaker, on the Second Order, I take it that in Reports of Committees, there is the Report of the Select Committee on the Address in Reply

MR. SPEAKER: That is correct.

MR. SMALLWOOD: I wonder if the gentlemen on the other side would prefer to have that deferred for a short while today so as to come to the Third Order of business, that is, giving notice of questions and answering questions already asked.

MR. HIGGINS: Yes, I agree to that.

MR. CASHIN: We will come back—

MR. SMALLWOOD: We will come back, of course. That is, Mr. Speaker, we will pass by the Second Order of business temporarily, momentarily, and go on to the Third.

MR. CASHIN: Mr. Speaker, permit me at this time to give notice of a question to be placed on the Order Paper for the next session:

The Hon. the Premier to lay on the table of the House all correspondence between the British Government, the Commission of Government and the Canadian Government with respect to the bringing about of Confederation with Canada.

MR. HIGGINS: Mr. Speaker, permit me at this time to give notice of a question to be placed on the Order Paper for the next session:

The Hon. the Premier: has Doctor Boyle made a report on the establishment of a Research Council? If so, to ask that such report be tabled.

Answering Questions.

MR. SMALLWOOD: Mr. Speaker, No. 2 is being prepared. No. 5 is being prepared. Now all these questions addressed to the Minister of Finance, the Minister will take his seat—

At 3.30 the Lieutenant-Governor arrived and assented the Bill, leaving immediately afterward.

Upon the Lieutenant-Governor's departure, the three new ministers took their seats for the first time in the House of Assembly. They were: Hon. Dr. H. L. Pottle, M.S., Minister of Public Welfare; Hon. H. W. Quinton, C.M.G., Minister

of Finance; Hon. W. J. Keough, Minister of Fisheries and Co-operatives.

HON. H. W. QUINTON (Minister of Finance): Mr. Speaker, I have a report to make on the questions asked by the honourable member for Ferryland. I believe the Premier has already dealt with Questions 5, 9, and 10. Questions 11, 12, 13, 14, 16, 18, 19, 20, 21, 22, 23, 24, 25, 27, 29, and 30, 31, 32, 33, 34, 35, are in course of preparation, Sir, and I hope to be able to table most of them to-morrow.

MR. SPEAKER: May I interrupt Mr. Quinton? Questions No. 33— is not the answer to that contained in the Public Accounts, and therefore available to everybody? In my opinion, I do not think that question is entirely in order for that reason. However, if the honourable member cares to answer it, he may.

MR. QUINTON: Mr. Speaker, when the statement is in my hands I shall be glad to submit it to the members of the House.

MR. SPEAKER: Thank you.

MR. QUINTON: Question 15. That question relates in particular to the honourable the Minister for Natural Resources and it has been passed to him, Mr. Speaker, and I believe the answer is being prepared to this question. Question 26, of Mr. Cashin, addressed to me should be addressed to the honourable the Minister of Public Works, and it has been despatched to him therefore, for the purpose of answering. Question 28 by Mr. Cashin, relates to the honourable the Minister of Home Affairs, and

has been referred to him. I have here, Sir, the answer to question 36, which I propose to table. I would like to remind the honourable member, Mr. Cashin, that this is the only copy available in the Department of Finance, and I would like, if possible, to have it returned.

MR. CASHIN: The most interesting copy of any Auditor General's Report that was ever produced; that is why I wanted to have it. Mr. Speaker, in reference to the other questions to the honourable the Minister of Finance, are they ready?

MR. QUINTON: Not to-day, Mr. Speaker, they will be along to-morrow.

MR. CASHIN: There are some other questions here, Mr. Speaker, in connection with the Home Affairs Department, and the Department of Natural Resources. I was wondering whether the gentlemen concerned will reply.

MR. SMALLWOOD: Mr. Speaker, Question No. 15 addressed to the Minister of Finance: information is being prepared and will be submitted to the House to-morrow, Tuesday. Question No. 39, information is being prepared and will be tabled in the House in a day or two. Mr. Speaker, I wish to lay on the Table of the House of Answers to question 46, 47, 48, 49 and 50.

MR. CURTIS: Mr. Speaker, the answer to question 52 is still being prepared. In connection with the answer I gave to the House to question No. 51, with reference to the Browne letter, I would like to inform the House that I was in

error when I stated it came by mail; I have now been informed by the department that it was delivered personally in the outside office by Mr. Browne.

MR. CASHIN: So you received a letter from Mr. Browne?

MR. CURTIS: No, I received a copy of a letter to Mr. Browne from some other person, and the fact is that that copy, instead of coming through the mails, as I thought, was dropped into the office by Mr. Browne.

MR. CASHIN: With no covering letter?

MR. CURTIS: With no covering letter. *Mr. Speaker, in connection with questions 43, 44 and 45, I have the honour to report that, as the honourable member for Ferryland has already been informed, the information is being prepared. The Secretary of our department is out of town; otherwise we hoped to have the answers to the first two questions this afternoon. They will be ready, at least I am informed by the office staff to-day, they hope to have them ready for tomorrow, Tuesday. In connection with 45, the answer is that no decision has yet been made by the Government in this matter.*

MR. SMALLWOOD: In connection with questions addressed to the Minister of Education, the report will be tabled to-morrow.

MR. SPEAKER: Is it your pleasure to revert to Item No. 2?

MR. HIGGINS: Mr. Speaker. I suggest that when the Bills are printed, sufficient would be printed to allow members to get an extra copy if necessary. *Unfor-*

tunately, I gave away my Order Paper—somebody wanted to see it, a reporter or some other person, and I could not get a second copy, and only through your kindness I got the use of your Order Paper this afternoon; but I would like to get a second copy, and I think when the Acts come up we should be able to get a second copy if necessary. It is very good to see some curtailment in printing, but I think that the cost of printing a few extra copies would amount to no more than a few cents, for when once the type is set up the expense is very little, and I would suggest consequently, that when Acts are being printed in the future, sufficient will be printed to warrant that any member can get a second or a third copy if necessary.

MR. SPEAKER: I think I can assure honourable members that there will not be any difficulty about printing a few extra copies.

MR. SMALLWOOD: *Perhaps, Mr. Speaker, we might go back to the second order on the Paper.*

MR. SPEAKER: Presenting Report of Standing and Select Committees.

MR. MORGAN: Mr. Speaker, I beg to present the Report of the Select Committee formed to draft the Reply to the Gracious Speech with which His Honour the Lieutenant-Governor has been pleased to open this Session of the Legislature. The draft of the reply is as follows:

MR. SPEAKER: Is it the pleasure of the House that this Report be received and read?

Carried.

MR. MORGAN:

To His Honour the Lieutenant-Governor, Sir Albert Walsh, Knight Bachelor.

May it Please Your Honour,

We, the Commons of Newfoundland in Legislative Session Assembled, beg to thank Your Honour for the Gracious Speech which Your Honour has addressed to This House.

(Sgd.) A. B. Morgan,
George T. Makinson,
John G. Higgins.

Assembly Room,

July 18th., A.D. 1949.

Mr. Speaker, I move, seconded by the honorable member for Port de Grave, that this Report be adopted.

MR. HIGGINS: I suggest that this matter be deferred until tomorrow, July 19th, Mr. Speaker.

Debate deferred until July 19th.

Second Reading of Bill "An Act Respecting the Department of Economic Development."

MR. SMALLWOOD: Mr. Speaker, I take it that copies of the Bill have now been distributed, and I have very little to say about the Bill on second reading. In Committee of the Whole, if members desire detailed information, I shall be happy to give it. Today I shall give a general statement of why the Bill is introduced and why this Government proposed the creation of a Department of Economic Development. We on this side of the House feel that while our country's Union with Canada brings automatically with it solutions to a number of problems which otherwise would be almost

insoluble, yet it does not automatically solve some of our other problems, problems of a basic and fundamental character. The people of Newfoundland without question are pleased today that we are a Province of Canada, pleased because of the extension to them of the great system of social security developed in Canada; and there can be no question that family allowances, old age pensions, pensions for the blind, unemployment insurance, improved and increased benefits for war veterans, national housing, and other features of Canada's great social security system, are magnificent gifts to the people of Newfoundland. There can be no question that the extension of these benefits to the people of Newfoundland have already and will increasingly prove beneficial to what I have called "the toiling masses of this Island," and which I shall continue to call the toiling masses. No one has ever pretended, to my knowledge, that the people of Newfoundland could live successfully on the social security benefits of Confederation. We have no inclination whatever to minimize the importance of these benefits; rather we take deep pride in them, and we shall defend them against any suggestion of attack, and above all, any suggestion of ridicule. But we have never thought that they were enough for Newfoundland. At most they could blunt the sharp edge of extreme poverty in certain classes of our population, and we are faced with the basic problem of all, the doctrine of development of the natural resources of this Province to yield the basic conditions of a higher standard

of living for our people. Newfoundland in the next few years is going either to find herself trying ever more and more to subsist on family allowances, old age pensions, pensions for the blind, unemployment insurance and these other benefits, or else she is going to stand on her own feet, and by development of her own resources create a standard of living out of which the Province and the Government of the Province can develop still further extensions of the social security pattern already introduced. We are going to be either a glorified poorhouse, or else a self-supporting Province, independent and proud, with every reason for our pride, willing and able to look the rest of Canada square in the face.

Mr. Speaker, as long as I can remember I have heard speeches by many of our public men, read articles and editorials by our newspaper men, telling of the inexhaustible resources of Newfoundland. The surface has barely been scratched, I have heard on countless occasions. We have not even begun, so we have been told, to develop the vast untouched wealth of Newfoundland, and in late years we have been in the custom of adding "and Labrador." Now, if I felt there was no truth in that story, that story of our wealth, I think I would have left Newfoundland a good many years ago. I think, indeed, there is some truth in it. Certainly when you remember the very wealthy mine at Buchans, and the House is delighted to know that in recent weeks or we may say, in recent months, further discoveries have been made indicating an ex-

tension of many years in the life of that mine; when at the time some of us here sat in this Chamber as members of the National Convention, we were just a bit worried over the report we had that the life of the mine at Buchans was definitely short, lasting another four, five, six or eight years, at the very most. When you look at the iron mines at Bell Island, the flourspar mines at St. Lawrence, and above all, at the fantastic iron mines in Labrador, you cannot help wondering if these are all, and whether indeed the mineral wealth of Newfoundland, including Labrador, may not yet be enough to make us known as the new Alaska of North America. We do not know. There is so much we do not know. No man alive in Newfoundland today can tell the volume or value of the timber standing in this Island or Labrador today. Nobody knows. No man in Newfoundland or in the world today can tell you how much undeveloped water-power potential we have in Newfoundland or Labrador. Indeed, in our ancient industry, the fisheries, there is so much that we do not know. All this grandiose talk of the past forty or fifty years, and longer, of the vast untapped wealth we have heard has been just a little hollow, and a little empty. If Newfoundland is to support a growing population, and our birth-rate is one of the highest in the world—certainly I think the highest in North America—if we are to support a growing population, we must develop what natural wealth we have. Now I am very proud of the fact that I was personally and in a distinctive way and degree

able to get inserted in the Terms of Union between Newfoundland and Canada, a clause aiming at putting an end to that ignorance, that lack of information, and that is the clause with which the House is familiar, which states that if within two years of Union, Newfoundland should institute an economic survey of the Province, which includes Labrador, for the purpose of determining what new industries could be established, and what existing industries extended, then, Newfoundland having initiated such a survey, the Government of Canada will back it with its resources of men and machines, with its technicians, its various survey departments, and other resources of that type, and these are amongst the best in the world. And further, that the Government of Canada will make a special effort, and I think these are the exact words, "special effort," to bring up to the level existing throughout the other Provinces the knowledge of the natural resources of Newfoundland that such a survey would produce. Now I am in hopes that that survey will involve an expenditure by the Government of Canada of many millions of dollars. Nothing will satisfy Newfoundland less than a thorough-going combing, or scouring of the Island and of Labrador in a search for natural resources, and the measuring of them, and a photographing and blue-printing of them, so that Newfoundland will be put in the position, a position, incidentally, in which she has never yet been, after all our four and a half centuries, put in the position of being able to go to potential investors, capitalists,

bankers, investment houses, promoters, with actual detailed blue-printed data of the actual natural resources which we desire to develop and into the development of which we desire positively many millions of dollars to come from the mainland of Canada.

Hence this Department of Economic Development. The whole idea of it is to centre in this one department first the economic survey, because Mr. Speaker, there has been so much talk in the mainland of Canada in recent years, of attempts by the Federal Government to centralize power, to invade the rights of the Provinces, that the Government of Canada was most careful in inserting this clause to say that "should the Province institute" the economic survey, then they, the Canadian Government, will do thus and so, because property and civil rights are very definitely provincial in jurisdiction, and so the initiative in making the survey must rest with the province. Then, secondly, having initiated the economic survey, and that we hope will be intensive, that it will be thorough-going and widespread and comprehensive, and involve as I said, years, that having been begun we must not sit back and wait for the results, for the reports, for the blue-prints; we have other work to do. I was most happy this afternoon when the honourable the Leader of the Opposition gave notice of a question on the report of Dr. Robert W. Boyle, who as it is known, has been retained by this Government for some weeks past in connection with the whole matter of scientific research and conservation. As a matter of fact, it is only this very day, this very

afternoon, that Dr. Boyle handed me his report, just before stepping aboard the car for Torbay on his return to Ottawa. As a matter of fact, I have not as yet opened it. I got it just before the House met this afternoon. We hope to institute scientific research, and with it, conservation.

But, Mr. Speaker, we have some doubts, some of us have some doubts, about the inexhaustible character of our timber resources considering the rate of depletion in the past two or three years, and prospectively for the next few years. Research and Conservation. Then again, and that will fall under this Department of Economic Development, some of us in Newfoundland have great faith in the possibility of developing a tourist traffic in Newfoundland. So far as I know, no Government in the past in Newfoundland has had very much faith in the possibilities of a tourist trade. Here in this chamber when we were members of the National Convention, we were confronted, and quite angered, by the resignation en masse of the whole Tourist Board. We feel that there are genuine possibilities in that, for I know, Mr. Speaker, I know how possible it is for gentlemen in an Opposition to seize on that, poke fun at it, ridicule it, and hold it up for a laugh, and say to the fishermen, "Here's your wonderful government, there's what they are doing for your fisheries"—I know what I could do if I were in an Opposition when the Government began to talk about tourists. I could make them ashamed to go outside the door on the public streets—and yet some of us hope that there are definite possibilities to Newfoundland's advantage in

the development of the tourist business, and we propose to re-organize that, or perhaps I ought to say, to organize it, and to do that also under the auspices of this Department of Economic Development. For we feel that we ought to cash in as a Province on the tremendous publicity that Newfoundland has got in the mainland of Canada, and indeed in the United States, in the past two or three years. We got great publicity at the time of the trans-Atlantic flight back in 1919-20, but that was nothing compared with the publicity that Newfoundland has received in the past two or three years. And there must be today on the mainland of Canada, and indeed in the United States, literally hundreds of thousands who have had their interest in Newfoundland aroused and who could quite easily be enticed to visit this beautiful Island of which every one of us is so unreasonably proud. We think there are great possibilities there. Great difficulties in the way, yes. Great problems associated with it, indeed;—roads to be built, accommodation for tourists to be provided, and on these alone you could spend millions. That will be associated with this Department of Economic Development.

I hope personally to have the honour of having the opportunity of serving in the Department myself, and to build it into, not a large, but a small, compact and highly efficient Department of Government. I would hope to have attached to it an outstanding economist, and after all, Mr. Speaker,—when we were in Ottawa on the first delegation the Board of Transport Commissioners of Can-

ada were hearing an application for an increase in freight rates, an application from the railways in Canada. Some of the hearings were held in Ottawa. I attended some of them, and I was immensely impressed by the examination and cross-examination of one witness in particular. He was a very small-built chap, as I recall, lame in one foot, who stood and sat in the witness-box for two entire days, while a great battery of some of the finest legal minds in all Canada examined and cross-examined him. The Leader of the Opposition will probably remember the names of some of them—Mr. Macpherson from Saskatchewan, the son-in-law of the Prime Minister of Canada, in Montreal,—MacDougall—anyway, some of the greatest corporation lawyers in Canada—there were six or eight of them retained by the C.P.R., as many by the C.N.R., subjecting that man for two days to cross-examination, and he stood up against it and they could not break down his evidence by as much as an iota. Who was he? He was the economist of the Government of Manitoba, worth his weight in gold to a government, which has to consider so many things that are new. I do not mind, and I am sure my colleagues will not mind, if I say that within the past forty-eight hours, as a Government, we have been considering one matter involving fifty, sixty, seventy millions. Nothing may ever come of it, but it is big stuff; if ever anything did come of it, all kinds of matters would come before us, and we feel that we ought to have, and indeed, please God, we will have as outstanding an economist as money can get in the Dominion of Canada to serve

this Government, in particular in the Department of Economic Development.

Then, again, we have a big programme of hydro-electric development. We are in hopes of bringing here to manage that a man who is perhaps in North America today the greatest authority of all, Dr. Thomas Hogg, who was Chairman of the Ontario Hydro-Electric Commission, and who as a result of some political dispute with the Government of Ontario at that time, ceased to function in that capacity but has since served other Provinces, notably the Province of Manitoba, in connection with that Province's desire to develop its hydro-electric resources. He again would be attached to this Department of Economic Development. Because, Mr. Speaker, when it is all said and done, the Speech from the Throne has told us, and my friend the honourable the Minister of Public Welfare will tell us more about some of our plans along the lines of social security. My honourable friend, the Minister of Public Health, will tell this House more of our plans in that direction, and other Ministers, but when it's all said and done we might as well face the truth. This Island, this Province, has got to develop or it will perish. And this Department is designed to be at least the midwife if not the father of that development. I move the Second Reading.

MR. HIGGINS: Mr. Speaker, we on this side of the House find ourselves in a very peculiar position in connection with this Bill and other Bills. In the first place we have to debate a Bill which we have only seen a few minutes ago, and to debate it intelligently

in those circumstances is nearly impossible. In the second place we can only debate it intelligently in view of the financial position of the country. If I may paraphrase the speech of the first part of the opening of the speech of the great Webster at the

“Before we float further on the waves of this debate let us be like the mariner who through stress of weather was driven across the vast waste of the Atlantic out of his course, he naturally takes advantage of the first burst of sunshine to find out where he is and whither tending.”

I do not think that we can find out where we are and whither we are tending unless we know exactly the financial position of this country. We have taken over a new Government; we have taken over a qualified form of Responsible Government of which we have had no experience; we have carried on our Governments for seventy or eighty years at which we knew the financial position of the country at each session; we had no differentiation between the Federal and the Provincial authorities; we knew somewhat exactly what amount of money was coming in and what was being spent. This is our first experience in this form of Government, and I think it would be rash on the part of anybody, the Premier or anybody else, to rush through any Bill without due preparation, with the members on both sides of the House understanding exactly the financial position of this country. I quite agree with Major Cashin that no further discussions should be carried on in connection with Bills

already brought before the House, and that no further Bills should be brought here unless we know exactly what the financial position is. There would be, in this Bill here, there would naturally be an enormous amount of money spent. The Premier's policy of tourist traffic, he has mentioned there would be the building of roads, and I presume there would be the building of hotels, and to carry on a proper tourist traffic would need the expenditure of a very vast amount of money. He has told us that he would get an economist of first class standing, and to get him would require a very big salary, and he would naturally have a staff. There are other parts of this Bill here which make it very strongly a Money Bill. The Act entitles the Lieutenant-Governor to get such office clerks and other employees as are necessary, so and so, so and so. This Bill is so comprehensive that in my estimation there would be thousands of dollars spent in order to bring it to fruition. Now I do not see how we can discuss this Bill any more than any other Bill that is here which require the expenditure of money until we know exactly where we are. Major Cashin has said that he has the financial standing of this country under Confederation as outlined by the experts who were appointed by the Government of Newfoundland to instruct the delegates who were present in Ottawa. I think in the best interests of this country that this matter and other bills should be left over until the financial statement of this country is tabled in this House so that we can see exactly how we are placed and how far we can go in the expenditure of money in car-

rying out these Bills. I am not objecting to the Bill. I now only see this one for the first time, but I do not think I can discuss it intelligently unless I know exactly the financial position of the country.

MR. FOGWILL: Mr. Speaker, before I say anything else, Sir, I wish to offer you my congratulations in being elected Speaker of this House, and in saying that I hope that your duties will be made as easy as possible, and that in the heat of argument here and debate where the passions of members may come to the fore, that your wisdom and judgment will temper the passions of the members here, because I feel that things are not going to go altogether too smoothly perhaps; nevertheless I hope that your task will be an easy one. I also congratulate all you members of the Government on the other side. I have no fault to find with any of you good Newfoundlanders except to say that so far as myself is concerned there are too many of you. Now so far as this Bill is concerned, Mr. Speaker, it involves quite a lot, on which I do not feel competent to speak today. It involves the expenditure of public money, to what extent I do not know, but from just a glance over the Bill itself, it appears to me that it will involve quite a lot of expense. Now there are some things I do not like about it. I have not had time to study it like Mr. Cashin and Mr. Higgins, but I do say this, under Section 7 (c), I see where the guidance of small industries will be one of the duties of this Department, and also the discouragement of expansion of industrial

groups beyond the demands of the market, and the discouragement of the expansion of groups inadequately represented. And there are a good many things here which could probably be looked after by one of the other departments, probably the Department of Fisheries, or Natural Resources, or some of these other departments. I do not feel that we really need a Department of this sort. I am quite sure that the Province could carry on without any Department such as we have here embodied in this Bill. What is more, if any small industries or some people who would not like to be discouraged or encouraged under this Bill, under the Regulations which may be made under this Bill—I notice that any person who would like to have their freedom maintained as an individual, as a small business man or a big business man, as the case may be, in the industry of this Island, if he refuses to be discouraged or encouraged by this Department, I see under this Bill he can be sent to goal for five months. Now I do not think that is right for any Department or any Minister of this Province to recommend regulations being made so that the people of this Province can have their freedom curtailed or their privileges curtailed in any way. I am not at all opposed to much of the things in this Bill. In fact, if you are going to have a department such as this, take my advice, little as it may be, take this one and tear it up and write a new one. Thanks.

MR. HIGGINS: Mr. Chairman, I intended to make a motion, and I beg leave to do so now, that all discussions regarding this Bill

and other Bills be deferred until the filing, tabling of the financial statement of this country.

MR. FOGWILL: I second that motion, Mr. Speaker.

MR. SMALLWOOD: On that motion, Mr. Speaker, does the honourable gentleman mean the House comes to a stop now until we begin to talk finance? Is it the intention of the gentlemen of the Opposition to set the Government's time table? That is a right which is usually reserved by the Government itself, to determine when and at what stage it will have discussions on financial matters, discuss perhaps supplementary supply, or additional supply, budget, and the rest of the financial facts. Surely that is a matter for the Government to determine, and to suggest an amendment or that further consideration of this and a number of other Bills stop until something else happens is a little unreasonable, surely. We are eager to accommodate the gentlemen on the other side in every way possible, but we must surely reserve to ourselves the right to make our own time-table. I do not know if the honourable gentleman realizes that we have a number of Bills here for second reading. If the first is to be postponed until something happens, then all the others can also be postponed on the same grounds.

MR. HIGGINS: Mr. Speaker, I do say that to discuss these Bills intelligently we should know where we are financially. Major Cashin asked five days ago that a financial statement be presented of the position of the country at the time that Confederation came into being. That could easily be prepared, and

we would see where we are. That would not take much time to prepare. Five days have gone since that question was asked.

MR. FAHEY: Mr. Speaker, I do not know much about this parliamentary procedure, but when you need questions answered they must be tabled, and a reasonable amount of time given for the Minister concerned to answer those questions. This afternoon this Act was presented to us a few minutes ago without having any time whatever to study it. I notice the remark made by Mr. Fogwill there, that could more or less eliminate free trade by force, so to speak. I move Mr. Speaker, if in order, that the second reading of this Act would be postponed until to-morrow Tuesday, or Wednesday.

MR. SPEAKER: I would state to members that at this stage between the first and the second readings, this is the first time the Bill is printed; the discussion is centred on the principle of the Bill, and does not concern itself with the details. All members have an opportunity to criticise the details during the committee stage. I cannot think of any precedent that permits me to accept the motion proposed by the honourable the Leader of the Opposition and seconded by Mr. Fogwill, on the ground that it is interfering with the disposal of the Government's own time. Similarly, Mr. Fahey, your motion. You have an opportunity to vote against the reading of the Bill when I put the question, and you have an opportunity to criticise the detail when, if ever, the bill goes to Committee of the Whole House. That is my ruling. Is the House ready for the question?

MR. CASHIN: Mr. Speaker, I apologise for not being here. I was called away. I am back again where I started, on the financial position. Surely, we have been a week in session, or practically a week, four or five days anyway, and I understand from the Finance Minister that we will get a so-called balance sheet to-morrow. I do not want to hang her down; it is not my policy to adopt an attitude of hang-her-down on legislation, but I do feel, as I have many times repeated, that just starting a new business, because this is a new business to Newfoundland, the members of the House and the country generally are entitled to know where we were when we started off on the first of April, financially. They have been told—now, Mr. Speaker, the Premier this afternoon said that when we discuss the Address in Reply that the sky is the limit, so to speak. I do not think the sky is the limit in that. Just show me, show the House, show the country, where we were, where our money was, where it is going to come from, and I have no objection to passing reasonable legislation; but to me, passing legislation involving expenditure of money when we do not know where it is going to come from—I question, Mr. Speaker, whether there is any member of this House to-day on either side who really knows the financial position of the country, and still you are going to spend money when you do not know whether you are going to have the money to-morrow, or the next day, or not. If you know, then tell us. However, if the Finance Minister is prepared to tell me tomorrow we will have a balance sheet of what happened up to March 31st, what money we

have on hand, how much money we are owed, who owes it, and so on, I have no objection to the second reading of this bill, because to-morrow when it goes into Committee we can hang-her-down for the rest of the session if we feel like it. But I do insist, and I think I am entitled to insist, that as representatives of the people in here we should know where we stand financially, and I go so far as to say it is the duty of the Government the first day this House opened, in view of what had happened, in view of the change-over in the system of Government, to table the financial condition of the country without being asked for it. True, we are going to have a Budget; true we are going to have supply brought in here shortly. These are matters that have to be given notice of, but to go into legislation involving expenditures without the House knowing where we stand financially, I do not think it is fair to the House, fair to Newfoundland, as a Province, or fair to the members who are going to vote. The people voting here to-day do not know whether we have a dollar in the treasury or not.

MR. SPEAKER: Is the House ready for the motion—

MR. CASHIN: Mr. Speaker, I asked the Finance Minister a moment ago if we would get some of that information to-morrow — I mean, the actual balances on hand at March 31st.

MR. QUINTON: Mr. Speaker, the answer to that question will, as I promised, be presented to the House to-morrow.

MR. CASHIN: We get it to-morrow. We can let the second reading

go through, because if we do not get it to-morrow we can take the necessary steps in Committee.

MR. SMALLWOOD: Mr. Speaker, I was going to say that it is no use anyone threatening this Government—as simple as that. Anyone trying to threaten, we will take them on—

MR. CASHIN: It is not a question of threatening—

MR. SMALLWOOD: We will take them on any time they feel like it, but—

MR. CASHIN: Mr. Speaker, in reply to the honourable the Premier, I am entitled to have this information. The House is entitled to know, and I say right now that we are not going to be threatened; I am not. When people start threatening me, that is all. When they start threatening me, I am prepared to do it too. I am not going to be bullied here or bullied there. I asked for the information in a gentlemanly fashion, and I say now, Mr. Speaker, that no one on the Government side of the House can tell us the financial position.

MR. SPEAKER: I think that we had better confine ourselves to discussion on the principle of the bill.

MR. HIGGINS: Mr. Speaker, I notice the Premier's remarks. I do not know whether the Premier objects to me or not, but when we get up to make to reasonable request it is an extraordinary state of affairs when—

MR. SMALLWOOD: With reference to the remarks of the honourable member for Ferryland who said, "We will get it tomorrow, and

if we do not we will know what to do in Committee of the Whole" We will know what to do; I tell the member for Ferryland we will know what to do.

MR. SPEAKER: I am quite sure the honourable member for Ferryland did not—

MR. CASHIN: I have asked for this information, and I have been put off, pushed off, and I could go down to the Finance Department and get it in an hour—an hour—and why are we here four or five days, and I say it only takes an hour to get it, and tomorrow or any other day it is not going to be given too freely.

MR. SMALLWOOD: Mr. Speaker, the honourable gentleman is speaking as though he was resisted in getting the information; it is going to be tabled tomorrow afternoon, as the honourable the Minister of Finance has already said—

MR. CASHIN: But you got up and went to wing.

MR. SMALLWOOD: But the honourable gentleman for Ferryland said he would know what to do. Don't start that stuff here. or somebody else will finish it.

MR. CASHIN: Mr Speaker, I am starting nothing that I am not prepared to finish. I think the honourable gentleman knows that I can finish a job when I start it.

MR. SMALLWOOD: Well, I have finished a number of jobs that I have started during the past few years, and I am prepared to go on doing it, and the honourable gentleman is this moment trying

to finish jobs that other gentlemen tried to stop, and he is continuing.

MR. SPEAKER: I must rule this discussion out of order. I am quite sure that the honourable member for Ferryland would not imply any threats in his remark. I shall proceed to put the question, since the discussion on the principle of the bill has come to an end.

A division was taken and motion carried. Referred to Committee of the Whole House on tomorrow.

MR. SMALLWOOD: The next bill, Mr. Speaker, I move that it be deferred—

MR. SPEAKER: You mean relating to the Department of Fisheries and Co-operatives?

MR. SMALLWOOD: Fisheries and Co-operatives, and Old Age Pensions, and move on to the next, the Gasolene Tax Act.

These bills were deferred.

Second reading of a bill "An Act to Amend the Gasolene Tax Act 1949."

MR. QUINTON: Mr. Speaker, I move the second reading of this Bill. I should like to offer a brief explanation. Act No. 14 of 1949, which is the parent Act, entitled "An Act to Provide for the Imposition of a Tax upon Consumers of Gasolene," was enacted on the 31st of March last. This parent Act provided for the change-over from the procedure under the old Revenue Act, which pre-existed Confederation. The former tax was 16 cents per gallon on the Avalon Peninsula and 14 cents in the rest of the

country. Now, Act No 14 of 1949 is the parent Act which is being amended today to establish a tax of 14 cents straight in Section 11. This tax was collected through three large operators in the gasolene business, the Imperial Oil, the Great Eastern Oil Company, and Cashin Oils, Ltd. The amendment, Sir, is made necessary by a condition in the former Act which set up a standard unit for minimum retail sale by the wholesalers. That was set down in the main Act as 45 gallons in the unit, but it has been found, after consultation with the trade, that the size of the unit could more accurately be placed at 40 gallons instead of 45, and this the amendment to the Act proposes to do. I move that this bill be read a second time, Sir.

The motion was carried and the bill was read a second time. Referred to Committee of the Whole on tomorrow.

Reading of bill "An Act Respecting the Department of Public Welfare."

DR. POTTLE: I rise to move that the second reading of this bill be deferred until tomorrow.

Bill deferred to be read a second time on tomorrow.

Reading of bill "An Act Respecting the Department of Public Health."

HON. JAMES R CHALKER, (Minister of Health): Mr. Speaker, I would ask the pleasure of the House on the question of having the second reading of this bill deferred until tomorrow.

Bill deferred to be read a second time on tomorrow.

Second reading of bill "An Act Further to Amend the Co-operative Societies Act 1939"

MR. CURTIS: I move, Mr. Speaker, that the second reading of this bill be deferred until tomorrow.

Bill deferred to be read a second time on tomorrow.

Second reading of bill "An Act Respecting the Department of the Attorney General."

MR. CURTIS: Mr. Speaker, this bill has not yet been printed, so I ask that the second reading be deferred until tomorrow.

Bill deferred to be read a second time on tomorrow.

Second reading of bill "An Act Respecting the Department of Provincial Affairs."

MR. CASHIN: This is really the old Department of Home Affairs, is it?

MR. CURTIS: Mr. Speaker, I move the second reading of this bill on the ground that it is not a contentious bill; it is purely a bill that is considered advisable because we are now a Province of Canada and not a self-governing dominion. Honourable members will remember that originally this Department was the Department of the Colonial Secretary; ultimately, and just before the constitution of this Chamber was suspended, this Department was called the Department of the Secretary of State. Under Commission of Government they called the Department the Department of Home Affairs; linked up Education with it and called it the Department of Home Affairs and Education. It is the intention

of the Government now to establish this Department in line with similar departments in other provinces, and style it "The Department of Provincial Affairs." The various clauses in the bill, Mr. Speaker, are just the standard clauses, the object of the bill being purely to change the name, to provide that wherein any Act the words "Colonial Secretary" are used or the name of the Department of Home Affairs is used, that the new name will be the "Department of Provincial Affairs." I do not think there is anything I need say. I would be glad to answer any questions, but it is purely a matter of changing the name of the Department, transferring the members of the staff, and providing for the duties and powers. I would move, Mr. Speaker, the second reading.

The motion was carried and the bill was read a second time. Referred to Committee of the Whole on to-morrow.

Second reading of bill "An Act Further to Amend the Crown Lands Act 1930."

MR. CURTIS: I would ask, Mr. Speaker, that the second reading of this bill be deferred until tomorrow.

Bill deferred to be read a second time on to-morrow.

Second reading of bill "An Act Further to Amend Chapter I of the Consolidated Statutes (Third Series) entitled 'Of the Promulgation and Construction of Statutes'."

MR. HIGGINS: Does the Act go into force immediately it receives the assent of the Lieutenant-Governor? There is no reservation

clause at all in the Act? It goes into force immediately the Lieutenant-Governor assents to it?

MR. CURTIS: Unless it is otherwise expressed in the bill. Mr. Speaker, I move that this bill be read a second time. This is a bill rendered necessary by reason of the change in our Constitution. There will be several Acts of this type. This is only the first possibly of a series. It will be noted particularly by my learned friend, the Leader of the Opposition, but by members whose duty it is to follow Acts, that when the Commission of Government came into force they changed certain Acts, and, among them, the Act "Of the Promulgation and Construction of Statutes." The object of this bill is to have things reversed to the position in which they were before Commission of Government. The first section deals with the name of the Act; the second section provides for the means by which Acts shall be enacted; section 3 provides for the printing of the bills on paper. In the old days, you will remember, Mr. Speaker, they had to be engrossed originally on parchment, subsequently on good paper. This carries out the practice that was adopted prior to Commission days, and bills now are printed. Section 4 is a new section of 5 in the Chapter, which the Commission of Government repealed. We do not know why; it is a section enabling the Legislature to amend an Act during each current session that had been passed during the same session. Section 5 is a formal clause abolishing the term "Commissioner for Finance" and substituting therefore "Minister of Finance." Section 6 is a necessary clause which

provides for the functioning of the Government as a Governor in Council instead of Governor in Commission, but instead of Governor in Council we are substituting the words "Lieutenant-Governor in Council." Then sub-paragraph (b) of the same section; sub-section (b) provides for the use of the words "Minister of Finance" in place of "Minister of Finance and Customs" and the "Deputy Minister of Finance" in place of the "Secretary for Finance." You will notice that the effect of this bill is to do away with the secretaries in the various government departments; they will now revert to what they were in pre-Commission days, Deputy Ministers. It is really a distinction without a difference. For that reason there is Section (c) of Section 6. I do not think I need add any more, Mr. Speaker.

MR. HIGGINS: Are Agriculture and Mines and Marine and Fisheries under the one heading?

MR. CURTIS: They are covered under "Natural Resources," according to this bill. It is a matter which we may have to discuss in committee.

MR. HIGGINS: Suppose some of the other departments have taken over some of the duties of the old Agriculture and Mines and Natural Resources, what happens then?

MR. CURTIS: My learned friend will notice that in paragraph (c) of section 6, in all matters relating to fisheries and co-operatives the department shall be known and described as set forth. I might say, in reply to this question, that in all bills that we have prepared, some of which have passed, re-

lating to the setting up of the various departments, there is always a general clause enabling the Lieutenant-Governor in Council to assign to any department the duties formerly held by any other department. At the moment we have that authority under the Terms of Union; we have authority to divert from any one department, certain functions that belong to that department and transfer them to another department, and we have carried that out in any departmental acts that we have prepared, so that if there is any act in which a minister is described and there is no such minister, the Lieutenant-Governor in Council has power to make the change. I would move, Mr. Speaker, the second reading.

The motion was carried and the bill was read a second time. Referred to Committee of the Whole on to-morrow.

MR. SMALLWOOD: I move, Mr. Speaker, that the House upon its rising do adjourn until to-morrow at three of the clock, and in so doing I hope the members will not think I am just being difficult or anything—I wonder if all members, in referring to other members, would refer to them not by name, never by name, but by their title “the honourable member” for this or that district, as the case may be. This House is very, very new, and only one member of it, I think, has ever been a member before,—

MR. CASHIN: Two—

MR. SMALLWOOD: Yes, the honourable member for Ferryland, and the honourable the Minister of Finance, the member for Burgeo. It's all very new, but members are never referred to by

name, but as the honourable the Minister for this, and the honourable the member for that, and perhaps we could keep that in mind, Mr. Speaker. It is a very old tradition and I am sure the Leader of the Opposition will agree, never to mention the name of a member of Parliament, except that I believe the Speaker may do so in certain circumstances that no one would welcome.

MR. HIGGINS: Sometimes when members get up to speak, of the same name, of the same district—

MR. SMALLWOOD: Yes, but members on the floor never do refer to each other by name.

Adjournment taken until to-morrow at three of the clock.

—

Tuesday, July 19, 1949

The House met at three of the clock.

Presenting Reports of Standing and Select Committees.

MR. CASHIN: I notice in this Order Paper to-day that the Committee in connection with the Address in Reply—I was wondering when the Order Paper was made out whether the debate on the Address in Reply would be included in this “Reports of Standing and Select Committees.” If I remember correctly, in the old days the Address in Reply was placed on the Order Paper to be debated.

HON. L. R. CURTIS (Attorney General): That is a mistake, Mr. Speaker. I would suggest that honourable members write after “Order of the Day” as the first order “Address in Reply.” All the clerks are new and not used to the pro-

cedure, but the very first order of the day after the questions is the Address in Reply. I have it already on my slip and called the attention of the Premier to it.

MR. SPEAKER: No. 3, giving notice of motions and questions.

HON. J. R. SMALLWOOD (Prime Minister): I give notice that I will on to-morrow move, Mr. Speaker, that Mr. Courage, the Attorney General, the Minister of Public Health, Mr. Cashin, Mr. Higgins, Mr. Fogwill, be constituted a Select Committee to revise the Rules of the House.

MR. FOGWILL: Mr. Speaker, I give notice that I will on to-morrow ask the honourable the Minister of Labour to lay on the table of the House information showing the total number of able-bodied unemployed persons throughout the Island for the months of January, February, March, April, May and June of this year.

To ask the honourable the Minister of Labour to make inquiries, and inform the House, as to the number of persons in the Province of Newfoundland who are receiving assistance as provided for in term forty-one of the terms of Union of Newfoundland and Canada.

To ask the honourable the Minister of Labour to inquire and inform the House as to the number of employed persons in the Province of Newfoundland, who are contributors to the Dominion unemployment insurance fund, for the months of April, May and June.

To ask the honourable the Minister of Public Health and/or Welfare to lay on the table of the House a statement showing the

number of able-bodied persons, throughout the Island who were in receipt of Government relief for the months of January to June inclusive, and further to inform the House of the cost for each month in detail.

To ask the honourable the Premier, is the Government aware of the serious strike condition existing in the city of St. John's in regard to public transportation, if so, is the Government through its appropriate department doing everything possible to effect a settlement of such strike?

Can the Government inform this House if the Company which operates the transportation system has refused to submit the matters in dispute to arbitration and whether the Minister of Labour has proposed such a formula for settlement and if so, what are the prospects of an immediate settlement under such a formula?

Does the Government and its appropriate department intend to allow such an intolerable situation to continue indefinitely without using all possible channels to resolve such strike condition.

MR. CURTIS: Mr Speaker, I give notice that I will on tomorrow ask leave to introduce a bill "An Act to Provide for the Internal Economy of the Legislature." I further give notice that I will on tomorrow ask leave to introduce a bill "An Act Further to Amend the St. John's Municipal Acts, 1921-1945 and Acts in Amendment Thereof."

Answers to questions

MR. SMALLWOOD: Mr. Speaker, No. 57 on the Order Paper of

today, in which the honourable member for Ferryland asks me to table all correspondence between the British Government, the Commission of Government, and the Canadian Government, with respect to the bringing about of Confederation with Canada. The only correspondence I can table, other correspondence being of a private and confidential nature which we have not got the right to table, is that contained in the White Paper of the Government of Canada entitled "Important Documents Relating to the Negotiations for the Union of Newfoundland with Canada" a copy of which I table. And in 58, the honourable the Leader of the Opposition, who asks for a copy of the Report made to the Government by Dr. Robert W. Boyle, in connection with the establishment of research in Newfoundland, I have pleasure in tabling one of the few copies handed to us.

MR. CASHIN: Mr Speaker, I appreciate the Premier's reply in connection with Question No. 57, but at the same time I feel that the country and the House are entitled to see the correspondence, whatever it was, that took place between the three Governments in connection with it—the Union of this Island with Canada. I realize, just the same as the Premier does, that it is of a confidential character, but we must remember that the people of the country are entitled to see what passed between the various Governments, and I realize also—

MR. SMALLWOOD: Mr. Speaker, if the honourable gentleman will pardon me, I believe he is permitted to ask a supplementary ques-

tion under this heading, but not to give a speech on it—

MR. CASHIN: I do not intend—

MR. SMALLWOOD: Not to debate on it, not to offer information, but merely at this stage to put a supplementary question. I think that is as far as his rights go.

MR. CASHIN: I did not intend to make a speech, Mr. Speaker, I just intended to express an opinion

MR. SMALLWOOD: Pardon me, Mr. Speaker, the honourable gentleman is not permitted to express an opinion at this stage. We are answering questions. As we give the answers a member is permitted only to ask a supplementary question arising out of the answer, but not to give information or to give opinions.

MR. CASHIN: All right, I will put a supplementary question, as the Premier says, and probably he is right, to lay on the table of the House: Is there such correspondence in existence in Newfoundland at the present time?

MR. SMALLWOOD: Mr. Speaker, I can say quite honestly that I do not know. I have not seen it. I should imagine that any such correspondence would have been addressed to His Excellency the Governor; that it would be privileged; that it would be strictly confidential, if any exists; and all the questions that may be shot at us to produce privileged documents passing between His Majesty's Government in the United Kingdom or His Majesty's Government in Canada, and His Excel-

lency the Governor will produce exactly no results. We will not table any privileged documents.

HON. S. J. HEFFERTON (Minister of Education): In answer to Question No. 53 asked by the honourable member for Ferryland, I wish to inform the honourable gentleman that certain reports asked for are somewhat lengthy, and so far I have not been able to get copies made, but they will be produced within the next two or three days.

I also table for the information of the honourable member the answer to Question No. 54, and also the answer to Question No. 56. The answer to Question No. 55 is only partially prepared, but will be available within a day or two.

MR. CASHIN: Thank you very much.

HON. W. J. KEOUGH (Minister of Fisheries and Co-operatives): Mr. Speaker, I wish to table the answer to Question No. 15 addressed by the honourable member for Ferryland to the honourable the Minister for Finance and by him directed to me. I also wish to table answer to Question No. 39 directed by the honourable member for Ferryland to me. In reference to Question No. 34, respecting Sinking Fund, that will take a day or two to prepare, as the statistics required are over a period of fifteen years.

MR. CASHIN: You have the answer to No. 39, that is the one just tabled, Mr. Speaker.

MR. SMALLWOOD: I wonder if I could suggest, Mr. Speaker,

that Ministers could quite usefully read their replies to the House, because I have no doubt that members on both sides of the House, but particularly on this one, hearing the questions put but not hearing the answers given if they are merely handed in to the clerk, unless there is some system to enable members to consult the answers. They are just handed in and we do not hear them, and I am sure members on this side are just as eager to hear the answers as are any other members, or indeed anyone else.

MR. CASHIN: Mr. Speaker, the answers might be given in duplicate.

MR. SMALLWOOD: Yes, in duplicate, and to perhaps read them aloud unless they consist of masses of statistics which would make very dull reading.

MR. HIGGINS: Mr. Speaker, on the point of privilege in connection with question, it would not perhaps mean a great deal of work to prepare—I think it would be only right and proper that sufficient copies should be made of the answers so that each member could have a copy of them, because, after all, you cannot remember—there are so many questions asked that you cannot remember the answers or take down the answers in a note book here. If the questions were submitted to a stenographer and copies were made for each member, I think it would be of benefit to everyone.

MR. FAHEY: Mr. Speaker, I think if the answers were supplied to those who asked the questions? I do not see why when the

questions are tabled and read, why the answers could not be read by the clerk, if the Minister concerned did not care to read them, I think the clerk of the House should read them, or, in other words, should read them in a condensed form, so that the members of the Government, as well as members on this side, should get a clearer explanation of the question answered, and I agree with the honourable the Premier when he states that something should be set up, that the members, and I presume the public, would have some way of finding out the answers to those questions. Now there were three or four answers tabled yesterday. I happen to be a member. I got a copy of those, and the same applies here today. I move, Mr. Speaker, that all questions tabled to date, and those in the future, if the members will accept the motion, that they be read either as they are or in a condensed form.

MR. SMALLWOOD: In reply to Question No. 2 on the Order Paper from the honourable member for Ferryland, I am a little embarrassed there—it is my own department, but the honourable gentleman will understand—

MR. FAHEY: Mr. Speaker, do you accept that motion, that last motion, or do you reject it?

MR. SMALLWOOD: Mr. Speaker, to a point of order. The honourable member is entirely out of order. He made a motion which was not seconded, and then we went on with the other business of the House.

MR. FAHEY: Mr. Speaker, to get down to that, I have seen

several motions moved and accepted by you since this House opened which were not seconded, and you accepted the motion. Even though I had no seconder for my motion you have a perfect right to accept that as you have to accept motions from the other side of the House. I made a motion. I should think we should have information from the Speaker whether when you make a motion and there is no seconder, therefore you rule the motion out, before we proceed with the further business of the House. I would like to have a ruling from you, Mr. Speaker, as to whether you have accepted my motion or ruled it out, and then we can proceed with the next order of business. I do not like this high-handed stuff, regardless of which side it comes from.

MR. SMALLWOOD: Mr. Speaker, if I may—it is perfectly true, as the member for Harbour Main-Bell Island has said, that you have accepted so far several motions of which apparently there was no seconder. When the honourable gentleman opposite has learnt a little about Parliamentary practice he will know that any motion made from the Government side implies seconders all over the House—on this side of the House, and if he were a little familiar with Parliamentary practice in any parliament on this earth, except perhaps behind the Iron Curtain, he would know that. And so, therefore, it is necessary only, in connection with any motion that is a Government motion, for the Speaker to say “Moved and Seconded that,” because there are seconders here up and down this side of the House,

and therefore, according to very ancient parliamentary practice, there is in fact no need of a formal seconding of a motion put by the Government.

MR. SPEAKER: My ruling is, the motions that I have accepted and put without a proposer and seconder have been stock parliamentary forms. Your motion not being seconded, I paused; there was no seconder and therefore no motion; the honourable the Premier has started with another piece of business.

MR. FAHEY: Mr. Speaker, I should think that you as Speaker should state when to proceed with the next item of business. I notice very carefully that the next item of business was proceeded with before you, Mr. Speaker, made your decision, and announced whether we were finished with this subject or otherwise.

MR. SPEAKER: That is out of order, I have to inform the honourable member. The next piece of business is answers and questions.

MR. SMALLWOOD: If you will pardon me, Sir, on a point of order, the honourable gentleman is supposed to take his seat when the Speaker speaks.

MR. SPEAKER: That is correct.

MR. FAHEY: I did that, Mr. Speaker.

MR. SPEAKER: You were about to give another answer?

MR. SMALLWOOD: I regret that the reply to No. 2 on the Order Paper of the second day I am unable to give, but the honourable

gentleman from Ferryland will understand that the expenditures in the Premier's office are cared for by the accountants in the Department of Home Affairs. In the Premier's office there is no accounting; there are no accountants, and our expenditures are taken care of by the Department of Home Affairs through the accountants in that Department. The reply, I understand—I have been pressing for it—it is a little embarrassing to me not to be able to table answers at once to questions directed at me, but I have been pressing for it and I am told that the answer is virtually ready and certainly the moment I get it I will table it.

MR. CASHIN: Thank you very much. Any reply to No. 5?

MR. SMALLWOOD: There, Mr. Mr. Speaker, I am in some little doubt. I find it a little difficult to imagine where to get that information. We discussed it only to-day in Cabinet, I do not mind saying, and it seems that there is no central clearing house, so that we will have to direct the question to every single Department of Government and find out how many there are; and how many have gone over to the Federal service will, I suppose, be told by seeing the numbers that were in the service that were taken over.

MR. QUINTON: Mr. Speaker, in reply to question asked by the honourable and gallant member for Ferryland, I am now able to table first, the answer to Question No. 12 concerning the standing of the Newfoundland Savings Bank as at July 11, 1949; this shows a statistical table and I propose to submit

it. I submit it in duplicate, which is in keeping with your request.

Question No. 13 by the honourable and gallant member for Ferryland, "Statement of Revenue and Expenditures for the periods April 1st to June 30th, 1949." Total Revenue \$11,147,934 and the total supplies and consolidated fund services together \$6,435,842. The details are in the statement, Sir

I am also able to table answer to Question No. 16 of the honourable and gallant member from Ferryland, showing the Newfoundland exchequer account balance at 31st March, 1949, balance of interest-free loans to the United Kingdom as at March 31st, 1949; the balance of sterling credits held in United Kingdom as at March 31st, 1949, resulting from fish sales in the European markets. The figures for the first—the Exchequer account balance at 31st March, \$10,288,030, the balance of interest-free loans to United Kingdom at March 31st, 1949, \$9,068,000; the balance of sterling credits held in United Kingdom resulting from fish sales to European markets as at March 31st, 1949, 1,908,281 pounds, 18 shillings, 3 pence; in dollars \$7,669,621.97. The last part of the question—no repayments have been made to date to the Provincial Government either by the Canadian Government or the United Kingdom Government in respect of and 3 above. The matter is presently receiving attention.

Question No. 18 proposed by the honourable and gallant member for Ferryland, regarding the Newfoundland Board of Liquor Control, the total sales and miscellaneous revenue of the Board of Liquor Control for the period April 1st

to June 30, 1949, amounts to \$926,962. In reply to the second portion of the question, the House will be informed if any change in price is made.

Question No. 21 by Mr. Cashin: In reference to the revenue of \$20,476,800.00 in 1949-50 Estimates, the detailed statement in this respect is set forth on page 6 of the printed Estimates for 1949-50.

The Public Health and Welfare revenue of \$2,858,000.00 in 1949-50, a detailed statement in this respect is set forth on page 12 of the printed Estimates for 1949-50.

Board of Liquor Control revenue of \$3,700,000 in 1949-50. This estimate is made up of \$2,000,000 representing trading profits to be surrendered, and \$1,700,000 representing refund of 1948 and 1949 special working capital advance.

MR. CASHIN: Not revenue really?

MR. QUINTON: No. The question of taxation on future sales of the Board of Liquor Control, the question does not arise at this juncture.

Public Works expenditure of \$6,656,000 in 1949-50 estimates; a detailed statement in this respect is set forth on pages 44 to 49 inclusive of the printed Estimates for 1949-50.

Now in the event that the honourable member has not a copy of the printed Estimates—

MR. CASHIN: I have them here.

MR. QUINTON: Question No. 22 by Major Cashin, the information furnished to the Foreign Exchange Control Board by applicants for U.

S. Funds is submitted in confidence, and it is considered that it would be a breach of trust to release it, subsequently, for public information. The honorable member may be assured that any United States Funds advanced to Mr. McEvoy at any time on the authority of the Foreign Exchange Control Board were required for valid and legitimate reasons, or otherwise such authority would not have been issued.

Questions No. 24 by Major Cashin, the Newfoundland Broadcasting System was taken over by the Canadian Government under clauses 31 (k), 1 (i), of the Terms of Union, and no payments were required to be made to the Provincial Government in respect thereof, except as set forth in Section 23 (7) of the Statement on Questions Raised by the Newfoundland Delegation, which accompanied the Terms of Union.

MR. CASHIN: Have these amounts been paid?

MR. QUINTON: Not as far as I know. Mr. Speaker, I will get the information.

Question No 25, Statement of Revenue and Expenditure for 1948-49, total revenue for the period 1948-49, \$40,959,964; the total expenditure, including Consolidated Fund Services, (details are in the paper) \$39,833,900. I should like, Sir, to inform the honourable and gallant member that these figures are tentative; they include approximations in respect of sterling revenue and expenditures for February and March, and are subject to variation following the final audit. The Capital expenditure in-

formation requested in the question cannot be provided until the Public Accounts for 1948-49 have been completed. The Accounts are now being audited, and will be tabled for the information of the House and the honourable member as soon as they are available.

Question No. 31 by Major Cashin, Payments by the Federal Government on account of transitional grants, April 13, for the quarter ending June 30th, \$1,625,000; July 2nd, \$1,625,000 refers to payments by the Federal Government on account of recoverable advances. No payments have been made to date by the Federal Government in respect of the recoverable 1949-50 advances, referred to under the heading of "Non-recurring Revenue" on page 4 of the printed Estimates for 1949-50. Accounts in this respect are now being finalized.

MR. CASHIN: You have received no payment?

MR. QUINTON: No payment has been made.

MR. CASHIN: Are you getting interest on them in the meantime?

MR. QUINTON: I believe so. Question No. 32, and this refers to Discharge of Accounts payable at date of Union, \$1,112,400. The Development of Resources or Expansion of Services, \$4,156,800. This is in the statistical papers here and I propose to hand them to the honourable gentleman.

Question No. 33, this refers to amounts paid to Sir Gordon Macdonald as salary and allowances during his term of office as Governor of Newfoundland:

Year	Salary	Duty Allowance	Total
1946-47	18,333.26	2,590.51	20,923.77
1947-48	19,999.92	3,499.92	23,499.84
1948-49	18,655.80	3,264.71	21,920.51
	6,560.00*		6,560.00
	<u>63,548.98</u>	<u>9,355.14</u>	<u>72,904.12</u>

*The amount of \$6,560.00 was paid for undrawn leave of 120 days in accordance with the terms of appointment of Governors.

There are several other questions, Mr. Speaker, the answers to which I have not with me at the present time, but I assure the honourable member and you, Sir, that as quickly as I get them in hand they will be tabled.

MR. CASHIN: Just a few minutes, Mr. Speaker, there are some questions here that I wanted particularly, if I may be permitted, to ask the Minister of Finance, and that is, with respect to the Third of the Surplus, has that been paid over to the Canadian Government, as under the Terms of Union?

MR. QUINTON: Paid over to the Provincial Government?

MR. CASHIN: No, paid to the Federal Government on deposit?

MR. QUINTON: No, Mr. Marshall, the Secretary for Finance, is at present in Ottawa, and he is going into that question now.

MR. CASHIN: I thought he was in British Columbia?

MR. QUINTON: He is on his way back.

HON. E. S. SPENCER (Minister of Public Works): Mr. Speaker,

I have replied in part to some of the questions relating to my department. No. 26, which was addressed to the Minister of Finance and has been handed to my department for reply, I now table Copy of financial position of Newfoundland Hotel at 31st of March, 1949, is annexed. The Hotel accounts are now being audited, but the audit has not yet been completed, and figures shown in this statement are subject to adjustment. Clause 2, Revenue and Expenditure for the months of April and May respectively are \$84,521 and \$72,212. It is regretted that the figures for June, 1949, are not yet available. The balance sheet is attached, which is a volume of statistical figures, which are available for anyone to peruse.

Question 43—

MR. CASHIN: Mr. Speaker, could I ask the honourable Minister to go back to 26?

MR. SPENCER: I beg your pardon. Incidentally, Mr. Speaker, Question No. 26 should have been answered in three parts. The beginning of the question is to ask the Minister of Finance to inform the House what is the intention of the Government in connection with the operation of the affairs of the Newfoundland Hotel. In this connection the

answer is that no decision has yet been made in this matter. The latter part of the question reads as follows: "Have any negotiations taken place between the Provincial Government of Newfoundland and the Canadian National Railways with respect of the transfer of the Hotel to the Canadian National Railways?" The answer in this particular is in the negative.

We now come to Question No. 43 on the Order Paper of July 14th; this question referred to contracts given the Concrete Products Company—the Newfoundland Concrete Products. This is rather lengthy, and I do not think the House would desire me to read it in full. I would, however, refer to the latter part of it, which reads as follows:

"Payment was not made at a rate per mile. Contract was on a unit cost basis.

"The Company is not now performing any work in connection with highroads."

The latter part of that question asks that copies of the agreements be tabled. The Secretary of the department has made this note for me:

"The agreements are bulky documents consisting of Agreement, Definition of Terms, Instruction to Bidders, Tender Form, Statement of Equipment, Specifications, Special Provisions and General Provisions. It would take much time to copy these bulky documents. They may be seen at the Department of Public Works. It is respectfully suggested that any member

wishing to see them call at that department," and

"In the case of each contract tenders were invited through the medium of the press."

The particulars of the agreements and the contracts are as stated herein.

Answer to Question No. 44, requested by the honourable member for Ferryland, the total sums of money paid to the Newfoundland Tractor & Equipment Company, Limited, for the seven fiscal years 1942-43 to 1948-49 was \$839,532.10. The seven-year period is a convenient one for Government departments as vouchers are preserved for that length of time. It is possible to trace the figures back to 1934, as requested in the question, but it is hoped that this will not be necessary as no doubt the honourable member and other members of the House will understand, that this would involve a very large amount of work. I table duplicate copies of the answers to questions that have been answered in each case.

MR. CASHIN: Question No. 45, is there an answer to that?

MR. SPENCER: I think I did refer to it yesterday.

MR. CASHIN: No decision has been made yet?

MR. SPENCER: That is correct. The matter is standing at the present time.

MR. CASHIN: Question No. 42, to the Minister of Public Health?

MR. CHALKER: That will be answered in a day or two.

MR. CURTIS: Mr. Speaker, with reference to Question No. 52, I gave instructions to my department to have the answer prepared to this question, and I understood it was being prepared. I learn now that there is no correspondence in my department in connection with that matter. It may be that if the honourable and gallant member for Ferryland would refer the question to the Minister of Public Works he may have the information.

MR. SPENCER: I am not sure about this—

MR. CASHIN: I think I know something about that, if you do not mind, Mr. Speaker. I am a little out of order, but I can put you on the right track to get it. The original deal in connection with the Government and the Labrador Mining Company, Ltd., was made with the Department of Natural Resources which was at that time under the leadership of Sir John Hope-Simpson. That was the original. And from there it went on to Public Works. I imagine that mining at that time was transferred to the Department of Public Works, but I would imagine that in the Justice Department these Acts were framed and agreed upon and correspondence and so forth took place between the Minister of Justice of the day and the lawyers who represented that Company. But in order to steer you on the right track to get it, if you look up in the Department of Natural Resources way back in 1937, you will probably be able to get some information, and then, following that, in the Department of Public Utilities you will get some more

and then your own department can give you the balance.

MR. CURTIS: I do not know, Mr. Speaker, that I should have to go to all these other departments.

MR. CASHIN: You can refer it to these other departments, like answers to others questions we have had here. For instance, yesterday I asked a question in respect to the Tourist Bureau, and I asked it, I think, to another department rather than the Public Utilities Department—well, whichever department I asked it of. He shoved it off on the Public Utilities Department where it belongs, which was quite an easy thing, because otherwise I would only have to put another question on the Order Paper.

MR. CURTIS: Well, I ask, Mr. Speaker, to have this question transferred to the Minister of Public Works, and I assure him that if we have anything in our department, he is welcome to it.

MR. CASHIN: What about the Natural Resources Department?

MR. SPEAKER: It is so referred. Any other answers?

MR. HIGGINS: Mr. Speaker, if I am in order, I just want to say one thing about giving answers to questions. The question of giving publicity to answers to questions has been raised by the Premier himself, and we have not yet settled that matter. There was some merit in the motion of the honourable member for Harbour Main which was not seconded. I was in rather a quandary because while I would somewhat support the first part of his motion

that the clerk should read the answer, yet still I would not be in favour of the second portion, that he may read it in a restricted sense, because I do not think there would be any possibility of making a precis of these answers. Now at the present moment we have had a large number of questions put before the House, and a large number of answers, and I must say I have gained very little information at all about the matters concerned. Is it possible that the Opposition should be given a copy, and Government members who do not know what is going on, according to the Prime Minister, I would like to know could they be given another copy; or if you want to take proportional representation, give them five copies if you wish, and we should be satisfied with one. But something should be done. Could we give them to the papers? Now I do not like exactly having the Clerk get up and read estimates, because estimates can only be digested in a proper way, and I suppose the proper way is to digest them at the breakfast table, and I would sooner read them in the newspapers, if possible. Is it possible to have these answers in the newspapers? After all, how can we discuss things intelligently unless we know what answers were given to questions, and I presume any question asked by any member is an important one, and I presume that every answer as given by any Minister is relevant to the welfare of this country, and I would suggest to the Prime Minister that, if possible, these answers should be given the newspapers. After all, they are public property; promulgated here

in the presence of the public, and if they are given the newspapers we are spared the trouble and expense probably of getting them printed or getting copies typewritten, and I suggest to the Premier that these answers be given the newspapers so that we will be able to read them at the best time, that is, at the breakfast table, or at at the tea table at night.

MR. SMALLWOOD: Mr. Speaker, I accept that suggestion. I think perhaps we could get over it easily if every Minister in submitting the answers would submit as many copies as the typists could conveniently type by carbon—five or six or eight copies, and that one copy be for the member who asked the question, that one be filed by the Clerk of the House, where it could be seen by any member at any time—at least at any time in working hours—and that the remaining copies be available to the gentlemen of the press and the radio. I suppose it would be perfectly easy to type five or six or eight copies on thin paper, and in that way satisfy everybody.

MR. QUINTON: Mr. Speaker, in order to amplify the point raised by the honourable member for St. John's East and spoken to by the honourable the Premier, and relating to questions which I, on behalf of the Finance Department, answered today, I should like to say that two extra copies have already been laid on the table in the custody of the Clerk.

MR. FAHEY: Mr. Speaker, I do not see why—we are now twenty-

seven or twenty-eight members—I do not see why the Government of the Province that we have heard so much about the wealth of, and things like that, that we should have to do with one copy for every five members of this House. I think that the Province should be in a position to supply, at least, all the members and the press, of the different matters which take place in the House. Now the suggestion I heard were that two copies are supplied—three rather—well, that is very generous, but that will not go very far among twenty-seven members. It means that every nine members must divide up one copy between them. I would suggest, if the Speaker would accept the motion, that sufficient copies would be printed for the twenty-seven at this date, and later twenty-eight members of this House, and half a dozen extra copies for the press and radio. I will make that as a motion. I do not know if I will get a seconder, but I ask you, Mr. Speaker, to accept it as a rule of the House.

MR. MILLER: Mr. Speaker, I can see that we are going to give extra work to staffs which are already working overtime to furnish the House with the information; I feel that it is unnecessary to call in mimeographing machines, operators of mimeographing machines, or something like that, in order to deal with this, but I do second this motion on the ground that it is very important to have the information that is given to the House available to members.

MR. SPEAKER: Moved and seconded that all answers to questions be printed or mimeograph-

ed, circulated to members of the House and press.

Motion was lost.

MR. SMALLWOOD: Mr. Speaker, I take it that the gentlemen on the other side would like now to proceed with the Address in Reply. I would like—and I have very great pleasure in making this announcement—that the Province of Newfoundland is to have a visit from His Excellency the Governor-General of Canada, accompanied by Her Excellency Viscountess Alexander. The Governor-General will leave Ottawa on Sunday, August 28th, for Newfoundland, and will be in Newfoundland until their return to Ottawa on Saturday, September 3rd. It will be a very brief visit of approximately one week, and I am sure that few people have ever visited Newfoundland to receive a warmer welcome than will Their Excellencies the Governor-General of Canada and Viscountess Alexander. The Government have appointed a special sub-committee of Council, and that sub-committee under the chairmanship of the honourable the Member for Harbour Grace, will consult the various bodies and organizations in Newfoundland, with a view to making all possible suitable arrangements to enable the people of Newfoundland to accord a warm-hearted Newfoundland welcome to the Governor-General and Lady Alexander. Sunday, August the 28th, leaving for Newfoundland, and returning from Newfoundland on Saturday, September 3rd.

Debate on Address in Reply

MR. FAHEY: Mr. Speaker, I understand now we are on the matter of dealing with the Address in Reply to the Speech from the Throne, and in this connection, Mr. Speaker, and honourable members, I would like to say, in speaking to the Speech from the Throne, I am very much interested in the development of Newfoundland. Personally, I have great interest in the development of this Island, through labour organizations and many other things. I feel, and I agree with the remarks of the Premier yesterday, that we must develop in order to exist. First of all, I would like to take our farmers. I have some experience in that field, about fifteen years, and I happen to know some of the things that our farmers have to exist with. Now I feel sure of the statement, the circumstances and set-up, that in order for the farmers of this country to compete with the farmers of the mainland, as we may call it now, where there is very fertile soil, the only way for our farmers to exist is through control, with a floor price and a ceiling price. I feel, in order for this Island to prosper, we must produce. I feel again it is no use, Mr. Speaker and members, it is no use producing unless we have the proper Government to introduce the machinery that will take care of that produce, that we will not prosper as a Province. Then again, going back to the fishermen, we know that through past years the progress of fisheries in the present fishery markets is gone so far ahead, or streamlined as it were, that we must move our fishermen to more fertile places, and

that our fishermen must go to where the fish is to be caught rather than wait for the fish to come to them. Our friend, the honourable member for Green Bay, Mr. Morgan, in referring to this the other day, outlined that. I thought I heard the voices of 1938 re-echoing again. I thought that for a while some mechanism had been instituted other than radio and television, because it was word for word as was spoken at a labour dinner in the Newfoundland Hotel in 1938. However, we must realize, in order to enable our fishermen to prosper we must be streamlined, and we must catch up with the times. We must locate our fishermen in such centres where they will have the necessary vegetables that the family will need, and apart from the family, with the necessary fishing equipment, to go where the fish is to be caught. Now in order to do that, it is the duty of this Province, or this Government, to set up some sort of loans, some sort of ways and means, whereby the fishermen who could not be called independent financiers, could take care of those problems. After all, we have 35,000 fishermen in this country, and that is no small measure of the number of people that we have to contend with. I believe perhaps the Minister of Labour could look after that, but I feel that we have something like 14,000 in the industrial centres. I think again, dealing with workers in those sections, that it is not much use getting better working conditions and wages up to \$1.05 an hour, or \$1.32, and so on, even up to \$1.75 and so on, all that is not much good if we cannot create employ-

ment for our neighbour who is next door and unemployed. Therefore, the backbone of this country, of this Province, is employment. We must, as members in this House, create some ways and means to give that necessary employment. I had the occasion, with the honourable member for the East End, Mr. Fogwill, yesterday, to visit the unemployment insurance office, and we found that quite a number have been looking for unemployment insurance. That may be all right as a temporary solution, but I feel in order to take care of the necessary social security we must have employment to offset that.

Now, Mr. Speaker, about the C.N.R. On the Newfoundland railway at the present time some of these men enjoy the rates of around \$1.09 an hour. I want to assure the House what the benefits may or may not be by becoming a part of the C.N.R. Those working in the highest brackets earn to thirteen cents an hour more. There are labourers in other brackets that only get a two cent increase. Then there are helpers that will get about eight cents, but all in all the average to those employees will be about nine cents an hour. At the rate of a forty-four hour week, it comes to \$3.96. Against that, they have their pension free today; under the C.N.R. they pay for their pension at the rate of ten per cent. Of an average wage of \$45.00 a week, the pension would cost them \$4.50. Therefore they have today fifty-four cents a week less than they were receiving in the average income brackets. There is no gain in that respect, but a loss of fifty-four

cents a week. Then again, the privileges enjoyed by those workers of four paid holidays a year, namely, Christmas Day, New Year's Day, Good Friday and Labour Day, at an average of \$8.00 a day, based on \$45.00 a week, 44-hour, five and a half days, would be a loss of \$32.00 a year. Then against that again, they had the benefits—I happened to be the chairman of the committee to negotiate that, in 1945—of sick benefits. After being off work for seven days they would receive half-time for the month, which would be roughly two weeks' pay. At \$45.00 a week, it would be \$90.00. Then again, there is the question as to qualifying for holidays. I happen to have worked there for twenty-nine years in March past. At the present time on the C.N.R. I have to put in 300 working days to qualify for my vacation pay. Take 300 working days and 52 Sundays it only gives thirteen days left for any off-days or sick leave or otherwise. So you can see there are many employees who will not and if they manage to get two weeks that means \$90.00 again. \$90.00 lost on sick benefits, and \$90.00 on vacation pay, and \$32.00 on statutory holidays, as we call them, means a total amount of \$212.00 the employees lose against the increase that they get, but that increase is offset by taking care of the pension by fifty-four cents a week. Now, Mr. Speaker, in dealing with that problem I can see that if that is the average, and it is, of the eighteen hundred railway workers and it is the same in the rest of the country, I cannot see how we can prosper in the future under

those systems or set-ups. Be that as it may, we must take care of the people in the sections where there is no money available. I happen to be one of those people to accumulate good conditions and good wages through trade unionism, but those people in the earlier years of this Island, or Province as we may call it, could not be taken care of. It is our duty to put the necessary equipment at their disposal so that they can make a livelihood.

Now, I do not know much about other districts, but I do know something concerning the district of Harbour Main-Bell Island. I know that we need roads, we need bridges, and we need wharves; we need the wharves for the fishermen in those sections; we need the roads to get to the wharves; and then again we need the roads to get to the blueberry patches, which is most essential. I understand that our Government of today is very much interested in creating tourist traffic. Well, I do not know of any greater tourist traffic, of any greater movement, to put a few dollars into this country than by blueberries or fish, or commodities of that nature, being sent out to bring a few dollars in. So in order to get at those projects, I know several of them, it is essential to have the roads to get to the wharves and it is essential to have the wharves. Then again it is essential to have roads to the farming sections and the blueberry patches. I feel that the members on the Government side should take this into consideration when they vote, rather than voting opposing the Opposition in

some measure which they introduce.

Now we hear a lot, Mr. Speaker, about water-power. It is one of the items we have heard a lot of way back, back in 1929. We contended, and we contend now—at least I do personally—that there is no need to import coal into this country when we have the water-power that could be utilized for our commercial and domestic use. I feel, and I agree, that our Government should try all it can to develop those resources, to keep the money in our Province rather than have it go to some other country of the mainland, or otherwise. Now the honourable the Premier said, I think it was yesterday—I am open to correction on that—that we must develop or perish. That is quite true. There is no city, no province, or no country, that can exist unless they develop or create some sort of income from the outside rather than to depend upon the circle of that city, or town, as the case may be.

Mr. Speaker, during the recent campaigns, the fact that this province would have to do so much development—I understood from some of the speeches that were made, that the Federal Government would take care of this, take care of that, develop this, and develop what-have-you. Now I understand from the honourable the Premier from what he said yesterday, that we as a province must develop or perish. You must develop, but the wealth of words that went through the air such a short time ago was to the effect that these things were to be taken care of by what we call the Fed-

eral capital. As a Dominion we could trade with the world, as it were. Therefore, we could balance our trade agreements, we could balance our dollars against pounds in the various markets. Today we are not permitted to do that; that is handled by the Federal Government. That puts us, as a province, or an island, in an awkward position. I feel that with our fisheries, and the paper, and our minerals, particularly the vast amount that we understand is on the Labrador, that we could trade with any section of the world, so to speak, and where we have pounds and dollars we could take some other commodities that we needed in this country to balance that situation. Today, we are told that the Federal Government will take care of that for one year. What happens to our fish markets next year in regards to balancing our budget, dollar against the pound sterling? I think, as a Dominion, we would have had much more power and be in a much happier position.

I would like to say a word about social security. Regarding all these applications from our walk of life, we find that some of the things that we have in here today were advocated many years ago by some of our people, and it is only now they have come to life. But with all those social securities to take care of the group between sixteen and sixty-five, we must get those between those ages of sixteen and sixty-five at work, at profitable employment, in order to pay the taxes to take care of the younger and the older generation. You might say, and perhaps you have been

told, many times over, that the Federal Government takes care of that. Do not let us fool ourselves. The Federal Government does not take silver off the trees, any more than the Provincial Government, off any kind of trees; so the point is to create and take care of our junior and senior citizens, you and I must create employment in between, so that those people can pay the taxes to pay for the necessary social securities that we advocate.

I would like to say, Mr. Speaker, that we appreciate the three or four times since this House opened the reference that the honourable the Premier gave us on parliamentary procedure. I am sure that we appreciate it, and before the House closes there will be a vote of thanks tendered him. However, I would like to say to those, Mr. Speaker, who think that things should be run with dignity, they should take the lesson that those who live in glass houses should not throw stones. If we are going to have dignity in this Parliament, Mr. Speaker—I will take a ruling from you at any time—but if we are going to have dignity, let those who are advocating that dignity show the example.

Now I would say this in closing, that if you and I as members of this House want to do something for Newfoundland, do not let us be hoodwinked by the Federal Government taking care of everything. We just got to get down to brass tacks, and that may be the only point that ever I did agree with—the honourable Premier said that we must produce in order to make Newfoundland

what it should be. But do not let us hoodwink ourselves with the idea that the Federal Government or any other government does anything for us; you and I, each and every one of us, must see that that is done. So, Mr. Speaker, in closing—I do not think I have said it before—I want to congratulate you on being elected to the Chair, and I feel you will be just at all times. I want to thank you and the rest of the members for giving me a fine hearing.

MR. FOGWILL: Mr. Speaker, in reply to the Speech from the Throne, perhaps it may be difficult for me, the first time I have been a member of the Assembly of Newfoundland, looking across the House to many acquaintances of mine, and former friends, looking at those grey-beards and grey hairs and bald heads, and all you people over there, I can only request that the business of this House be conducted in a proper way. There are many things to come before us in this session, such as the creation of new departments which we did not have before, which I claim, and I do believe are entirely unnecessary, when we realize that we have a population of only somewhat about 330,000 people. I believe, and I think that this country could be operated by Ministers of the Crown to the number of perhaps seven or eight, but we have legislation in here passed that they would be limited to twelve, and I believe that we will have twelve. Now as a labour man, a person who works, one of those "toiling masses" that the Premier in the days of the National Convention when he was so

happy to be called "Joe" or "Joe Smallwood"—

MR. SMALLWOOD: Still am!

MR. FOGWILL: That's right, Joe. He is going to bring in some bills here, or his Government will, introduce bills which he and I believe his Government and the members of the Party, all you people on the other side, say are going to be in the best interests of the people of Newfoundland. Now I know that you people over there, you have got sensible people, you have got business people, and you have got some labour people, and you have got the dreamers—perhaps the dreamers through force of argument put forth, their arguments, may persuade the rest of you that their dreams can come true. Now we must remember that dreams sometimes have very abrupt awakenings. You can land upon the floor, on a tack, and be very uncomfortable for the moment; but, however, I would like to point out that Newfoundland, that we are in a transitional period today, 1949, just the same as other peoples of this world were in a transitional period of passing a particular phase of life of their own country a few years ago. I think everybody will remember that in Europe in 1929 and 1930, that in Central Europe you had organizations, you had Brown Shirts who followed a certain ideology, thought it was true which brought them to the ultimate end that everybody who followed the Brown Shirts would have Utopia and would enjoy all the fruits of their labours and so on, perhaps without working for it. Then you had in South Europe,

you had the Black Shirts, those people who in the same way were led into the belief that they could have the things that they desired just because they wished for them; they were led into error by a leader through force of argument, led those people there, forty million of them, into the belief that they could get the things from this world which they did not have to work for. I think that those people were sadly mistaken, too, and even in the old solid rock of England you had Moseley and his Green Shirts. I do not think that the Green Shirts of Moseley got anywhere; they did all right; they made themselves heard in England and throughout some parts of the world, but where are they today? Ideologies are all right; dreams are all right, if you have some foundation for them, and if you have a plan, something substantial, something sensible, something that is established on good judgment that can make the dreams of a person or a country come true.

In Newfoundland, Mr. Speaker, we have the Shirts, too—a great army of them, a great army! We have the Blue Shirts; the blue work-shirts; the blue work-shirts of the labouring man, which this country is composed of. I am one. My two friends, I may say, the two members for Harbour Main-Bell Island, they are of the blue work-shirts. If the Premier of this country and his Government are going to bring legislation into this House that will be of interest to us to the extent where we can support it, I feel certain that the Opposition will do so, but if there is any legislation brought in here

which we do not think is right we will oppose it, because we here on this side believe, and we feel we are justified in believing, in our opinion, and we think that our opinion is proper and right. We may be mistaken in the years to come, because you must remember we are here today as units in the community of Newfoundland, and a hundred years from now we will be forgotten, perhaps many of us will not even have a stone to commemorate our memory. When I look around at the balcony here in this House today, and remember what I have been told in the history of Newfoundland that the corner-stone of this House was laid down when this House was built, approximately a hundred years ago, I wish to say to you over there that this House was built by the toil and by the calloused hands of the toiling masses, because they believed that democracy and freedom of speech and all these other things that go to make a modern community, were the right ways to lay down a foundation for the future as these people in that time envisaged it. Now we are today here, comfortable, I do not say that we are entirely happy, because looking across there to you people, you seem rather contented all right, contented and perhaps comfortable, but I do not think all of you are happy. I will put it this way—you seem to me as I look upon you now, you seem to be comfortable, unhappy, many of you; in fact, if you use your own conscience as your guide, many of you would be over here. As I said, this House which we are in today, its foundation was laid down by the people of Newfound-

land, whose calloused hands cut the stone and fitted stone upon stone, so that we today may enjoy the comfortable atmosphere in which we find ourselves today. Now many of those people of old, you know just as well as I do, have returned to the clay in which they belonged; these people are into the soil of this country, and I do not want anybody in Newfoundland to forget that. I have worked in my lifetime, which is very short, for certain things which I had a belief in; I believe in those things today, and you do, some of you, and those things I will always believe in. I believe in freedom; I believe in democracy; I believe in the freedom of speech; I believe in the right of everyone to say what they want to say, without any fear of reprisals, without any regulations from any Government which would make any regulation to penalize any person who would exercise his democratic rights.

Now, Mr. Speaker, and honourable gentlemen, all through the history of Newfoundland our people have progressed and they have developed in good times and in bad times—they had lots of bad times, I may say—but nevertheless, throughout all the years of the history of our country, the Newfoundlanders, they built their homes, they built their towns and villages, and cities; they worked in the mines and forests and upon the seas; they built their schools and churches and staffed them; they built their ships and manned them in war or in peace. In other words, the Newfoundland people have done everything that would be expected of any people to do; they have defended their rights,

right from the time the first person came to this land; they came in here, in Newfoundland, and they demanded the right that they should settle here if they wanted to, and for many years, no doubt, they were denied that right, but throughout the history of the country they did after all force the authorities to give them that right; and that is the reason why we are here today, because of the fact that the people who came here first demanded something which their conscience demanded of them to get for themselves—the right of freedom and of privileges of every person to live his own life as he thought fit, provided that his life was regulated by the Ten Commandments, and upon the Ten Commandments are the laws of the Western World, and I believe most of the European World, based.

Now, Mr. Speaker, I have not got much more to say, but we here must not be persuaded by any policy that may be put down as crack-pot or fancy, or perhaps the policy of the dreamer, or those people who may be idealistic people who may have ideas that they think can be foisted upon our people. There is one thing we have got to remember, and it is this, and I wish to stress this point; I want you, all of you, over there, to remember when you bring in legislation which you are dreaming of, that you think is good, that you think is the best, remember always that you have to contend with the human element in this country, and when you have got to contend with that, the dreamer or the idealistic man, or those people who think that their opinion is the best opinion,

or any person, or group of persons, who get together and think, those people who are all together and thinking and doing the things they think is best for the greater amount of people, we must remember this, that you cannot force opinions or your ideas on any people when they are in the majority, because then you will have to do this, you will have to impose penalties, and when any minor group imposes penalties upon the majority, you are going to be up against trouble. And I wish to tell you this, and in particular to the Premier, because I hope, I do hope, that the legislation that may be brought into this House will be of benefit to this country, but if he thinks, or his Government thinks, that he is going to bring legislation into Newfoundland that he or his Government can force upon the people of this country by penalty, then he is going to make a great mistake.

In closing I would just ask you to remember, remember the Brown Shirts, the Black Shirts, the Green Shirts, and taking into consideration the majority of people of Newfoundland, of whom I am one—that is the Blue Shirts, the blue shirt of the working man. Thank you.

MR. MILLER: Mr. Speaker, I move the adjournment of the debate.

Motion carried.

MR. SMALLWOOD: Mr. Speaker, I wonder if it would be agreeable to the Opposition to proceed with the other business on the Order Paper.

MR. SPEAKER: The debate on the Address in Reply to the Speech from the Throne is adjourned. The next item on the Order Paper is Committee of the Whole on the bill "An Act Respecting the Department of Economic Development."

Mr. Speaker leaves the Chair, and Mr. Courage takes the Chair of Committee.

THE CHAIRMAN: On Section 3 (1).

MR. FOGWILL: Mr. Chairman, I do not see any reason why there should be a Department of Economic Development. There is no need of it—

THE CHAIRMAN: Excuse me, Mr. Fogwill. Are you speaking on the principle of the bill or just referring to this particular clause?

MR. FOGWILL: I am speaking on the clause, Sir. Are we speaking on the clause?

THE CHAIRMAN: We have this clause under consideration, yes.

MR. FOGWILL: Yes, well, on the clause, I do not think, Mr. Chairman, that there should be any such department; I think it should be looked after—

MR. SMALLWOOD: Mr. Chairman, to a point of order, the principle of this bill, which incidentally is stated briefly in Clause 3 (1) at the moment, was adopted yesterday. The principle was adopted yesterday, and it is entirely out of order, I hold, for that principle to be debated today in Committee of the Whole.

MR. FOGWILL: Mr. Chairman—

MR. SMALLWOOD: On the point of order which I stated, Mr. Chairman, could I have a ruling, please?

THE CHAIRMAN: The principle of the bill was debated yesterday at second reading. Usually in Committee we take only the clause under consideration and—I must look over this clause for a moment, please—and since yesterday it was passed by the House on second reading; in that case we will have to go ahead with the bill. There is no point in talking on the principle of the bill now we are in Committee. I mean, we knew there would be such an organization.

MR. FOGWILL: The bill was opposed yesterday, Mr. Chairman. The bill was opposed, and I would like to ask you to quote your authority on your decision.

THE CHAIRMAN: Well, according to both Beauchesne and May, in Committee of the Whole, the principle of the bill is not debatable. According to both these people, Beauchesne is the Canadian authority, and May is the English authority, once the bill has been adopted in principle, you cannot speak on the principle of the bill once it has passed the second reading.

MR. FOGWILL: That is unqualified? That means that if the bill is opposed on second reading, it cannot be opposed in principle in the Committee?

THE CHAIRMAN: In details only. We can discuss the details. You see, it was taken for granted now that there should be such a department, and you can discuss

the details, but you cannot discuss the principle of the bill itself; that is, the reasons for the bill. These are well-known parliamentary practices.

MR. SMALLWOOD: Mr. Chairman, if I might suggest, your ruling means that in debating 3 (1), for example, we could debate the question whether the Minister of Economic Development or some other Minister would preside over the department, but that there should be a department was settled yesterday in principle. Today we are on the details. One of the details is stated in 3 (1), that the department shall be headed by a Minister, namely, the Minister of Economic Development. Perhaps one of the honourable gentlemen would suggest that that be some other Minister, in which case he would be quite in order, as a matter of parliamentary practice.

THE CHAIRMAN: That is right. You can discuss now anything except the principle, that is, whether or not there should be a department, because the time for that was yesterday.

MR. CASHIN: Mr. Chairman, in connection with the bill, whether we can discuss it or cannot discuss it, under what ruling, what parliamentary practice, what section of May, or Rules of the House, do you give your decision?

THE CHAIRMAN: Well, I have page 156 of Beauchesne, Section 58, and I have 159 (b)—

MR. CASHIN: I do not think, Mr. Chairman, we have any authority on the Rules of the House here, any of us here, for that matter.

THE CHAIRMAN: It can also be found in May's book.

MR. CASHIN: "Speeches in the Committee of the Whole House must be strictly relevant to the item or clause under consideration." Mr. Chairman, the clause under consideration is "that there shall be a department of the Government of Newfoundland which shall be called the Department of Economic Development over which the Minister of Economic Development, for the time being appointed by the Lieutenant-Governor by Commission under the Great Seal of Newfoundland, shall preside." Now, that is the clause that I mean here, speaking in Committee of the Whole House, must be strictly relevant. Consequently as I read it, any speeches made in the House must be relevant to that clause, whether there shall or shall not be that department of Government, even though it passed second reading. Now, can you tell me—I have never read this book, Beauchesne or May either—can you show me in this book a rule where it says that once the second reading has been passed that you are not allowed to bring the matter up again for debate?

THE CHAIRMAN: I think I can, but it will take some little time.

MR. SMALLWOOD: Mr. Chairman, if it is agreeable to the House, while that point is being looked up, we might defer consideration of that clause and go on to the next one, in which case we should of course have to come back to 3 (1).

MR. CASHIN: Mr. Chairman, the principle of the whole bill depends on Clause 3. If we pass that, the Minister shall have the administration and the direction of the department and shall hold office during pleasure, that means that we agree with section 3.

MR. SMALLWOOD: But, Mr. Chairman, the honourable gentleman from Ferryland does not seem to have grasped the fact that yesterday we had second reading of this bill; that on second reading we adopted it, that in fact we did adopt it—I think it was on division—but we did adopt it here in this House, true with some dissenting votes. Nevertheless it was adopted.

MR. CASHIN: I voted for it.

MR. SMALLWOOD: The honourable gentleman voted for it. We adopted the bill yesterday in second reading, and by all parliamentary practice and precedents and procedure, on the second reading you do adopt the principle of it, and that is the opportunity for debating the principle of the matter brought before the attention of the House; but, when that is done, the next step is to go into Committee of the Whole, so that details may be discussed and amendments suggested and possibly adopted, deletions, additions, and changes; it is a matter of debating the details of the structure of the bill, once the principle of the bill is adopted. Now the principle of this bill is that there should be a Department of Economic Development. That principle happens to be stated in Clause 3 (1); now, having debated yesterday the principle of the bill,

which is contained in that clause, what may we possibly debate on it today? This, for example. The clause says "there shall be a Department of the Government of Newfoundland which shall be called the Department of Economic Development." Now, to begin with, you might suggest an amendment there, that, instead of being called the Department of Economic Development, some change in the title take place. That is one possible matter for proper discussion. And then it goes on, "over which the Minister of Economic Development for the time being appointed" so and so, shall preside. You might suggest some other Minister. That would be a legitimate matter for discussion. But, the principle itself having been adopted, it can no longer in Committee of the Whole be debated or discussed. Only changes in the actual wording or the structure of the bill that do not violate the principle of the bill, which was adopted yesterday, can be discussed.

MR. CASHIN: All I wanted was the ruling, for him to show it to me.

MR. SMALLWOOD: Of course, if the honourable gentleman likes. I suppose there may be many other matters brought up in Committee of the Whole House, and we might perhaps just as well get the matter settled now, get it looked up and get it cleared up, and if the honourable gentleman likes, we might rise the Committee and have a recess for ten minutes or twenty while it is being looked up.

MR. CASHIN: Yes.

MR. SMALLWOOD: I know, from having sat and listened many hours, and having read tens of thousands and indeed millions of words of debate in the British House of Commons and the Canadian House of Commons, I know that once the principle of a bill is adopted on second reading, then when the House is in Committee of the Whole the principle cannot be discussed then. Now, I agree that on third reading there is another opportunity. You may move then that the bill be read six months hence, give it a six months' hoist, but even then I doubt whether you can discuss it in principle; you can move an amendment. But in Committee of the Whole you can discuss only the actual details of the bill.

MR. FOGWILL: But, Mr. Chairman, if you are supposed to discuss only the actual details of the bill, what did they read out this section for? Now I oppose this section because I opposed it yesterday, and I oppose it again today, because if all these sections are going to be brought up, clause by clause, we must have the right to express an opinion on them. Whether I am right or wrong I do not know, but nevertheless if you read this clause, the clause must come up for debate. But because of the fact that the bill was passed in principle yesterday, and that does not give us the right today to discuss the principle of it, why did you read the principle of it? That is the reason why. I would not oppose it unless the principle was read.

MR. SMALLWOOD: It has got to be read.

MR. FOGWILL: It was read, and therefore if it is read I claim I have the privilege and right to oppose the principle embodied in the bill.

MR. FAHEY: Mr. Chairman, we are now in Committee of the Whole, and dealing with this clause 3 (1) "There shall be a department of Government of Newfoundland which shall be called the Department of Economic Development," etc. I rise to make an amendment to that, that after the words "There shall" insert the word "not."

MR. SMALLWOOD: I suggest to you, Mr. Chairman, that this motion is out of order, on the grounds that the Committee of the Whole cannot upset—

MR. FAHEY: Mr. Chairman, I made a motion. As Chairman you should rule that out or otherwise. I do not see why any other speaker in this Committee of the Whole has a right to rule that out. You are Chairman; you should rule it out or otherwise. We are in Committee of the Whole and you are its Chairman. I made a motion; I did not hear any seconder.

AN HON. MEMBER: I second it.

MR. FAHEY: It has been moved and seconded that the word "not" be inserted after the words "There shall." Do you accept that or otherwise?

MR. SMALLWOOD: Mr. Chairman, after that outburst—the honourable gentleman for Harbor Main-Bell Island in the next four years may learn something of parliamentary practice, and he is

probably going to learn it the hard way by butting in and putting his foot into it every time. In Committee of the Whole you do not need to have a motion seconded. Now I hope he will not have to learn that again.

MR. FAHEY: Speak to the motion.

MR. SMALLWOOD: He has made a motion; I am speaking to it, and I am suggesting that the motion is out of order. I am not ruling it out of order on the ground that it negatives what the House itself did yesterday, and this is only a Committee of the House, and a Committee of the Whole cannot overturn what the House did.

THE CHAIRMAN: Yes, your point is well taken. You are out of order, Mr. Fahey, we cannot negative what we did yesterday on second reading of the bill.

MR. FAHEY: Mr. Chairman, in view of the lesson, I would call it the third lesson of the honourable the Premier on parliamentary procedure in Committee of the Whole; we appreciate it very much, as I said earlier this evening, but if you leave this clause there, have not the members of this Assembly the right to make an amendment to insert words? If the ruling is that it cannot be done, I would like to have an explanation as to why I cannot move to have the word "not" inserted between "shall" and "be."

THE CHAIRMAN: The ruling has been given. I have consulted with the Law Clerk on that matter, Mr. Fahey, and he sustains me in what I have just said, that

the motion is out of order because it will, you see, be against what was passed at the second reading of the bill by the House. Therefore we cannot in Committee of the Whole do anything which would rule out what was passed by the whole House on a preceding day. Is that explanation clear, Mr. Fahey?

MR. FAHEY: Thank you, Mr. Chairman; you rule out the motion?

THE CHAIRMAN: Yes.

MR. CASHIN: Mr. Chairman, has the House found out about Beauchesne? If it's O.K. with Mr. Beauchesne it's O.K. with me.

MR. SMALLWOOD: That is why I suggested, Mr. Chairman, that we defer consideration of this clause and move on to another, to save time, while the matter is being looked up. We might, I suggest, go on with 4 (1).

AN HON. MEMBER: Mr. Chairman, I move a recess of ten minutes; that would give the clerks time to look up that matter.

MR. HIGGINS: I would suggest, Mr. Chairman, that it is your opinion that has to be given and not that of the Law Clerks, but you might consult with them. It is your opinion that has to be given; you gave the opinion of the Law Clerk.

THE CHAIRMAN: I beg your pardon. I said I consulted with the Law Clerk.

MR. HIGGINS: Consulted—

THE CHAIRMAN: And he sustained my opinion.

MR. HIGGINS: You can consult them, but it must be your own opinion.

THE CHAIRMAN: I gave my own opinion, Mr. Higgins, I thought I made that clear. "I consulted the Law Clerk and he sustained my opinion," were the words I thought I used, but I am not certain of that. The Clerk tells me those are the words I used. Probably I did not speak loud enough. Major Cashin, I have here an opinion given by Sir Erskine May on page 467, which says this: "The second reading of a bill is the stage at which the general principles of the bill are considered."

MR. CASHIN: What about the Committee? Does he say that when you go into Committee you have got to vote for it even if you voted against it?

MR. SMALLWOOD: But that is the point I am trying to make, you can still vote against it. But you cannot debate it.

THE CHAIRMAN: It goes on to say that it is irregular at this stage to examine minutely the details of the clauses, which can be discussed more properly in Committee. I give it as my ruling now that we cannot discuss the principle of the bill in a Committee of the Whole.

MR. FOGWILL: Mr. Chairman, will you lay it down now, what is the principle of this bill?

THE CHAIRMAN: The principle of the bill, Mr. Fogwill, is that there shall be a department of the Government of Newfoundland which shall be called the Depart-

ment of Economic Development. That is the principle of the bill. But the rest of the clause is not the principle of the bill and may be discussed in Committee of the Whole.

MR. FOGWILL: Not the first part?

THE CHAIRMAN: No, you may discuss the rest of the clause. You asked me for the principle of the bill, and I gave it to you.

MR. FAHEY: I understand then, Mr. Chairman, your answer is that we are not allowed as members to deal with the first section "There shall be a Department of Economic Development" but from that on we can deal with it.

THE CHAIRMAN: Yes, that is right. That is not the principle of the bill.

MR. FAHEY: From that on?

THE CHAIRMAN: Yes, that is right.

MR. FAHEY: Well, it seems very awkward to me to debate one section, the second section of the clause there, it is all one clause.

MR. HIGGINS: I submit, Mr. Chairman, that the principle of the bill is that there shall be a Department of Economic Development under a Minister who shall have certain powers. That is the whole of the principle of the bill. Now, if we can discuss a certain part, we can discuss the other. We can say there shall be no powers; the powers given are all wrong. If we can discuss one, why not the other?

The Clerk reads: "3 (2). The Minister shall have the administration and direction of the department and shall hold office during pleasure."

MR. FAHEY: Mr. Chairman, I moved several moments ago that we have a recess, for ten minutes.

THE CHAIRMAN: Mr. Fahey, excuse me. It has been moved and seconded that there be a ten minutes recess; that the Committee rise, report progress, and ask leave to sit again. We cannot recess and come back; we will have to rise, report progress, and ask leave to sit again. We cannot come back again as a Committee.

MR. CASHIN: Oh yes, we can. I have been in the House a long time and I have seen a Committee rise at eight o'clock in the night, or six o'clock in the evening, and come back and go to business again, without the Speaker going to the Chair.

THE CHAIRMAN: But it is provided for in the Rules.

MR. SMALLWOOD: Is it provided that the Committee rise and come back again?

MR. CASHIN: We can rise for supper and come back again.

THE CHAIRMAN: Excuse me, the time is given there, Mr. Cashin. "At six thirty of the clock." There is no provision for us rising now at this time of the day.

MR. FAHEY: There is no question of rising, Mr. Chairman. I moved a recess of ten minutes—that it not moving that the Committee rise.

THE CHAIRMAN: But I gave it as my ruling, Mr. Fahey, that we cannot do that; we cannot recess at this time for ten minutes. However, we can rise, report progress, and ask leave to sit again at the end of ten minutes. I can do that.

MR. FAHEY: I make a motion that we do that, if it please the Chair.

Motion was put and carried, that Committee rise, report progress and ask leave to sit again.

The Speaker took the Chair, and the Committee rose, reported progress, and asked leave to sit again.

After ten minutes recess, on motion of the Premier, the House resolved itself into Committee of the Whole on the bill "An Act Respecting the Department of Economic Development."

THE CHAIRMAN: When we went into recess, we were considering whether or not a speaker, I think it was Mr. Fogwill, could speak on an amendment as to whether there should not be a department of the Government of Newfoundland, and I gave it as my ruling that we could not, in the Committee of the Whole, discuss the principle of the bill. I looked up my authorities, Beauchesne, who is the authority, the standard authority, in all Canadian Parliaments, and on page 467—no, it is May, I beg your pardon, I thought it was Beauchesne I had—it is May—page 467 of May, who is the standard authority in England and in Canada, May says that the second reading of a bill is the stage at which the general

principles of the bill are considered, and then he goes on to say "It is irregular at this stage to examine minute details of the clauses, which can be discussed more properly in Committee." Now this, taken in conjunction with page 51—page 517, here it says, "As the principle has been affirmed a second reading, the details of the bill are examined in Committee clause by clause and line by line." And on page 521, he says, "An amendment which is equivalent to a negative of the bill, which would reverse the principle of the bill as agreed to on second reading is not admissible." So I therefore give it as my ruling that we cannot in Committee of the Whole discuss the principle of a bill.

MR. FOGWILL: Pardon me a moment, Mr. Chairman. I did not discuss the amendment—any amendment to the bill. I did express an opinion on Clause 3. I did not express any opinion on any amendment which may have been offered by someone else.

Moved and seconded that clause 3 be adopted as read.

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Chairman, there is quite a minor matter. The clause was read originally as "There shall be a department of Government." It is, "A department of the Government in my draft, and for the sake of editorial consistency I would suggest that the comma at the end of clause 1 might be omitted, as it is omitted in the other acts.

MR. SMALLWOOD: The comma should come out and the colon replaced by a full stop.

Clerk reads the section again, i.e., 3(1), and it is carried.

MR. FAHEY: In my opinion there should be a division.

MR. SMALLWOOD: But not in the Chairman's opinion.

MR. FAHEY: Mr. Chairman, regardless of any other member, in Committee of the Whole, I think that as a member I have a right to call for a division.

CHAIRMAN: You have a right to call for a division, but in my opinion more people spoke on that side, but on this side there was more noise.

A division is taken and the motion carried.

Clerk reads section 3(2). Passed.

Clerk reads section 4(1). Passed.

Clerk reads section 4(2).

MR. FOGWILL: I would like, Mr. Chairman, a little explanation of what this clause means. That is the question of employing technical or other assistance as he deems necessary, and fixing the remuneration. In other words, what does that mean exactly?

MR. SMALLWOOD: I do not know whether the honourable gentleman is referring to the fact that with the approval of the Lieutenant-Governor in Council and under the provisions of the Civil Service Act people may be employed temporarily. I do not know whether that is the point he has in mind—the question of temporarily, because when a person is employed in the Civil Service he may come

under two classifications. He may be an established, pensionable Civil Servant; he may be non-established, non-pensionable. Now we may want to engage the services of a specialist, a technician of some sort, not to be pensionable, not to be put on the regular established pensionable Civil Service list, but temporarily unestablished and unpensionable, and this clause will give the Lieutenant-Governor in Council the right to appoint such persons on a short-time basis, whose services should be—

MR. FOGWILL: You see, this clause gives the minister wide powers, to employ temporarily such technical or other assistance as he deems necessary. Now, the question that arises to my mind—in an act such as this, where the minister has such wide powers—it is quite possible in the position in which we find ourselves to-day in Newfoundland, with all you people over there, money may perhaps be thought of a secondary nature, and in this act it seems to me too much power is given to the minister and he may possibly, naturally with the approval of the Lieutenant-Governor in Council, vote moneys which may be very much beyond the resources of this province with respect to the results that this particular department may expect to result from your activities. Now that is what I am interested in here, that there is money to be expended; therefore I think that due care should be taken by the minister, and perhaps an indication could be suggested of how much money the minister could expend in this department. I do not know what the proposed minister has in mind to expend in this department

in the next year and so on, but nevertheless there is money to be expended, and I think, with the wide powers outlined in this act we should know here what he has got in mind, how much money does he expect to expend in the next twelve months, or in the next twenty-four months, or thirty-six or forty-eight, as the case might be. There is money to be spent, and technically, if you get it from Canada or the United States, it is going to cost a lot of money, and under this act you are setting up a department and you have got to have a certain amount of staff; you have got to have stenographers, and clerks and so on; it may be under the honourable somebody or somebody else, but you have got to get somebody to do the work for you. The Government is not going to get somebody to do work for them for nothing, and to do that work you have got to employ people. Now, to employ people to look after the things as laid down in this act, they have got to employ experts, and experts to-day demand a high fee. And I would like to know if there is any suggestion of the amount of money this department will cost for the next twelve months.

MR. SMALLWOOD: Mr. Chairman, we could in this House pass twenty-five bills, each one creating a department of Government, and they would in fact not be worth even the paper they are printed on unless this House finally votes the money—this House, I said—votes the money to defray the expenses of these departments. The same applies to this department. We cannot bring in a bill, we can adopt it in this House, it can be

assented to by His Honour the Lieutenant-Governor: that bill does not live unless there is money to make it live, and to vote that money is a function of this House. Obviously the Government has to come in here with its proposals to the House that the House should grant it, the Government, so much money for this department, and this in detail, not just a lump sum. So much for the deputy minister, so much for this stenographer and so much for that stenographer, so much for the head of the tourist organization, and for the staff of the tourist organization, so much for the head of the hydro-electric commission, and possibly a deputy and staff to continue the survey of the hydro-electric resources of Newfoundland, and so on. These estimates of the expenditure in this department must be brought before this House and be voted or not voted, as the case may be, by the House, so that this department may function. So the honourable gentleman is perfectly right, but I can assure him that the mere passing of a bill into law does not itself automatically call upon any money to be spent beyond the cost of printing the bill. It is the only expenditure involved in the enactment of this bill.

MR. FOGWILL: I know that, Mr. Chairman. I quite understand the honourable member's viewpoint, but nevertheless—perhaps I was trying to catch him, perhaps I was not—but nevertheless in a bill of this sort, there is money to be expended and possibly I have my own viewpoint on these things, that when any money is spent I want to know where it is going to go. I know that when a bill comes to

this House that so much money is going to be voted to this department, this new department that we are dealing with to-day, that it will be voted. That was why I was prompted to ask the question. It is quite a large programme, and I was therefore prompted to ask the question in Committee, if we could get some suggestions as to how much this department will cost next year, and no doubt this little opposition of ours, composed of five, and one makes six—I said five on the Opposition side, and perhaps six, I do not know, I say to you, members of the Government, that we should be able to discuss this problem of money more intelligently, and so on. That is the only reason I asked this question. There is money involved. And I envisaged this, gentlemen, that there is a lot of money involved, more money than perhaps the minister of this proposed department envisages himself, more money than perhaps the whole House envisages, more money than we can afford, because as I said before in the few remarks I made, that the Government to-day is more or less dreamers. If their dreams come true, all right; but if your dreams do not come true it is going to cost this country a large sum.

AN HON. MEMBER: Mr. Chairman, I would like to say that I have not a copy of any bill on my desk, and I have not a copy of the *Rules of Procedure of the House*, so far, and in that respect I feel quite out of the picture. I would like to have a copy of these bills and I would like to have, please, a copy of the Standing Rules.

MR. SMALLWOOD: Has the honourable member a copy of these?

AN HON. MEMBER: The honourable member has got nothing at all.

MR. SMALLWOOD: Copies of the Rules were supposed to be sent around.

AN HON. MEMBER: If I had a copy it has been mislaid, and I would like to have a copy, please.

MR. SMALLWOOD: Instructions were given that a copy of the rules be sent to every member before the House met, and as for copies of the bills these are supposed to be laid on the members' desks. Perhaps the honourable member's copy is in the drawer of his desk.

AN HON. MEMBER: No, it is not there.

MR. HIGGINS: Possibly someone took it away and there is no second copy. Mr. Chairman, I would just like to say that I think Mr. Fogwill is in the same position as I am. We know that when the bill is passed here in this House, creating a department, that money is going to be passed in the Estimates. I think Mr. Fogwill is trying to find out what amount of money the Government has decided will be spent in this department.

MR. CASHIN: In connection with the financial end of the situation, Mr. Chairman, I realize that the Estimates are going to be brought in ultimately, including the vote for this department, but I also know that it is unnecessary once you pass this bill. There is such a thing as Minute-in-Council,

and then you can bring in supplementary supply next year to cover money that you have not voted in the House.

MR. SMALLWOOD: These days are gone.

MR. CASHIN: Oh, no, they are not. There are lots of things done in Canada by Minute-in-Council and the same can be done here. We give you power to set up this department tomorrow, you bring in your Estimates, you may include a lump sum, but even if you do not you can pass a Minute-in-Council any day you feel like it, to find the necessary funds to finance that department, because you have established that department, and next year you come in here with the supplementary supply, and you say, here, we did not have this in the Estimates last year, but we are bringing it in now because we spent it last year.

MR. SMALLWOOD: There is a Treasury Control now.

MR. CASHIN: A Treasury Control! The Government is the Treasury Control!

MR. SMALLWOOD: Oh, no.

MR. CASHIN: Oh, yes, if he does not do what he is told he is only out of a job.

MR. SMALLWOOD: Mr. Chairman, the honourable gentleman is thinking of the halcyon days when the Government did what it liked, notwithstanding the auditor general, notwithstanding control of the treasury—I do not believe there was any control of the treasury in those days.

MR. HIGGINS: Mr. Chairman, may I draw the attention of the

honourable the Premier to the fact that he controls more than two-thirds of the members of this House, and that the Auditor General can be removed by a vote of such a majority.

MR. FAHEY: Mr. Chairman, in the second last line, "Prescribe travelling and other expenses as may be incurred by the assistants," what are the other expenses? Could the Chairman or some other of the Committee explain to us what is meant by these "expenses"? The travelling expenses are taken care of. I do not think that clause should be left so open so as to include other expenses. Whatever the other expenses may be, it should be set down in that clause.

MR. SMALLWOOD: It could be amended if the House thinks it too sweeping. I think it would be rather difficult to set down in an act a clause containing sufficient words to describe all the possibilities that may crop up. If a hydro engineer, for example, is engaged to go out and make a survey, to set down in this Act minute details of what we may pay, to set that down in the Act would be a little difficult; travelling and other necessary expenses; or we might call it legitimate expenses; you might like to call it "other expenses"; we cannot say exactly what would be the nature of those other expenses.

MR. FAHEY: Mr. Chairman, in reply to the last speaker, I think that could be simply broken down into three categories, as it were, "Hotel expenses" and "Travelling expenses" and "loss of time." But when you insert the words "other expenses" you may find a hotel

bill in some part of the Island charged up to these other expenses. To me it is very loose, and I think instead of "other expenses"—you have down "travelling", why should it not be "travelling, hotel and loss of time" and confine it to that, rather than to leave it open as "other expenses", because it may develop to things beyond our control, or beyond the control of some of the members, wise as they may be, on the Government side of the House.

MR. POTTLE: Mr. Chairman, may I suggest a possible way to meet Mr. Fahey's point, the suggestion of enumerating classes under which expenses might fall. If you enumerate them, one by one, likely as not, in the administering of the bill, the first expense incurred does not fall under the clause, and therefore you would have to amend the Act, and we should avoid that; in any good legislation, we should avoid the possibility of having to amend the Act. I suggest we might alter the clause—"with such approval, fix the remuneration of and prescribe the travelling or other necessary expenses which may be incurred by such assistants" or "prescribe the expenses which are necessary for the performance of their duties, such as travelling expenses."

MR. SMALLWOOD: "The travelling or other necessary expenses which may be incurred by such assistants in the performance of their duties."

MR. FAHEY: Mr. Chairman, I agree with the insertion of the words suggested by the honourable member for Carbonear-Bay de Verde, "if such expenses are incurred for their duties."

MR. SMALLWOOD: "to prescribe the travelling or other necessary expenses"—put the word "necessary" in front of "expenses" then go on, "which may be incurred by such assistants" and then add "in the performance of their duties."

MR. FAHEY: I would like to add that, Mr. Chairman, "provided such expenditure was properly authorized by the department."

MR. SMALLWOOD: There is no need of that. That goes without saying.

MR. FAHEY: Oh, no.

MR. SMALLWOOD: Oh, yes, it does. That goes entirely without saying. Do you think men can go out from a Government department and run up just whatever expenses they like; do you think that is not controlled by the department?

MR. FAHEY: Sometimes.

MR. SMALLWOOD: It will not be in any department with which I have any connection, and any department of this Government of which I have any knowledge.

MR. FAHEY: Mr. Chairman, I thanked the honourable the Premier a couple of times for giving us a lesson on parliamentary procedure, and now he has just admitted by telling us something that we are all children. We realize that if you go out into the country for any Government department, with no control such as is inferred here, the sky's the limit. Now let us be fair, regardless what side we may be on. I do not think, if you were representing a commercial firm, that you would have a free hand to go out and charge to that firm or

write out what cheques you like for what expenditures you may or may not want to incur. I contend the same thing should apply to the Government. If an agent or employee of the Government has to perform certain duties, he should be told in advance by the department head that the expenditures should not exceed the amount of two or three thousand dollars, or if it did, that the proper authority would have to be granted by the departmental head. Now we all know something about the sky's the limit in a poker game, but I do not see that we should have the sky's the limit as far as Government departments are concerned. For that reason I ask the words to be added "if properly authorized by the department head," and that is the only way to keep the thing down to earth.

MR. QUINTON: Mr. Chairman, I should like to say here that the question of expenses in connection with duties carried out by a Government employee are limited to the specific amount which is given as an imprest, \$200 or \$300—it is controlled according to the period of time during which the employee will be away from office. He has to account for that, and furnish vouchers. These vouchers are scrutinized by the secretary of the department for which he works, and by the Secretary for Finance in certain cases where it is deemed necessary, and always audited by a representative of the Auditor General's Department, usually before the account is paid. So I can assure the honourable member for Harbour Main-Bell Island, on behalf of the Department of Finance, and this House, Sir, that a very strict control is kept of financial

expenses incurred on public account.

MR. MILLER: Mr. Chairman, I was listening to the honourable member there, about the limitation of expenses, and so on, what he told the House here, is that laid down? Is that a Statute?

MR. QUINTON: Yes, by Statute.

MR. MILLER: Well here is the way I look at this whole thing. I believe there are only two members in this House, the member for Burgeo - La Poile, and the member for Ferryland, who were members before. Now, the Statutes of Newfoundland are very difficult for the other members to understand. We do not understand these things—the limitations and all the rest of it. So therefore if we are to continue the business of this House intelligently and with an idea in mind that we must see that, the development and progress of the country, and of the Government, is maintained, and all the rest of it, that we should be supplied with copies of all these acts and Statutes and everything else. It is useless for the Minister of Justice—

MR. CURTIS: They are in the Library.

MR. MILLER:—That's all right. In the Library, that's O.K. But what is the use of the Library now at this moment, when the Acting Minister of Finance gets up and quotes me something? I cannot go to the Library and come back there and talk to him about it. That is what I am up against. We should be supplied, or at least have some knowledge. You know it is fifteen or sixteen years since we had a

Government in this country of ours and I know in years gone by the new people coming to the Parliament, they were led around and they were taught by the old people who were there years before that. Now we are not in that position. There are only two of you here. I know we have had lessons the past few days on parliamentary procedure and all the rest of it, and I know we have only got another minute or two, but nevertheless—Mr. Chairman, I move that the Committee rise, report progress, and ask leave to sit again.

Committee rose, reported progress.

The Speaker took the Chair and the House adjourned until tomorrow, Wednesday, July 20th.

Wednesday, July 20, 1949.

The House met at three of the clock.

Reports of Standing and Select Committees.

Giving Notice of Motions:

Moved and seconded that the following members, Mr. Speaker, Mr. Courage, the Attorney General, the Minister of Public Health, Mr. Canning, Mr. Higgins, Mr. Fogwill, be constituted a Select Committee to revise the Rules of the House. Carried.

HON. L. R. CURTIS (Attorney General): Mr. Speaker, I ask leave to introduce this Bill, "An Act Further to Amend the St. John's Municipal Acts 1921-1945 and Acts in Amendment thereof."

Leave granted and Bill read a first, time to be read a second time on tomorrow.

MR. CURTIS: I ask leave, Mr. Speaker, to introduce a bill entitled a Bill, "An Act to Provide for the Internal Economy of the Legislature."

Leave granted and bill read a first time, to be read a second time on tomorrow.

Notice of Question:

MR. SPEAKER: No. 59 addressed to the honourable the Minister of Labour.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I am acting Minister of Labour in the absence of the honourable member for Humber No. 59—the Government of Newfoundland has never kept records of the number of able-bodied unemployed persons. I may say we cannot give the answer to that question; we do not know the answer.

MR. SPEAKER: No. 60, addressed to the honourable the Minister of Labour.

MR. SMALLWOOD: Again, we have no knowledge as to the number of persons in the Province who are receiving assistance as provided for in term 41 of the Terms of Union. That information would be in possession of the Government of Canada and not in that of Newfoundland.

MR. FOGWILL: Mr. Speaker, on the question of privilege, I think it is the business of the Minister of Labour of this Province to ascertain and find out for this House,

and for the public interest, the number of people of this Province who are receiving unemployment assistance under term 41 of the Terms of Union between Newfoundland and Canada. I think that is of public interest, and I believe it is the duty of the Minister of Labour or of the appropriate—

MR. SMALLWOOD: Mr. Speaker, I suggest the honourable member is out of order. I suggest that he is permitted to ask supplementary questions but not offer an opinion at this stage. He is completely out of order, I submit.

MR. FOGWILL: Mr. Speaker, it is a point of privilege.

MR. SMALLWOOD: Mr. Speaker, may I have a ruling please?

MR. SPEAKER: A member is entitled in addressing questions to Ministers to ask a supplementary question, but not to give information of Mr. Fogwill, addressed to the tion, nor to express an opinion.

MR. SPEAKER: Question No. 61, standing in the name of the honourable the Minister of Labour.

MR. SMALLWOOD: This is information which the Government of Newfoundland has not got, but which the Government of Canada has; and, Mr. Speaker, may I say in reply to that question and others of that character that this Government does not propose to constitute itself a means for any members of this House to get information from the Government of Canada where members have the same right and the same opportunity as the Government itself has to get information from any department of the Government of Canada.

MR. SPEAKER: Question No. 62, Mr. Fogwill, addressed to the Minister of Public Health and/or Welfare.

MR. POTTLE: The question is to lay on the table of the House a statement showing the number of able-bodied persons, throughout the Island who were in receipt of Government relief for the months of January to June inclusive, and further to inform the House of the cost for each month in detail. The number of able-bodied persons in January was 28,005; the cost \$152,325, to the nearest dollar; February 34,631 persons, cost of \$176,310; March, 39,004 persons cost \$199,094; April, 36,603 able-bodied persons cost \$184,912; May 24, 129 persons, cost \$119,639. The number of able-bodied persons include the total number of people in the families concerned. Full returns for June month are not yet to hand; they will be tabled as soon as they have been compiled by the Department of Public Welfare. Sufficient copies will be laid on the Table, in as much as the answer is short, for all the members to have a copy.

MR. SPEAKER: Question No. 63, Mr. Fogwill addressed to the honourable the Premier.

MR. SMALLWOOD: Mr. Speaker, this is a question with regard to the bus strike. Yesterday morning, at the request of the Municipal Council, I met with the Committee of the Council, who asked me to take an active interest in the problem of the strike. I agreed to do so. I asked the officers of the Union concerned if they would be kind enough to meet with us. They did so yesterday, while the House was in session in the afternoon. I sug-

gested to them that if they would, or if the members of the Union would, return to work without undue delay, the Government would, under the Minimum Wage Act of 1947, set up a Committee of Enquiry, without undue delay, and pointed out to them that under the act to make those recommendations, the Government had the right under the act to make those recommendations binding upon all parties to the dispute. The officers of the Union included their international representative and I asked them to take the suggestion to the Union and let me know as soon as they could the decision of the Union. The officers met, I believe, with the members of the Union this forenoon, and I believe that around lunch time they took a ballot on the proposal which I had made, and that the ballot accepted the proposal which I had made, and that the ballot accepted the proposal in principal, with some details to be worked out before they accepted the proposal finally and completely. A few moments ago, just a few moments before this sitting began, I met a deputation of the Union outside, and indeed the members of the deputation are presently in this building, and we have to meet a little later this afternoon, when the business of the House settles down, and perhaps arrive at a final agreement on the proposition made by me yesterday and voted on today by the members of the Union. It looks at the moment somewhat hopeful—the whole situation. I do not think I could usefully add anything to that, and the honourable member who asked the question will, I know, be anxious to say nothing

and to ask nothing at this moment that would have any possibility whatever of affecting adversely the prospects of the men. I know that would be against his feeling, and it is a feeling in which I share fully myself.

MR. SPEAKER: I would like to say to honourable members, in the matter of asking and answering questions there seems to be a great deal of uncertainty and doubt. I would refer them to Standing Orders 92, 93, 94, to page 122 in Beauchesne's several pages in May, most recent edition, and I believe the 1929 Hansard. I am sorry I cannot tell you the page, but if any member wishes to look it up in my office I shall be only too glad to make the information available.

MR. FAHEY: I would like to get some information, Mr. Speaker I would like to know under what Act does the Government work in relation to labour disputes? There was an act, I think it was called Emergency Act. Defence Act.

MR. CURTIS: The Emergency

MR. FAHEY: The Emergency Defence Act is right. Under that Act you had to give twenty-one days notice before you take any action—that is, the Union. During that time if the Government did set up a Board of Arbitration you had a right to strike. I want to know now from the Government what protection have the bus drivers, for example, for if the employers refuse to negotiate. Under the Defence Act they had to negotiate after twenty-one days' notice was given. I want to know if the Act is still in effect

or not. I know it was under the old Commission of Government. I want to know if there is any such Act or any such ruling whereby workers are protected.

MR CURTIS: I would like to say, Mr. Speaker, that I do not think the motion is quite in order. I think that if my honourable friend would like to make a motion like that he should do it on the adjournment of the House, but I think the Act to which he referred is not in effect now, but the Government intends to proceed under the Minimum Wage Act of 1947, copy of which I have here and which I should be glad to show the honourable member. At the same time, I do not think it would be opportune at the moment to discuss this matter further in view of the pending negotiations.

MR FAHEY: Mr. Speaker, in that case I am quite satisfied. As I understand it now, at the present time, the working people of Newfoundland have not any protection. We have to wait until we have this legislation through.

MR. CURTIS: No, no Mr. Speaker, this Act is in force now, it is a 1947 Act,—the Minimum Wage Act. It is a very sweeping act. I think it gives us all the powers we need.

MR. FAHEY: Does it give you power to make these people negotiate?

MR. CURTIS: I think so.

MR FAHEY: As I understand it, at the present time they refuse to negotiate.

MR. SMALLWOOD: This Act has not been invoked until now.

MR FAHEY: That is what I am trying to get at. You did not have it, but you have it now.

MR CURTIS: No, we had it all the time. Nobody asked us to use it.

MR FAHEY: I see; but you are going to use it.

MR CURTIS: Yes.

MR FAHEY: That is what we wanted to get at. Thanks very much.

MR. QUINTON: In answer to Question No. 11, asked by the honourable member for Ferryland, concerning a statement of what loans are outstanding against the Provincial Government held locally, as well as the Sinking Fund against each loan, I table a statement as at March 31st, 1949.

Question No. 14, by the honourable member for Ferryland, the amount of the National Debt taken over by the Government of Canada on March 31st, 1949, £ , , . (2) A statement of the Sinking Fund established in the United Kingdom in 1937, this statement is in course of preparation.

Question No. 20, concerning a statement of the various amounts received or due the Provincial Government by the Federal Government, this is quite a statistical paper, and I presume it can be taken as read, Mr. Speaker.

Question No. 23, by the honourable member from Ferryland, the subsidies to be received from

the Federal Government under the Terms of Union:

- (1) Annual Subsidy—Clause 26 (a)
\$440,000
- (2) Annual Subsidy — Clause (b)
\$1,100,000

Under these clauses 26 (a) and 26 (b) the total is \$1,540,000. In addition to the above, grants-in-aid are payable by the Federal Government for 1949-50 as follows:

Public Works — Hospital construction	\$ 332,000
Public Health — Expansion of existing health services	557,000
Public Health—Augmentation of Old Age Pensions	1,800,000

These are continuing grants subject to variation annually. No figure is given for subsidies in lieu of tax rentals as payments are not as the Province enters into an *due on this account until such time* agreement with the Federal Government in this respects.

Question No. 30, by the honourable member for Ferryland, showing the cash balance in the Bank of Montreal, St. John's, as at the 30th June, 1949, \$14,590,000 in round figures. This is the Newfoundland Exchequer Account balance only and does not include subsidiary departmental accounts.

(ii) Amounts due by the United Kingdom Government as at June 30th, 1949,

- (a) Interest-free loan \$9,068,000
- (b) Agency accounts 71,000

(iii) Amounts held by Drown Agents as at June 31, 1949,

- (a) deposit to meet redemption of 3½ %

Sterling Stocks falling due in 1950 and 1952	\$3,497,000
(b) Sterling Receipts from sales of fish	7,700,000
(c) Joint Colonial Fund	912,000
(d) Special Investment Fund	40,800
Exchequer Balance	3,650
Amounts due by the Federal Government as at June 30, 1949	14,125,500

These figures do not include Crown Agent Accounts for April and May which are now being audited.

HON. E. S. SPENCER (Minister of Public Works): Mr. Speaker, I ask to lay on the table of the House the answer to Question No. 52, addressed by the honourable member for Ferryland to the Minister of Justice and re-directed to the Department of Public Works. The correspondence in connection with negotiations between the Newfoundland Government and Labrador Mining and Exploration Company is so voluminous that it is impossible to have it copied and tabled in the House. The complete files are in the office of the Mines Division of the Department of Public Works, Government Building, Harvey road, and may be seen there by any member of the House.

Negotiations on behalf of the Mining Company were conducted by the legal firm of Emerson and Cook for the period 1936-37, and by Eric Cook from 1937 to 1944. Cook and Bartlett now represent the Company.

The system of royalty payment was changed from a flat rate to a

percentage rate because the Commission of Government was satisfied that it was in the best interests of Newfoundland to do this.

The Labrador Mining and Exploration Company was incorporated under Newfoundland laws on June 18, 1936. Its directors are: Messrs. J. R. Timmins, J. I. Rankin, N. A. Timmins, Jr., James Y. Murdock, A. H. MacKay, Joseph Simard and Harry L. Pearce. Its paid up capital is 2,849,655 shares of \$1.00 per value.

The head office of the Company is c/o Messrs. Read, Son, Watson and Leith, Bank of Montreal Building, St. John's.

I table copies for the information of the House, and in connection with paragraph 1, where it states that this correspondence is so voluminous that it is impossible to have it copied and tabled in the House, I have been informed by my staff in the office that it would require a month for two stenographers to copy this material; hence the request that any member wishing to see the same would be good enough to call at the Government Building, Harvey road, Mines Division, Department of Public Works, where he may have an opportunity of perusing the correspondence.

MR. CASHIN: Mr. Speaker, I would like to revert back to the remarks of the Minister of Public Works. He said a few moments ago in referring to Labrador Mining Company, Ltd., that Cook and Bartlett are the solicitor. I do not know, but I have been told so, that there has been an additional member attached to that firm, who happens to be the Lieutenant-Governor

of Newfoundland, so that it should read, if I am correct, Cook, Bartlett and Walsh, who are acting to-day for the Labrador Mining Company.

MR. HIGGINS: Walsh, Cook and Bartlett.

MR. CASHIN: Walsh, Cook and Bartlett, well one way or the other. Now I do not know—I have not had much time yet to prepare anything, but I wonder whether it would be in order at a later date to have this Labrador Mining Act taken up in this House? I would like to know that, or if I could give notice of a motion, that we would discuss it at a later date. I just want it to be known here that the Labrador Mining Company are to-day represented by the Lieutenant-Governor of Newfoundland too, as so far as I am concerned—

MR. SMALLWOOD: The honourable gentleman is completely out of order in every word he has uttered in the last few minutes, completely and absolutely out of order. May I have a ruling on this please?

MR. SPEAKER: I was about to ask the honourable gentleman if it was his intention to file notice of motion or question?

MR. CASHIN: Yes.

MR. SPEAKER: The Orders of the day—the adjourned debate on the Address in Reply.

MR. MILLER: Mr. Speaker, yesterday afternoon I moved the adjournment of this debate, and it is my responsibility to continue. It is not my intention to go into the Address in Reply in any great detail. I appreciate that the Government is trying to initiate a pro-

gramme. I realize that it is the right of the Opposition to criticize. I do hope that when I make a criticism it will be constructive. With just these few opening remarks, I want to deal with a few features of the matter as I see it. In the beginning, of course, we on this side of the House can practically do no wrong. It is not our privilege or power to shape any policy; that is the Government's privilege, and for that they will, of course, in due time answer. Any policy to deal with the future must have a certain element of theory introduced into it. We can see that that has been introduced, unquestionably. What I want to see is a little more dependence on new industries and the development of the natural resources of this country. I know there is a bill for the creation of an Economic Development Department. I fully appreciate its usefulness in our future, but we must at the same time recognize that to undertake the development of the hidden wealth of this Newfoundland and Newfoundland-Labrador of ours will cost an immense amount of money. There seems to be no question of that, and if we want to go further, we want to go back to that development presently being pursued in Labrador, still in process of investigation. As Mr. Spencer, the honourable member for Grand Falls, mentioned in answer to a question there this afternoon, commenced in 1936. I believe the original expenditures of that company began at about \$30,000 a year; they later went up to the figure of \$150,000, and I believe they have expended many millions of dollars on a development which has not yet established itself. Now it

is all very well for a company to undertake such, but for a Government to undertake a multitude of such things—I think we have got to be very conservative in such a programme. I do not object to it; I rather appreciate what such a department can do, but I do say that in such a procedure a department should go very slowly. I am not happy about the whole position of our natural resources. We have unquestionable wealth in this country; we have been feeding it to the outside world all these years. True, many years ago the idea was to concentrate on manufacturing companies; they were the "top dog," so to speak. But the position has changed; it seems to me that we are in a good position in this country. The position is now that a country rich in natural resources is the "top dog." We are especially wealthy in this matter. We have the iron ore of Labrador, not to mention Bell Island, though some day it may play a big feature in our country's life. But the real wealth of Labrador, the unquestionable value of the wealth of Labrador, is something of which I am not satisfied that we have sufficient knowledge. True, some re-arrangement of the original deal, whereby even the Province will continue to collect moneys to the benefit of the Province from the development of Labrador—that original deal was changed to a different arrangement and now we do not get anything out of it. What is that worth then? Just the labour! Are we getting the labour? Presently the operations on Labrador—Newfoundland-Labrador are very extensive; quite a few men, people in this country, go down there year

after year, but it is my opinion that the number seems to be lessening. If we could only get the benefit of the labour, in the Labrador development, let us send the men down right away. I cannot pardon any slip-up on any Government's part, and I think it an extensive part of any Government's programme to get the most out of what presently exists. We have other resources; we have water-powers; we know of the fluorspar at St. Lawrence, and we know also of the water-powers at Bay d'Espoir. We know that water-power is essential to industry; we know that we have bauxite which even Canada, the mainland, with its own very great industry, has to bring from South America. Surely if we have two of these factors, we are a step ahead of Canada; and yet the fluorspar and the bauxite go out to create an industry for the mainland. No wif we—the youngest province of Canada—if we are to keep on feeding the world our natural resources, there will come a day when we will not have any more of them. There cannot be found, certainly of the type necessary, any great quantity of bauxite. There are two known deposits if this ore in the American continent—one in South America and the other in Labrador. I would like to see—there is so much of that in Labrador, and I do not think it is even mentioned in the Speech from the Throne—some assurance that we would be able to deal with the immediate future through these important known resources. We are the youngest province; if the Government's programme is mainly theoretical and not based on substantial practical grounds, then we may not possibly

get our rights. As a province we would do well to become copyists, to follow the experiences of other provinces, and I feel sure in doing so we will have assistance as re-follow such a policy, then we could go a long way further with the work of the Economic Development Department.

We must be somewhat alarmed with the advance in the number of people who are on relief. And that condition is not confined to any particular area; it is country-wide, and there seems to be, in my opinion, anyway, nothing in the offing to relieve that situation. In fact, I can only see it getting worse and worse. Now, I am not inclined to take a pessimistic view; I fully appreciate that the Government will be doing very fine things. But I would like to give this word of caution, as it were, that the Government use its energies in following up the present industries, which we have, and getting side industries developed. I think the greatest government that ever will rule in this country will be the one which will bring development of all our valuable natural resources. I fully appreciate that we can never do it, not at least in the near future, on a very large scale, because of our small population. But if we are to be a great purchaser from the mainland, then we must soon get some little privileges for this youngest province of theirs. Legislation in relation to the Economic Development Department is, I might say, in many ways, long-needed, and I thoroughly agree with it. Of course, it is my privilege here, and I rather think it is my duty, to mention any particular clause which I dislike.

I dislike that clause 7. I feel that it is introducing control—Government control. I think it is introduced in a mild way, but nevertheless it is control, and it can be widened. Now, I do not want anyone to take this to themselves. I am criticising the legislation because it is here for consideration and criticism and because it will deal with matters long years hence. The control is mild, but it is there and it can be widened. And people must conform to Government dictates. This Island, I would like to believe, is a place of freedom. The only thing that tends to make me disbelieve that is the fact that this legislation is to be introduced and conformity to any rules made are to be enforced by penalty of law, and that, in a free country—I cannot see its place.

There is one other feature, in this Address in Reply to the Speech from the Throne which I would like to take the opportunity to refer to, and that is what cannot be termed anything else but state-owned banks. From an industrial point of view, those who have given consideration to the situation know that the Canadian banking system is highly efficient, and it deals with the economy of the mainland as well as Newfoundland, so I do not see that we need the introduction of a bank or banks at this moment, even though it is a minor issue. If we do not think that we can conduct the business of this country and develop it under the chartered banks, we can go and avail of the services offered by the Industrial Development Act, which was created for the development of small industries and to reach out

a little farther than the chartered banks can. If we are to look at the introduction of state banks as a major issue of Government, then that is another matter. Once again I would repeat that I am criticising this from the point of view of legislation which would go on for many years, and also control. State banks have controlled industry. In conjunction with clause 7 of the Economic Development Act, it can make a fine job; it can finance industry here, or it can suppress it as the case may be; it can stop completely; it can discriminate against one area or against another; it can discriminate against one company or several companies, or even put them out of business.

MR. SPEAKER: I do not wish to interrupt the honourable member, but I do not think it is strictly correct to criticise a bill which is now in Committee stage. You are speaking on the Address in Reply.

MR. MILLER: Yes, Mr. Speaker, with the section which introduces these bills. Am I permitted to continue?

MR. SPEAKER: Yes.

MR. MILLER: It is not my intention to go any farther, Mr. Speaker. I brought the point up, inasmuch as it is there. I do not in any way particularly intend to criticise that section, and if I did go beyond my privileges when I mentioned clause 7, as perhaps I think I did, I hope you will pardon me.

In conclusion, Mr. Speaker, I would simply say, that if these banks prosper they could easily control the whole economy of the

country; they could control the industries of the country, and we would in time become a regimented state. If they fail then the people generally will suffer.

Once again, I would say, that we should deal with these matters very cautiously; that we appreciate this great land of ours and the developments that have already taken place. But on such a programme I would be happy to compliment the Government upon presenting this Act, and I feel that if such development has good results in the country, then we can go on and look for the pot of gold at the end of the rainbow.

MR. JACKMAN: Mr. Speaker, first of all I would like to add to the remarks of the previous speaker, in tendering to you congratulations on your election to the office of Speaker. I want to assure you, Sir, that I will at no time make your job any more difficult than it is.

Now, in respect to the debate here this afternoon, I have been told that you can talk about anything, talk about anything at all. I can assure you, Sir, that that is not my intention to in any way try to delay the business of this House. I do, however, wish to offer a short criticism of the Speech from the Throne, and in doing so I realize that it is useless in this respect. There are only five of us here, and regardless of what we say or what we do, when it comes to a final vote, the Government are going to get up and say "Aye," we "Nay" and that is the end of it.

There is one thing, though, in the Speech here, which, so far as I am concerned, and to which I

have given quite a lot of consideration, and it is that I understood that it was a party policy of the Liberal Party, previous to the election, that there would be a Trade Union Act legislated in this Assembly. I note that that is absent. To me it is a very important one. But, anyway, all I can say is this—I notice the Premier is gone, the Minister of Justice is gone, possibly they knew we were going to talk this afternoon, and they possibly made themselves scarce—they are absent anyway. But in that respect there is one point there which is very important, and, as I see it, there has been given no consideration given to it, and as a labour man—I am on the Opposition, but if the Government brought it in I would vote for it. But in its absence, and for that reason I must say, that that, on the part of a Liberal Party, who are so much concerned about the toiling masses, is a very, very grave omission.

Now, Labrador. The Labrador, which is the key, as far as I see it, the key to the whole economy of Newfoundland, has not been mentioned in this Speech. There is not one word about it, our most important asset. Now I happen to know something about the Labrador situation. I did not sit here—over there where Mr. Keough is sitting now—pardon the personality—its the same seat—I did not sit here for sixteen months without finding out something about the Labrador situation, and it was discussed in the Convention—this National Convention we had. That was discussed. It is not discussed here. There is not a word in it, not a word in the Speech from the Throne in regard to our greatest

national asset. And I tell the Government in this respect to bring something up, something of constructive nature as to what we are going to do with the Labrador, if it is going to be Duplessis'; Duplessis, is he going to have it all? Or St. Laurent? I do not care now, any of them, or are we going to have share into it? I see here not one word about it. Well, I am going to carry on and get through as quickly as I can, because, as I said in the beginning, it is only nonsense and only useless for us to speak here at all. There are only five of us. We can occupy the time as long as we possibly can, but as I said before, when it comes to a vote, you have about twenty-one and there are five of us; I would like to see something though, in regards to the Labrador, as I said a moment ago.

Now we go on to the Gander. I have heard it said right here, in the Convention, by the present Leader of the Government, that the Gander was a White Elephant and that we, the people of Newfoundland, could not do anything about it. We were hardly into Confederation when we heard that the Americans and Canadians sat down around the table and negotiated a deal which sent a hundred million dollars to Canada. As far as I am concerned, I am the father of six children, and I want baby bonuses—certainly I do—but I do not want anything in the nature of a handout. I spent my life in the labour movement, for over thirty years, and my experience in labour is this—to get the very best terms you can get, I say here again, and my criticism I admit might be a bit prejudiced, but I cannot help saying it, but

seeing I am here I want to say this—I do want to say that in my opinion the Leader of the Government we have today is one of the greatest go-getters, not only in Newfoundland, or in Canada, or in the United States, but in the whole world. I say that. But, on the other hand, as I said previously, and my remarks I am going to confine as well as I can to a constructive nature, but nevertheless, you must strike out a little once in a while.

I do want to say this in conclusion, and I want it to be known right here, and to the public of Newfoundland—I have got to occupy a seat here—this is not personal—and first things first with me. I am here, sent here by the people of Harbour Main and Bell Island, and all the time I am going to do my utmost to see that not only the people of Harbour Main-Bell Island get a square deal, but the people of Newfoundland in general. But I do reserve the right at any time to rise here on my feet and criticize anything that I see is going through which in my opinion, right or wrong, may not be suitable.

Now we can talk all we like. I do wish, though, to say inconclusion—I appreciate some of these acts which are going to be brought in here, especially anything referring to the lot of the toiling masses. The Workmen's Compensation Act, which I can see here, the Old Age and Widows Pensions, Fishermen's Loan Bank and Co-operatives. I would like to submit this to the Government before I sit down—would you please insert a Trade Union Act or the Opposition here

might submit one which could be debated. Thank you.

MR. HIGGINS: Mr. Speaker, yesterday my colleague for St. John's East, who is temporarily absent, for some reason or no reason, said, and boasted, that he was a blue shirt—in other words a labouring man, and that two of his colleagues were with him in the same class. I hope that when I shuffle off this mortal coil, Mr. Speaker, and go to the eternal bourne from which no traveller returns, that my Maker will not hold it against me that I was a White Shirt, or even a Green Shirt, and that he put us on the same plane, in that we all earn our bread by the sweat of our brow, and in that is included the White Shirt from the District of Ferryland, and the White Shirt from St. Mary's.

Now, the Speech from the Throne delivered the other day told us that we were privileged to witness a new era, or a new phase of democratic government in Newfoundland. "The old order changeth, yielding place to new"; the old order under which we carried on our affairs for nearly a century without let or hindrance from any outside influence is now no more; the old regime is now a thing of the past. A new order has come in which was welcomed by a big majority of the people, at least for the time being. Time alone will tell whether they were right or whether they were wrong, and perhaps they may change their minds in the future, and perhaps in the near future. I hope their expectations will be fulfilled; they are getting some benefits which they were promised, but in some cases things

are not turning out as well as they should, but apparently the people are still satisfied. The price of flour has not gone down, although they were told that under Confederation they would be able to buy two barrels of flour for what they were paying for one. And the cost of living has not gone down considerably, either. But, as I say, they were paying for one. And the cost of living has not gone down considerably, either. But, as I say, they were satisfied; how long they will be satisfied I do not know, but I hope and trust that they will be satisfied in the future, and in the distant future. The serious aspect of the whole matter is as to whether we can carry on the affairs of the country with a deficit. The financial statement which was made by the experts who advised our delegation which went to Ottawa to discuss the terms of Confederation—that report is a very gloomy one indeed. If that statement gives a true and accurate picture of the financial state of the country, then I am sure that it was quite apparent that the delegates appointed must have known that there would be a deficit every year. And the sad part of it is that the deficit increases year by year. We have at present a surplus which will allow us to carry on, if we have a deficit, for a short term of years. But when that surplus is finished, what is going to happen to us? It is no use in saying that the future looks rosy; that halcyon days of prosperity have come. There is no doubt that the people were painted a roseate picture of the future that would come under Confederation. They believed it. It is very easy to believe what you wish to believe, and what you

desire to believe, and what you are supposed to believe. But even the Premier told us himself the other day that unless our resources were developed we would go under. That was the first note of warning, the first note of pessimism. I must say that he rose to the heights of optimism when he said that we would be the midwife, and perhaps the father, of prosperity. Well, I think he is making due and proper provision for a baby bonus for the baby prosperity which is expected, and I hope it will not be still-born. But it behoves us in the circumstances to move very, very, slowly. We are rushing into legislation involving large amounts of money without realizing what our financial position really is. Perhaps the Premier and the Finance Minister, and even his Cabinet, know the financial position, but I am pretty well sure that the rest of his members do not know the financial position any more than we do, and perhaps they may know less. We are starting to build a house without knowing how much money we shall spend, and without knowing or realizing how much money we have in hand with which to build that house. We are making ourselves poor financiers, and after all we are trustees of public funds, and if we start things that we cannot finish, then we are wasting the funds of the public and we are dissipating public assets.

The Premier reminded us a couple of days ago that the Government had a right to initiate legislation at any time it wished, and that he would not be thwarted under any circumstances in that procedure. Now if

the rights of the Government conflict with the rights of the country, I submit that the former should fall. The Premier has told us that the proceedings of this House must be carried on with dignity. What is dignity? What is dignity? If any man rises up because he wants to object to something which he thinks is not proper, is the dignity of the House attacked, can the Speaker say that is undignified? He made a slur on the Government in this House of Assembly under Responsible Government, when he spoke of undignified acts which had happened, of how undignified the House was for fifteen or sixteen years previous to the coming of Commission of Government. I shall say this much, that the members of the old House could be dignified when the occasion demanded dignity, and if there were undignified acts at certain times it was because they had strong men here and strong passions; men with strong passions; and when they felt there was an outrage against the public their passions would certainly arise and the more venement they became it just showed how strong were their opinions. There have been strong scenes in the Mother of Parliaments; if we search the history of the great Parliament of England we will find that on occasions there were even violent scenes, and we are told the story of one gentleman member who actually smashed his silk hat over the head of another member. Well, I do not know if that ever happened here, but I think it was an undignified act, but it was an act I would condone under certain circumstances, and I feel that the gentleman was just

getting an outlet for his outraged feelings. And let me tell you there have been strong scenes in the House of Commons, even in Canada—even in Canada—on the mainland, I should say—oh, pardon me—in the mainland. That House there saw many violent scenes; I have read of them, and there have been many nasty words hurled across the floors of that House. Is that undignified? It may be undignified for the occasion, but there is some justification because in a stormy session tempers are apt to flare up, particularly when you have strong men with strong ideas. Now if the Premier thinks that Newfoundlanders are any different in that respect from men of other nations, well I think that he is wrongly judging Newfoundlanders. In fact, Newfoundlanders are so individualistic that I cannot imagine a House acting otherwise than having a spat.

Now, one thing Confederation did not bring about, and I trust will not bring about, and that is, a change in the temperament of the people. And it would be a terrible thing to change the manners and customs of this country, and the manners and customs of the House of Assembly as traditionally brought about by the usage of the past hundred years. Now it would be a terrible thing if this House became so dignified that criticism became out of place or we became so complacent that no one would like to object to what anybody else brought forward. Then, if that happened, we would be like the Laodicians, we would never die, never having never die, never having lived.

Now I compliment the proposer of the Select Committees to draft the Address, and I am sincere, because I think his effort was a very good effort, but to say that, that implied approval of all that he said, is entirely wrong. There were a few things which he said which are very much open to question, very much open to criticism, and even censure. He said that the Premier could now be regarded as the Premier of the people because of his vote. What does he mean by that? The Premier of the people! Is he not the Premier of Newfoundland? He is not the Premier of the Liberal Party; he is the Leader of the Liberal Party; but he is the Premier of Newfoundland. On every public occasion he goes there as the Premier of Newfoundland. But what was the proposer doing? Is he trying to draw a distinction between people? Is he trying to say that the worthy Premier is the Premier of this big section which voted for him, and as to the rest of the people, oh, that makes no difference; they are of no consequence. But what did he mean by it? Now he also suggested that as there was such a big majority on the Government side, the legislation could be gone through quickly. Does he mean to say that because they have large majority in this House that therefore expedition is absolutely necessary and desirable, and, in any case, that they can shove things through if they want to. Well, now, surely Parliament should not be rushed? Should they not make haste slowly, knowing the time-honoured phrase from the time of the Latins, "Festina Lente." Why not slowly? Is not

that proper? But I must say there has been a scandalous haste. You come here, and the first reading of an act is given, and all you know is the name of the act. It is read the next day, the second reading, and you get it for the first time, the bill, on your desk, and you have to digest a bill, of great importance to the country—I assume it must be of very great importance to the country, because why is it brought up here in the House. An act takes some time to read and to learn, and to do that properly you have to spend some time on it, and the House or anybody else who tells me that this thing must be rushed through and you can read it quickly, then I must say I am sorry for Newfoundland. There is many a section of an act that has taken hours in court and has cost thousands of dollars in order that the proper interpretation may be put upon it. And to ask us to come in here and to discuss a bill quickly is almost—well, it is scandalous. We discussed a bill yesterday of most vital importance, dealing with the whole natural resources of the country, and we were asked to go ahead and pass it right away we had one night to digest it—matters of such vital importance as involved the freedom of the citizen and restraint of trade. There were paragraphs in that which certainly implied that if necessary the freedom of an individual may be taken away, and that his right to trade may be taken away, and we are asked to vote on that quickly. Now the Government has had plenty of time to prepare those acts; they have gone over carefully; they know all about them. We do not know anything about them, and I presume that

the other members, other than Cabinet members, do not know anything about them. And we are asked to come here and decide the question quickly, just because the Government knows all about it, and because they think it is right, it should go through. Now, whatever the Premier thinks of that, I will tell you candidly, Mr. Speaker, I am shocked. It took a cataclysm to bring me into the House of Assembly, and at fifty-eight years of age I find myself here for the first time, and all the King's horses and all the King's men could not drag me in here previously, and I am going to tell you I am shocked to think that that is the way the business of this country is being run. If we were given a week, given those acts a week before the House opened, and when the House was opened given a chance to digest them, I would have said that was a wonderful gesture, not only for us, but a wonderful thing for Newfoundland. Now I can see what is going to happen, things will be rushed through quickly.

Now we are passing through a bad phase in Newfoundland, and that same phase had been experienced right throughout the whole world. There is too much dependence on Government, and too little dependence on personal effort and endeavour, people are losing their initiative, and there is no doubt that there is a wave of Communism going throughout Newfoundland, and there are Communists in this country and in this city. Now I trust that the Government take as little financial interest in business as possible—I do not care whether co-operative or otherwise. Let people be helped out, if necessary,

by advice, and if it is necessary to pass legislation to help them out some way, it may be quite all right, but the vast majority of people have for generations lived their own lives; they carry on their own lives; they regulate their own actions; they earned their bread by the sweat of their brow because they gloried in the privilege of being independent. Help those that need it, but let the independent man be created. Let us at least not allow our lives in this country to be regimented as in some other countries. Of course, I must admit there are certain times when the Government should interfere; that is, interfere for the benefit of the country, but if business assumes large proportions it might be good for the country, it might be necessary to make laws to regulate these businesses. This is strongly so in the case of natural resources. Our fish must not be allowed to be a drag on foreign market; no individual should be allowed to destroy the value of the export of the fishery. Our forests must be protected. Provisions might have to be made for the future of the seal fishery. We have been told by those who have learnt by experience, and this year by our own expert, that the killing of seals has got to be the position where the whole seal-fishery is altogether too early, and instead of getting seals of thirty or forty pounds, we are getting seals of ten pounds, so that a fifty or sixty thousand catch is only a small one. Now something should be done to stop the terrific slaughter of small seals. We had a wonderful fishery here in the 1850's, when it reached over six hundred thousand; then there was a decline.

The number of seals caught has been comparatively small. Now, if something is not done in the immediate future to stop the killing of seals before a certain time, then in a few years we will find that we will have no seal-fishery because there will be no more seals to catch.

Yes, let the Government pass laws for the protection of certain businesses, but it should leave business alone otherwise. If business is protected so that it cannot be shipwrecked by outsiders, by other people, then their concern should cease; let them alone to carry on their business otherwise. Private ownership is always far more successful than Government ownership; in fact, I may go so far as to say, that Government ownership has always been a failure. Would it be suggested for a moment that the great paper industries of Grand Falls and Corner Brook would have risen to such heights of commercial prosperity if it was in Government hands? Would the Government have made a success at Buchans? And if co-operative businesses are going to be started in this country, then let them be carried on by private enterprise, let the Government help out in some way if they want to, but let the people put their own money into it. If the Government starts control of co-operative enterprise, it will be a failure from the very beginning. There is no incentive; private endeavour will be done. Now, let me read an article to you that appeared in the Reader's Digest, "Lessons from Britain's Social Experiment":

"Until 1945 I shared with my colleagues in the British Labour

Party an enticing dream of the Brave New World which Socialism would bring, a fairer and fuller life for all. We have now been in power almost four years. We have socialized a large sector of our industrial life, and subjected what is left to national planning. I have spent years discoursing on the defects of capitalism. I do not withdraw those criticisms. But we have seen the two systems at work, side by side. And the man who would still argue that Socialism is the means of ridding our society of the defects of capitalism is blind. Socialism just does not work. We must find some other means of dealing with the imperfections of the private-enterprise system—we dare not abandon it.

We Socialists had made a pet collection of the frailties of private industry. We believed that the system bogged down for want of *planning*; that the *businessman* had no brains; that the worker was a wage slave; that the devil in the whole machine was profit; and that when we organized industry on the principle of producing for use rather than for profit the worker would be a free man living in abundance. So we nationalized the Bank of England, the railroads and motor transport, the electric-power industry, the coal industry and medicine. We now propose to nationalize the steel industry.

Before that die is cast let us look at coal under nationalization and steel under private enterprise.

Heaven knows coal under private ownership was no model. England's plight was desperate and she needed full production." So

the Labor Party took over the mines for the people, and voted the equivalent of one hundred million dollars for mechanization to increase the per capita production of the worker. Yet from June to October, 1948, in spite of the increased mechanization, and in spite of the fact that it is now the people's coal—not that of greedy capitalists—the mines produced 150,000 tons per week less than in 1938."

He is speaking of 1949 now:

"Has the miner ceased to be a wage slave? He still works for wages. He still has a boss. Instead of working for a group of stockholders he now works for that vast, amorphous mass called the people. Instead of having a managing director at the mine with authority to deal with problems as they arise, he now has a bureaucrat who dares not say yes or no without sending the problem up through layers of other bureaucrats to the real directing boss, a remote being in London called the National Coal Board.

We ought not to be surprised to learn that whatever government touches slows up. The reasons are obvious. First, the coal mines are now under the withering hand of the civil servant whose whole training is to make no decision that can be passed to a higher level. Such delays can be tolerated in government but in industry swift decisions are essential.

Second, the coal miner will not produce more just because he is working for a Socialist government instead of a capitalist boss. Men will throw away their lives for a

great idea, but it is now clear that they will work more only for more wages—the profit motive. And the Socialist government professes not to believe in the profit system.

The next target for Socialism is steel. This is by all tests the most efficient industry in England—perhaps in the world.”

I am afraid, Mr. Speaker, that the members of the Government have not read this article, and I am afraid even now after this they will not read it.

MR. SMALLWOOD: I have read it.

MR. HIGGINS: Oh, you have read it. I wonder how many more. Well, I am speaking to the rest of them, Mr. Premier.

“It produced eleven million tons in 1938, more than fifteen million in 1948 with but little increase in its mechanization. It has not had a strike in thirty years. Its wages rise and fall according to an agreed arrangement in relation to prices.

“When in the light of our record of coal, the party began to insist on socializing steel, I raised my voice against it. And I was thrown out of the party. I say it would be an economic crime of the first magnitude to transfer this highly efficient industry into the hands that the more level-headed Labor leaders are not eager for this step, but are being driven against their better judgment by their more violent colleagues”—

and so on it goes on here

“The Labour Party took over the railroads. They also took over motor transport—the busses and

trucks in the carrier trade. I asked A; Fred Barnes, head of the Transport Board, why they had taken over motor transport. He replied, ‘I am advised that if we take over the railroads and do not take over motor transport we shall never be able to compete with motor transport.’ I said to him: ‘Let us get this straight. Do I understand you to say that you are determined to make motor transport as inefficient as the railroads?’ We can get rid of the embarrassment of motor transport competition against our railroads by such procedure but when we meet the competition of highly efficient foreign private industries, we shall not be able to get rid of it by buying up our competitors.

There is another frightening aspect which cannot be ignored. Our Labour Party rose to power by devouring the old Liberal Party from within. The Liberals, to keep in power from 1906 to 1918, surrendered to the Laborites on many points to get their support. The more they surrendered, the more the Liberals quit the Liberal Party, and the more the Labour Party took its place.”

One place in the world where the Labour Party is not supreme, Mr. Speaker,

“We have now to wonder whether the Communists will be able to devour the Labor Party from within. Communists are not admitted to the Labor Party. But they are admitted to the labor unions, and the labor unions control the Labor Party. The rank and file of labor-union members”—

and so, and so on. Then it goes on—

"As we go deeper into nationalization we shall require more and more ruthless leadership. Most of our old Socialist leaders are not fit for that. They are primarily Englishmen, after all. But the Communists can supply that kind of leadership. If the experiment fails, English workmen will be told it failed because their Labor Party leaders are not aggressive enough. This is the issue upon which Socialist-minded governments everywhere have bogged down. And always out of the Socialist parties—never from capitalism—have sprung the ruthless leaders to take possession: the Communists in Russia; the Fascists in Italy, Austria and Germany.

Too many Socialist apostles in other lands have ended by toying with the idea of force. Yet they are wrong. In thirty years of Socialist organization, Russia has not learned how to produce abundance by force. With the whip and the concentration camp among her instruments of compulsion, she had at last to turn to the profit motive," and so on.

Now this is a serious article and just shows that if we socialize our industries we could be in the same state as they are in England, that the business cannot be carried on because they lack the profit incentive, that the men running it are civil servants, and that the whole possibility is that when in England it gets to much of a failure they will turn to Communism. Confederation has become an accomplished fact, no matter what the means used to bring it about. But we must act together now, seeing that it is a fact and try to make the

best of a bad job, if you wish to put it that way. We are now guardians of the rights of the people, and we must therefore be veritable watchdogs to see that those rights are not taken away. Free and unfettered debate on all matters coming before the House is the first essential of good government. We know that it is the intention of the Government to revise the Rules of the House, on account of what is called "the efficient despatch of business." Well, just what does this mean? These Rules are not alone the Rules of this House, but also the Rules of every House within the Commonwealth of nations. And therefore it is the duty of this House to be very careful not to tamper with the Rules which are in principle used by all the democratic countries of the world in their various regulated assemblies. Now yesterday we did witness a fit of temper—or the day before yesterday—on the part of the Premier, when he uttered a veiled threat as to what he intended to do with the Rules of the House when he said "We know how to deal with that sort of thing" in answer to Major Cashin. Well, now, gentlemen, that is a serious thing. If anybody is able to tamper with the Rules of this House, change the Rules in such a way as to bring about a *closure of debate, or something* like that, and change Rules which have been consecrated by tradition, which have been the Rules of this House for nearly a hundred years, and these are Rules which have been copied from the Houses of Parliament of England, then it is a very serious thing. I know I am on the Committee; Mr. Fogwill and myself are on the Committee regarding the revision of the Rules. But what are we two going to do

against the majority if the majority decides to change them? What is the good of a minority report? You might get your name in the Journal of the House, and that is about all you do.

Now, the Speech from the Throne notified us that we should be asked to enact legislation having for its object the reorganization of the Constitution of this country, or the reorganization of the Government of this country. Already one piece of legislation has been rushed through, and rushed through very quickly. I refer of course to that act which was first introduced in the House, which makes it possible to set up twelve departments with as many Cabinet Ministers. To me this is preposterous. I objected to it at the time; the main objection that I made—I knew we could not stop the twelve because we were told there was going to be twelve in any case—but the only effective objection we could make was to have it limited to twelve, because if the act passed as it was, the Disabilities Act would not apply to any minister, and nothing could stop the Government from having as many departments as there are members of the House, and giving paid cabinet posts to each of those ministers. Now Quebec, with a population of four million people, has only thirteen Cabinet Ministers, and Ontario, with a larger population, has only eleven Cabinet Ministers, and, coming nearer home, we find that Nova Scotia, with a population of about twice the number of that of Newfoundland, has only six paid Cabinet posts; the Premier of that Province receives nine thousand dollars, and each of the other ministers receive

eight thousand dollars; so that altogether the full total spent is less than fifty thousand dollars. Now what do we find here? We have been notified that the Premier intends to appoint twelve Cabinet Ministers, and the salary each minister shall receive is ninety-five hundred dollars, including the Sessional Pap. That makes altogether \$114,000, more than twice the amount that is expended for Cabinet Ministers in Nova Scotia, which as I have said has a population of about twice the size of ours. What are the people going to think of this? The people gave the Premier a clear majority, I must admit, but surely they did not give him a mandate for extravagance. Now what other shocks the Premier has in store for us, I do not know, but one thing I know, and it is this: This is a small Province and our standard of living is not high enough to invite extravagance by Government. The member for Harbour Main-Bell Island mentioned yesterday of the plight of the farmers; yes, something must be done for this class of worthy citizens. Newfoundland is fast becoming a dumping-ground for the products of Prince Edward Island, and we had the apostle of the farmers of Prince Edward Island down with us, Premier Jones, and I am sure he has made all arrangements to get this place as free a dumping-ground for the province Prince Edward Island which will compete with the products of our Island and of our farmers unless something is done to protect them. Now farmers have done great work in this country. We have had a lot of small land-owners making hard living out of a hard soil, but always they were a necessary class, and I might say here that every class in this coun-

try is a necessary class—I do not care whether it is the merchant, or the fishermen, or whether it is a farmer, or whether it is a lawyer, or whether it is anybody else, a politician, everybody is a necessary class, and if one fails, all fail. I do not say that in a sense that is absolute, but you will find that if one class, say the merchant class, fails, its effect will be felt all over the country; if the fishery fails, its effect will also be felt all over the country; every class is dependent on the others, and every class is a necessary class. The merchant class is necessary, and I take the liberty to say that the farming class is necessary. For example, St. John's has been well served for over a century by the farming class who live in the suburbs of St. John's, East, West and North. In storm and stress, in the worst winter days, milk has been brought in here for a century, and no person has been without milk. I say, and I say it with wonder, to think that that class has had to get up at four o'clock in a stormy morning and come out over the hard road in horse and carriage, because it is only in recent years that trucks have come into existence—to have these people, these farmers, come in here and deliver the milk and cream which are necessary for children and grown-ups, to say that is to pay the greatest tribute I can pay that class of man. Hard-working, decent and honest. Now all of us, I know, read "The Deserted Village" in our younger days, now that shows the necessity of the farming class. You will remember what Goldsmith said,

"But a bold peasantry, their country's pride,

When once destroyed, can never be supplied,"

and the yeoman of England, that great class of man who built up England in medieval days and brought her to the industrial period, that yeoman class was really a class of farmers, but they were the class of the owners of small freeholds in England.

Now, the fishery must be kept up. I am not talking of big items such as breakwaters, but I say they should be helped out in small ways. Why not? Roads are built and repaired for motor-cars and motor-trucks. Why not use that as an analogy for the fishermen? Why should they not be entitled to roads to bring their boats up? I am talking of fishing roads now, talking of roads over the beach. Fishermen in those places where there is no road to bring their boats up should have wire winches provided. They do not cost much, but they are just as entitled to them as motorists are to the use of roads. After all, they are producers; they should be helped. I know that many members on the other side of the House know more about fishermen and farmers, perhaps, than I do. You know all about the needs of the fishermen. Now if any of the members on the other side cannot appreciate what I am saying I ask him to go around the Marine Drive, around Outer Cove and Logy Bay, and if you want to see the scenery, go on fine days, but if they want to see the needs of the fishermen, let them go when a stout north-easter is blowing and the clouds are lowering in the skies, and that is the time to go and see what is necessary for the fishermen, and how hard they have to work in those

places, and what a great assistance the little things are that I have been mentioning would give. That is the way to learn, by actual contact, and I would advise anyone to go down there, and if I bring in a petition from the inhabitants of these places, asking for a road or a winch, I am sure that out of the charity of your hearts, you will not vote against that petition, but you will see that it is granted.

Now it is very good news indeed to learn that the Memorial College is to be turned into a degree-conferring College — in other words, a University. The reputation of our Memorial College from the time of the great John Paton, when Paton took the leadership of it, to the present day, has been of the highest kind. Its two years' course is of such quality as is recognized in all the Universities of North America. I can tell you this much, that I have been told that not alone is the two-year course of the Memorial College as good as the best universities in the United States and Canada, but that in fact the course is far better than those of the universities. I heard that compliment paid to the Memorial College at the time when John L. Paton—the great John L. Paton—was the President of the College. Now it is unfortunate that our young people ever since the institution of this University College have not been able to get a degree; and that means that in most cases they have not been able to get a degree at all because the percentage of those who finished their two-year course who can go on to a Canadian or American University is very small. Now, if the university comes, and come it will, there

is one unfortunate thing, and that is this, that a whole generation has lost out; the present generation will be the gainer, and I must say that if the Premier brings in a bill, as I understand he will, that it will receive our unqualified support. It is my hope that when the university comes, it will be treated as an asset to the country, and that the professors there will be properly looked after. I must say with great sadness that we have lost some very fine professors who left for the very small reason, that they were not given the rights of a pension. Now it is a pity we have lost that type of man, and I trust that when the university is formed that we will get the best men we can possibly get, and pay them a decent living wage. A university may have all the buildings in the world, and be adorned with all the beauty of the Gothic architecture and beauty of the Renaissance if you want it, but you will never make it a university unless you get the men. It sometimes happens that one man has made a university, and when that one man left the university has gone down, so you realize the better men we have the better the university will be. We have some good men there, now, and I hope that an attempt will be made to keep them on.

Now, I realize the importance of the Tourist Traffic has been stressed again. I know that the Government must take a part, and a very important part, in this great institution. But I hope that most of the work will be left to private endeavour. The Government must provide in some cases good roads, and perhaps they should make rules and regulations about hotels.

For instance, there should be a regulation made about flies. You often go to a hotel and find a fly eating a part of your dinner, and tourists are not used to that, but I think if they made rules and regulations to provide decent comfort for tourists it would be very much the best thing. Now I feel sure that under a good policy we will have a large number of tourists. Now I am expecting a great influx of tourists; there are pictures painted of the hundreds of thousands of tourists we are going to get. We are going to get a fair number, but while you have one hundred and six miles of a gap, called the Cabot Strait, you will find that people will come as far as Sydney and then they will go back. But we will get a number if things are properly done, we will get a number of people. Now there are two sets of tourists; there is the tourist who wants every kind of comfort; he wants to get charabancs; he wants to get everything like that. Now that is a tourist. Now we have the fisherman. Now he wants to get as far away as possible from roads, far away from the "madding crowd's ignoble strife"; he wants to get amongst virgin territory; he wants to hear the treble of the river and he wants to smell the scent of the trees, and he wants to hear the songs of birds—pardon me, Mr. Speaker, I am fishing on some stream now—. So you have two classes of tourists.

AN HON. MEMBER: And politicians.

MR. HIGGINS: Many a politician makes a good fisherman, Sir. One thing I would say, when politicians go out in the country, would they

cease talking politics and talk the ordinary natural stuff that people talk when there is no politics, although I must say otherwise politicians are good things to have, because, looking around at the good men here I think some of them would be able to hold themselves well in the wood—but as I was saying, these are the fishermen. Now that is one thing that people forget. We talk a lot about roads; to get tourists you have to have roads. Yes, for one set of tourists you have to have roads. For the other set of tourists you cannot have roads, because if you have roads they will not come here. They will go to Northern Canada; they will go to Wisconsin, far away from roads. So do not think for a moment that you have to build roads every place. Let the best side of the rivers be away from roads, and let the wealthy men come down here and catch fish. They would bring a lot of money here.

Now there is another thing, and that is that our season here is very short. It is about four months, that is, June, July, August and September. Now it is a pity that we cannot develop winter sports here. If we could develop winter sports here there is not the least doubt at all that we would get a vast number of tourists, a bigger number than you would expect. Take Switzerland, for instance. Switzerland has thousands of tourists in the winter season. I spent two Christmases in Switzerland; they have fine hotels there, and people went there for the winter sports alone. They have cold weather there, down to zero, but you do not feel it—you do not get the wind we experience

here, but people went there for skiing, for skating, for hockey; now if we could find some place here where we could have winter sports—after all thousands of people go to Lake Placid to take part in winter sports, Saranac, and there are many other places which have been developed for winter sports, and I think that in this country it might be possible to get some place where the skiing is good. I know that certain conditions are necessary for good skiing, and perhaps the atmosphere here is not conducive to it, but I do not see why in the interior it may not be possible. I just throw out that suggestion now, because it is very hard for people to make a success of a tourist resort which is run only four months; if you can get eight months out of it, that is summer and winter, forget the spring and part of the autumn, then I think it may be possible that we get good private hotels here.

Now, speaking personally, it is a very great source of satisfaction to know that the Museum is going to be restored. The destruction of the Museum was a national outrage, and those who took part in its destruction must be condemned for ever in this country at the bar of public opinion. It is an outrage that struck the national heart. The scattering of the relics of the aboriginals, the relics of a lost race, will ever be a black mark on this country. I remember the time my indignation ran so strong that I sat down and wrote four lines of poetry and they were this:

“Have we cause for thanksgiving
that our hands ran not red;
They tortured them living, and
we despoil them dead.”

And if there is a greater crime than despoiling the graves of the dead, I know not. Unfortunately, many of the relics are gone. I understand that a lot of the relics of the aboriginals, the Beothics of this country, have either been destroyed by fire or been eaten away by moths.

Now, this country was the scene of the laying of the first telegraph wire which bridged the Atlantic Ocean. Shortly we shall celebrate the centenary of that great occasion, that wondrous occasion. The Museum possessed the first instruments that were used in the telegraph system, and you will realize how important these are when I tell you that the most precious articles in the aeroplane world and motor-car world is the first car and the first aeroplane, and you will remember when the Wright plane was brought from year—they had a special ship to bring it back—and we had it back especially—and we had here the first telegraph instruments and they were burnt in the fire at the Fishery Research plant at Bay Bulls where they had been stored. They are all gone! Now where are all those stuffed birds we had in our Museum? Now a stuffed bird is different from a stuffed shirt, I can tell you. A “stuffed shirt” is of no importance. I hope you do not think I am a stuffed shirt, talking like this. But a stuffed bird is of wonderful importance. Newfoundland no doubt, had a great auk, and that is a bird that is now extinct, and I have no doubt that bird today is worth thousands of dollars, because there are only a few in the world, and I know there must

have been some of those down in our Museum.

I think we must have had a passenger pigeon here because they used to come here in thousands in the 1890's. Now, when I ask where they are, it is just as well to ask the old question, where are the snows of yesteryear? It is a terrible thing. But we have many objects of national interest left, and I think it is time they were got together, and got together quickly. I am very glad to learn that the curator of the Museum is to be Mr. Leo English, a man of very great culture, and great erudition in Newfoundland history, and a great lover of all things Newfoundland, and I feel sure that under his regime, the Museum will rise Phoenix-like, out of its own ashes. I am certainly sorry that the great James P. Howley is not here today to take part in this discussion, for he was the one who first started the Museum and got together all the implements, all the articles, objects, and everything else. His name is venerated throughout the country, and I hope that when the Museum is started something should be placed in that Museum to perpetuate the memory and name of that great man.

Now, we have had in this country great qualities of citizenship. We find honesty, decency, and innate courtesy. Our people always held to the loyalties, the verities and the fundamentals. It may be the result of isolation, but if it is so then I hope that isolation will always exist. The glamour of the outside world in recent years has not been of good value. It reeks if crime, juvenile delinquency, di-

vorce, and breaking up of homes; oh, there is a fascination in big cities, but taking them all together, there is nothing but bustle and crime and tragedy. We in this country talk about getting a better standard of living. I think I prefer St. John's any day to any of the big cities in the world. I think there is more solid comfort and decency and honesty and integrity in a city like St. John's than there is in New York or Montreal or any other of the big cities.

Are we going to witness an exodus of young people from this country? I am told that there is an average of fifty young men a day leaving our shores for other countries. Is this to become a country of very young men, very young people, and very old people? Shall Newfoundland, the old Newfoundland, of decency and honesty, is that to cease? And will the new Newfoundland be a Newfoundland devoid of population? I trust that the charm of the old Newfoundland will still exist, will long exist, and may graciousness remain in this land of ours. I think the history of this country must ever be kept before the eyes of the young generations, because it will present to them a study of hardship, of energy, of indomitable courage. It is a saga of men who fought for their livelihood, and for liberty, and for religious security. They were men who had no help given them, but who had everything against them; there was no attitude of paternalism towards them; rather on every occasion authority opposed them. But they hewed their homes out of the forests, and they got their livelihood,

their food, out of the sea and out of the land. God gave them the wherewithal to live, and they developed what Divine Providence placed in their hands. They gained their liberty by strife and struggle; no fairy godmother was at hand. What they gained they won hard. They faced the tyrant with the same courage as they fought the elements. They asked for nothing but a place to live, the bounty of the land to live on, the peace and security to bring up their children honestly and decently. They loved the land and that is why they fought for it.

The struggle for independence was hard and long. They had great unselfish leaders and they stood loyally behind them. They passed through bad crises; tyrannical laws struck them but they never faltered. There was a common bond of fellowship throughout the land. When two Planters were illegally whipped in 1819 at the flakes at Harbour Grace it was the people of St. John's who rose up en masse in protest against the outrage, for an outrage against justice arouses the heart of humanity. This brought about the Courts we at present enjoy.

Now need I tell you of the struggle for Representative Government and the more difficult struggle to keep the new constitution against Boulton and his satellies. Need I remind you of the great leaders of the time, of Carson and Morris and Kent and the giants of old. You all know of the fight that culminated in the great boon of Responsible Government under whose beneficence this country progressed, of the men who obtained for

us our political liberty and developed our institutions, which grew throughout the years and became consecrated by the sweat and toil of generations who preserved them for us.

But why tell this? The glory is now departed and oh the worth that has passed away from out the land! Too often have some slandered our country by the abuse of those great men of the past, often for their own nefarious ends. The young men of to-day are repeatedly told of the venality of the men in our old political days. They were only amateur gentlemen on the broad highway of graft. There is more graft in one year in many a city on the North American Continent that happened here in a lifetime of politics. Waste there may have been, foolish expenditure there was, but very little graft, if any. How many men in public life became wealthy? The gentlemen who held the portfolio of Public Works when the highroads policy was inaugurated and millions were spent dies poor. Was not that a tribute to his honesty and the honesty of politicians of that day?

Say what you like about the people of the past. They may have been poor financially, but they were rich in all else of importance. Few were born to wealth. Our parents faced the hard road but they survived. And they gave us qualities for which we should ever thank them. Let us not lose nor allow others to lose their independence. For poor our forefathers might have been but never degraded. They never lost their trust in Divine Providence

and never gave up their independence. Harken to these words:

"Any country which thinks more of its ease and comfort than of its freedom will lose its freedom and the ironical part about it is that it will lose its ease and comfort too."

MR. CASHIN: Mr. Speaker, I would ask not to proceed with this Debate, but I would like to move the adjournment of the Debate on the Address in Reply to the Speech from the Throne until to-morrow afternoon.

The motion was seconded and the Debate on the Address in Reply to the Speech from the Throne adjourned until to-morrow.

Orders of the Day:

Committee of the Whole on a bill "An Act Respecting the Department of Economic Development."

The Speaker leaves the Chair.

MR. SMALLWOOD: Mr. Chairman, we were dealing with Section 4 (2), and to-day, at the suggestion, I believe, of the honourable member for Harbour Main-Bell Island, an amendment was proposed; I suggest that it read in the second last line "fix the remuneration of and prescribe such expenses as may be incurred by such assistants in carrying out their official duties." Does that meet the point of the honourable member? We might recall the explanation made yesterday by the Minister of Finance, to the effect that every public servant, when he moves away from his ordinary place of business, on business for the Government or his department, is given what is known

as an imprest; that is, an actual amount of money, which he spends and for which he has to account and produce vouchers. I had a case in point myself a couple or three weeks ago when I went to the three Maritime Provinces; the Department of Finance gave me an imprest; that consisted of a cheque for \$300, out of which I bought my return fare on TCA—\$148.00, and out of which I paid certain taxi fares from the Airport into the City in each case and back again, and other small items, and on my return I went to the Department of Finance, produced the vouchers for my actual expenditures and returned the unspent portion of the imprest of \$300. Now, I believe that is the course of events for public servants and for public men in Newfoundland, and I think, making allowances for the point raised by the honourable member for St. John's East, though there is no system that cannot be overcome by someone who is shrewd enough and skilful enough to do it, but that is the normal practice, and I suggest to the honourable member for Harbour Main-Bell Island that these words, namely, "to fix the remuneration of and prescribe such expenses as may be incurred by such assistants in carrying out their official duties" would meet the case raised by him.

MR. FAHEY: Mr. Chairman, on yesterday afternoon I took exception to the words "other expenses." I considered that too wide, and the amendment that I suggested was "travelling expenses, hotel, and loss of time" but the suggestion made by the honourable member I think will take care of it in the same way. I withdraw the amendment.

Sub-clause was adopted.

MR. FAHEY: Yes.

Clerk reads Section 5.

MR. SMALLWOOD: Mr. Chairman, there is a mis-spelling there in the first word of the third line from the bottom, the word "organization." Perhaps that could be corrected.

Section 5 passed.

Clerk reads Section 6.

MR. SMALLWOOD: Mr. Chairman, again, the word "Minister" in the second last line, there is a mis-spelling—if we could correct that.

Section 6 passed.

Clerk reads Section 7(a).

MR. SMALLWOOD: Just a matter of punctuation in the last line of the preamble of that section—the colon.

Section 7 passed.

Clerk reads Section 7(b).

Section 7(b) passed.

Clerk reads Section 7(c).

MR. FAHEY: Mr. Chairman, I would like an explanation of this Clause (c) of 7. "The guidance of small industries, the discouragement of the expansion" of industries. Just what is meant by "discouragement"? Could the House have an explanation on that?

MR. SMALLWOOD: There are three points covering in the sub-clause. First, "Guidance of small industries." I take it that that is clear enough. I take it that it is on the second one that the doubt exists?

MR. SMALLWOOD: "Discouragement of expansion in industrial groups beyond the demands of the market." It is quite easy to imagine—in fact it has often happened in Newfoundland—that somebody or some several people establish small industries, and there is a fairly comfortable market for the output of these two of three or four small enterprises, but others rush in, seeing what they think is a tolerably profitable industry, rush in to establish similar industries, with the result that no one makes anything out of it; that they are all inefficient; that they are all barely staggering along, where there was room for only one or two or three, there is not room for half a dozen. That ought to be discouraged. Now this clause does not legalize, this clause does not give the right or the authority to forbid the establishment of such industries, but such discouragement, moral, physiological, by propaganda, by confernees, as may indeed be profitable; it might still not work in spite of an attempt on the part of the Department to discourage the further establishment of such activities; they might indeed be established. But the Department will have the right to try to discourage them. The third point is the exact opposite, "encouragement," not "discouragement", but "encouragement" of expansion in groups inadequately represented. Here is a case where no one is making or producing a certain article which might be made or sold, or one is engaged in it where there might very well be two or three, or fifty or a hundred. For example, handicrafts, small industries, home industries.

These might indeed be encouraged in very large numbers, and wisely and soundly, and in that case to encourage them, possibly only by propaganda, possibly by conferences, possibly in other ways, possibly even by loans, by subsidies, by all manner of means adopted by Governments to encourage expansion of economic enterprises. I do not know if that satisfies the honourable gentleman.

MR. FAHEY: Mr. Chairman, the first section of that clause is contrary to the second part of the same clause. The first one says "discouragement of expansion in industrial groups."

MR. SMALLWOOD: Read it all. "Discouragement—

MR. FAHEY: "Beyond the demands of the market?"

MR. SMALLWOOD: Yes.

MR. FAHEY: And then the second part calls for the encouragement. But let us take the part that I asked the question about. I wanted to know for the information of the House, including myself, the point behind this part of "discouragement" of any industry. I think a lot of us here realize that the motor-car industry was started in a small way in a back garden. If the idea behind this is to discourage any industry which may start that may lead later to the great industry in the world, so to speak, I think it would be pretty poor policy to adopt such part of the clause. I feel personally that all developments should be encouraged on the basis that we do not know if those small industries which start may develop into some-

thing worth while and what we need in this country. I see another danger in giving power to discourage industry, and that is that some group or some individual person may start to develop, or invent, and after the project would be found out to be worth while, under that clause it could be discouraged. I do not think that would be fair to those who may start to develop an industry or create an invention or otherwise, and I believe that the world started off, not with the volume of machinery that we have to-day, but with the hatchet and saw, and there was a time back when with the stone hammer the blacksmith had to make the steel hammer in order to make the tools for this great world; and now if we are going to discourage small industries I think it is a very bad policy in view of some of the expressions that have been voiced in this House from both sides since we opened, that we must develop or perish? Well now, do you agree with that, that we must develop or perish? But then, on the other hand, why do we want to discourage development?

MR. SMALLWOOD: I would just remind the honourable gentleman that it is not "discourage development." It does not say, but it says here "discourage expansion in industrial groups beyond the demands of the market." This is a different thing. Now I am not so keen on that part of the clause, and I should be quite happy to have it stricken from the clause, quite happy. It is not that so much as encouragement of expansion as groups where expansion is sound that I am interested in, rather than

the discouragement of industries which are unsound. I think perhaps if they are left to themselves they would perish, as they deserve to, but industries that are sound may be encouraged, and if the honourable gentleman wishes to move, or me to move, the amendment of this clause (c) by striking out the words from "discouragement" down to the word "market" I would be satisfied to do it. Would that be the sense of it?

Mr. Chairman, I move that we amend clause (c) by striking out the words beginning with the word "discouragement" and ending with the word "market."

Sub-clause (c) adopted as amended.

Sub-clause (d) read by Clerk.

Sub-clause (d) passed

Sub-clause (e) read by Clerk.

Sub-clause (e) passed.

Sub-clause (f) read by Clerk.

Sub-clause (f) passed

Sub-clause (g) read by Clerk.

Sub-clause (g) passed.

Sub-clause (h) read by Clerk.

MR. FAHEY: The encouragement of schools and so on, and reforestation; is there some law now to the effect that the paper companies have to replace a certain amount of trees on the areas they cut over? That is not to encourage, this particular clause would not give the Government the proper authority to compel those paper companies to reforest those

areas they cut over. I just ask that as a question; I would like some information.

MR. SMALLWOOD: To be quite honest, I do not know that that clause would—just in that way. It would authorize the department to practice the encouragement, it would authorize them to encourage the development of reforestation and reafforestation, for example, but outside of those I really do not know, not being a lawyer.

MR. CURTIS: Mr. Chairman, the clause says, "the encouragement," that is not saying making it compulsory on the company to do it, or anything like that: it is purely to advise them.

MR. FAHEY: Well, I understand, Mr. Chairman; I want to know if there is any act to give the Government the right to compel it? Is there any law to take care of reforestation. I agree with the clause, but it does not take care of any industrial areas where timber is cut out on what we might call a wholesale basis; the clause is not strong enough, it only encourages reforestation; although there may be another law to take care of it.

Sub-clause (h) passed.

Sub-clause (i) read by Clerk and passed.

Sub-clause (j) read by Clerk.

MR. FAHEY: Mr. Chairman, I do not want to feel that I am trying to delay the House. "The encouragement of co-operation among manufacturers"—I always thought, and I feel that a good many of us here think, that competition is the life of trade. Well

now, why would the Government of a country want to encourage co-operation of manufacturers, or to join them together in one big corporation, in order to form a combine to control certain commodities? I should rather think the Government should take the attitude that competition is the life of trade, and let the ones that cannot compete die out, as it were. Now, in this clause here we are asking the encouragement of co-operation amongst manufacturers. I do not think that is the worry of the Government; we know that the Government should regulate prices and so on, but not to worry about the manufacturers; we would not be looking after the toiling masses then; we would be looking after the monied man, with that clause.

MR. SMALLWOOD: Mr. Chairman, the honourable gentleman has given the word "co-operation" altogether too narrow a meaning. It does not necessarily mean to encourage co-operation among manufacturers along the line of amalgamating them or uniting them in one big corporation, nor does it mean necessarily the encouragement of co-operation among manufacturers in the sense of banding them together for setting their own prices to gouge the public. The word "co-operation" here surely is capable of many constructions; many, many meanings. I think it ought not to be taken out of its context, and against the whole context and the whole purpose of the act, which is the encouragement of economic development in Newfoundland, and the idea is to encourage co-operation among manufacturers in those legitimate directions which lead to more employment, and therefore more prosperity for the people. On

the other hand, to be fairly honest about it, there might indeed be cases where the public interest would be served by encouraging two or more manufacturers to amalgamate, which again touches on the point in (c) above which we eliminated. You might have many cases where it would be sound economically and in the public interest to encourage several groups to combine in one company, but that again is only one connotation of the word. Generally what is envisaged here is encouragement of co-operation — collaboration, consultation—amongst manufacturers. That is to the public interest, obviously. A department of government is scarcely likely to encourage manufacturers to co-operate against the public; a public department is scarcely likely to do that.

Sub-clause (j) passed.

Sub-clause (k) is read by Clerk.

MR. SMALLWOOD: Mr. Chairman, in addition to inserting the word "of" after the word "study," I suggest that we change the last comma and have it appear not after the word "problem" but after the word "in."

Sub-clause (k) passed.

Sub-clause (l) read by Clerk.

Sub-clause (l) passed.

Sub-clause (m) read by Clerk.

MR. SMALLWOOD: Mr. Chairman, we might correct the spelling of the word "organizations" in the third line.

Sub-clause (m) passed.

Sub-clause (n) read by Clerk.

Sub-clause (n) passed.

Clause 8 read by the Clerk.

Clause 8 passed.

Clause 9 read by the Clerk.

MR. FOGWILL: Mr. Chairman, that section 9—I cannot find myself agreeing to such a clause as that, whereby penalties may be imposed on any person who may refuse to be encouraged or discouraged, as the case may be under this bill. I cannot understand it at all, why there should be any penalties. This whole section here relating to penalties, I think should be stricken out of it altogether. It is all right to make regulations for the encouragement of industries. You cut out the section about discouragement, but the bill here gives the Minister wide powers, but to have to enact legislation such as this, to impose penalties on any person under a bill which is really supposed to encourage the industry of the Island, and so on, and not to discourage them; it is for the purpose of development and progress, and how you can enforce penalties on anybody at all who would have a desire to enter any business of any sort by way of free enterprise and trying to make a living, and so on, I do not see how you are going to make such a regulation. It is an infringement on the liberty and the freedom of the people entirely.

MR. HIGGINS: Mr. Chairman, I do not exactly follow the argument of my colleague for St. John's East, but I do not see any reason for this being here at all. The only thing that would require it would be the discouragement of the expansion of indus-

trial groups, because the duties and functions of a minister are just formal ones, in a way; they are not mandatory; he cannot command encouragement; he cannot command assistance—

MR. SMALLWOOD: Just look at (i).

MR. HIGGINS: (i) "Undertaking of research and conservation"—

MR. SMALLWOOD: The word "conservation"; there might be penalties there.

MR. HIGGINS: Oh, no. It cannot go under that paragraph; that is only that you have authority to undertake research and conservation, that is all.

MR. SMALLWOOD: Not to "encourage" but to "undertake." Well, now, might you not need penalties there?

MR. HIGGINS: Oh, my goodness, no. The Forest Act, for instance, would apply there. That does not give you the right to impose penalties. You are supposed to encourage the reforestation; and re-forestation—

MR. SMALLWOOD: No, I mean conservation—the conservation of timber, of waterpowers, of soil, of fresh-water fish, of wild life.

MR. HIGGINS: You are only supposed to look into this matter, of Newfoundland, and for that purpose you are trying to promote—the conservation, if you wish—and bring research into it. In other words, research and conservation means enquiring into the conservation, I should say.

MR. SMALLWOOD: It is "undertaking" you see. The word is to undertake conservation.

MR. HIGGINS: And research. Surely you cannot have a penalty for research.

MR. SMALLWOOD: No, but you have to put these together. You are supposed to make a research into natural resources, and to provide means for conservation—

MR. SMALLWOOD: All right, what about (1)?

MR. HIGGINS: "The collection, abstraction and compilation of statistical information relative to the economic and general activities and condition of the people of Newfoundland."

MR. SMALLWOOD: Well, then, suposing you have to collect statistics from people who have them and who alone can give them and who refuse? That is a very common thing in Newfoundland, very common refusal or failure to give statistics, the result being that Newfoundland is lamentably lacking in necessary statistics.

MR. FOGWILL: Well, I must say that the thing should not be embodied in such an act as this.

MR. SMALLWOOD: But if the act gives the department power, authority, to collect statistics, statistical information, and attempts to do it, and finds that everybody ignores it—does that end the matter?

HON. MEMBER: Is it the intention that this department is going to collect statistics for every other department?

MR. SMALLWOOD: No, it says, "statistics relative to the economic and general activities and condition of the people of Newfoundland."

AN HON. MEMBER: In other words, that is statistics for the whole country? You collect statistics for every other department?

MR. SMALLWOOD: Well, if the department saw fit to do that.

MR. HIGGINS: Surely the whole effect of the act would not be lost. You say you want a confidential study of the natural resources.

MR. SMALLWOOD: More than that—to do things, not merely to study them; actually to do them.

MR. HIGGINS: Well, all right, let's go further to do them. You are going to encourage people to carry on the work, but if you have to provide penalties, surely that is not the tenor of the whole Act.

MR. SMALLWOOD: I must concede that the Leader of the Opposition is right; it is not the tenor of the whole Act, but there are cases here within the Act where the department itself must have the power to carry on its own regulations. But I am as much in sympathy as anyone sitting opposite with the view that there is perhaps too much law, or too much regimentation, too much dictatorship and interference. I am in sympathy with that.

MR. HIGGINS: I did not say dictatorship. Just read that section here. Here you are asked for information, and you go to gaol if you do not give it.

MR. SMALLWOOD: Why not? Why not?

MR. HIGGINS: Goodness gracious!

MR. SMALLWOOD: Why not put a man in gaol if a public depart-

ment of the Government makes a regulation that each manufacturer of soft drinks shall file monthly a statement showing, how many employees he has, how many male, how many female, what wages they make, what hours they work, what the total volume of the output is per month, and the manufacturer refuses to give the information, why might he not be fined and in lieu of the fine—imprisonment? Why not? Is there a good reason why he should not?

MR. HIGGINS: But are there not regulations now—

MR. SMALLWOOD: This is the regulation, under this Act.

MR. FOGWILL: Oh, no, there are regulations now under which manufacturers of that sort have to make returns.

MR. SMALLWOOD: I do not know. I do know that Mr. Wallace Halfyard was appointed statistical officer by the Commission of Government back in about 1935 or 36, and for a while he did succeed, did very well, in collecting that type of information from something like one hundred and forty enterprises in Newfoundland, and that it lasted for a few months, whereupon so many ceased to report; within a year the ones you had were the A.N.D. Company, the paper company of Bowater's (the former I. P.P. Company at Corner Brook) the Buchans Mining Company, and Bell Island Companies—four companies had continued to report. Why, it's notorious! Everybody knows it. But this country is notorious amongst ourselves for the fact that we have never preserved records, which is why the honourable gentleman, the Leader of the Op-

position, has a very fine valuable hobby of collecting records of anything belonging to Newfoundland, because they have been scattered. We are notorious for it. We do not make records; we do not keep them, and we scatter them; we are lamentably lacking in precise knowledge about our country, about its industries, about its economic activities. Obviously, one of the purposes of the Ministry of Economic Development would be to collect and compile, and in some instances publish, accurate records of the dimensions of the economic activities going on in the Province. This gives it the power, in section 7 (1) to do that, but in order to do that, surely it is useless unless there are penalties for disobedience to the regulations made. Surely, while I am in sympathy with the view that power feeds on itself, and men tend to become power-mad, and to grab more and more power into their hands, and there is a tendency for Governments to become over-powerful, surely we are a long way from that extreme when we merely say that this department shall have the right to collect information and to prescribe penalties for refusal to give the information.

MR. FOGWILL: Mr. Chairman, I agree with the speaker, the Premier, when he spoke of the necessity of having statistics. I understand that, because that is one thing we are lacking, just as he said, and we need them here in this country but to have laid out in this Act a procedure whereby statistics governing every phase of the life of this Island can be collected under penalty, by this proposed department, I think it is entirely wrong. I think we are going a lit-

tle bit too fast in this legislation. I know there must be statistics; there must be records—records of our industry, records of our labour and everything else, but I do not think we should go too fast. This section No. 9, imposing penalties—I think this section should come out altogether. Someone should consider the matter, and see that the necessary regulations are brought into the House under some other heading altogether, and not have it in this Act. This gives too much power entirely to a new department starting up like this; it gives it too much power entirely.

MR. CURTIS: This act gives the power to the Lieutenant-Governor in Council, not the department.

AN HON. MEMBER: That means the same thing.

MR. CURTIS: This section merely gives the Lieutenant-Governor in Council power to put teeth into an Act. Now we have heard already today, in discussing the strike and other matters, the effect of *not having teeth in the Act*. We must have teeth in the Act or it is not worth while passing it. This is a clause which is not going to be abused; there is no object in abusing this clause. You take for instance this subsection (a). It provides for the application of modern methods for the production and marketing of the products of Newfoundland. Well, suppose the Department finds that some people are not working economically, that they are wasteful; *spoiling their efforts*. If you take this clause (c)—and I think my friend, the member for Harbour Main, was very foolish to make that suggestion he made. For instance, you have fac-

ories in St. John's; as you know, we have several factories of a kind, and, as a matter of fact, you may have more factories of the kind, and when there are twice too many factories of a kind someone wants to start another for the same purpose. Why not discourage it? I do not see any objection to that. My learned friend, the Leader of the Opposition, knows that in framing a thing of this kind, we include lots and lots of things that we have no intention, or no immediate intention, of carrying out. It is purely an enabling Act, and the department will be enabled to collect this statistical information. It does not say that we are going to do it, but just as when you incorporate a company you give them power to do everything. It is not intended to carry out every line and every letter in this Act. It is purely an enabling Act in the interests of industry, and this clause just enables the Lieutenant-Governor in Council, if he deems it necessary, to impose a penalty on people who will insist upon breaking it, who will insist upon refusing to co-operate, who insist upon wasting products. If the department finds that it is not economically sound to do things in such a way, that it is wasteful, well, they have power to stop it. I think my learned friend opposite, and the honourable members in opposition, that they are taking it far too seriously.

MR. HIGGINS: Mr. Chairman, I might say that I entirely disagree with what the Attorney General has said. I certainly object to anybody telling me how to run my own business. Who is going to decide whether a thing is wasteful

or not? This will give the power to the Government to go into any man's business. I think it strikes at the whole freedom of the individual. This clause is of great importance, and I am astonished — the Attorney General, with his knowledge of law, ought to know that it is a dangerous thing to interfere with the freedom of contract, or the freedom of a man to work at his own business, and it is only in exceptional circumstances that it should be done. Who is going to decide what is wasteful? I can understand a man going on Government land, getting a license to cut, and then if he is wasteful, then the Government can stop him, but a man on his own land, carrying on his own business, I want no Government to interfere with him. This is getting a little bit like the Russians — I am sorry to have to say it — but in view of the argument of the Attorney General, I am going to say that. If a man comes into my house and tells me I cannot run my house as I wish, or my business as I wish; why? Because you are wasteful; wasteful, in the public interests. What right has he got to tell me of the public interests? Why should he have the right to decide? Surely I have the right to run my own house as I like?

MR. SMALLWOOD: Your own house, but not your own business.

MR. HIGGINS: There you have the profit incentive. I have to run my business at a profit in order to make a living. What is the use of carrying on a business unless I am going to make a living out of it. I am not going to run a business badly so that I lose money.

MR. SMALLWOOD: They did it in the fish trade.

MR. HIGGINS: Well, that is a different thing. Today I am talking about the Government interfering with certain things. I can understand them interfering in a business on which the wealth of the country depends, I can understand them interfering with that, the fishery, for instance. I can understand them interfering with the pulp industries; I can understand them interfering in the iron ore industry, yes. Because if they fail the whole country is going to fail. But in little business, that is nonsense. The same thing does not apply. People should be allowed to carry on their own work, and the greatest incentive of all is to make profit, and the best persons to look after children is their own mother and father; there should not be too much interference with people. You had a case in the United States some time ago. This reform person in charge of the hygienic department going to a house, and because the house was not clean they were going to take the children, and the mother had four sons overseas and three of them had been decorated and this damnable reformer came into the house and tried to take away the children, because, he said, of the Act. And the Act did give him the right, if he thought the house was dirty and the children were not looked after. The house was a nice house. What is a clean house, what is a good house? There are longshoremen living in small houses down in Kickham Place and they are quite satisfied. You might not be satisfied. Are you going to tell them to get out of it,

because it is not according to your standard of house? That is why I am objecting—I am objecting on principle.

MR. FOGWILL: Mr. Chairman, the honourable minister, the Attorney General, talked a few minutes ago about acts having teeth in them so that the control given under the Act could be observed, and the teeth there, naturally, is the penalties. In this Act I know there are penalties here. We might set them down as milk teeth here; that is what they are at the present time; that is what it looks like to me. But in this Act, this section 9, I think the Government should consider leaving it out; it is too dangerous here. I do not want to take up too much time, or object to things that the Government brings forward, but I really do think that we are not ready for this sort of thing at all.

MR. SMALLWOOD: Mr. Chairman, there is so much that the Leader of the Opposition has said that meets my own views squarely that I hate to argue against them, but if he had confined his argument to the idea that we ought to interfere as little as possible in matters of conscience, in matters of ideals, in matters of the spirit, in matter of opinion, I would agree with him, but it is a little late to suggest, in this modern world, or indeed that it might savour of Communism, to suggest that a public department ought not to have the right to say that you shall not put rocks when you are allegedly putting salmon in tins; you shall not put rocks, and if you do, we will either fine you or put you in

goal, you would not suggest that? Now you would not suggest that the State has not the right to protect the public against practices that are dishonest on the part of business firms? You would not suggest that? Neither would you suggest that the State has not got the right to protect a whole industry against the heinous practices of individuals within it. You would not suggest that? Surely that is the only type of regulation that this department would make. It does not touch schools, has nothing to do with schools; it does not touch churches; it has nothing to do with churches; it does not touch education, or it does not touch newspapers, or magazines, and any of the matters that we could sum up primarily as matters of the spirit. Now it is one thing to take a firm stand against the encroachments of the State on these matters. It is another thing to apply that to purely economic activities. It is one thing to say, that I must be master of my own home, within my own home, but even there you are not. If you get diphtheria you will find you are not master in your own home. You will find the State steps in and takes you to a hospital.

AN HON. MEMBER: It should be under the Natural Resources.

MR. SMALLWOOD: It belongs to this department and not to the Department of Natural Resources. Does it matter which minister does it?

AN HON. MEMBER: Oh, no, no.

MR. SMALLWOOD: Well, which department? You can invade the right of an individual, you can even

put him in gaol, you can fine him, if that department does it, and not this department! Is that the argument?

AN HON. MEMBER: It could be, yes.

MR. SMALLWOOD: But not this Department of Economic Development. Supposing this department introduces a scheme of conservation in, let us say, our forestry, this department and not the Department of Natural Resources. This department has inaugurated, let us say, a conservation policy with regard to public timber—I say timber because although the two paper companies control certain timber areas in Newfoundland, I am sure the Leader of the Opposition would not argue that that is private property, he would agree with me when I say that there is a public interest in that timber — and in privately-owned timber as well as publicly owned, this department should lay down a policy of conservation, and having done so, should they not have the right to enforce it? And what other way can he suggest other than fine or imprisonment?

MR. HIGGINS: Of course, we have too many departments—

MR. SMALLWOOD: We are not dealing with other departments of Government. We are dealing with this department.

MR. HIGGINS: I am saying that forests are looked after by the Department of Natural Resources. Let them make the penalties. You are supposed to enquire into it, and you suggest this reforestation plan, conservation plan, they should make the laws which you can carry out yourself. You were talking

about a man with diphtheria. I say a man could run his house if he does not commit a nuisance. Diphtheria becomes a nuisance; once it infringes on the benefit of the public. Then its a nuisance. I am not objecting to that.

MR. CURTIS: Is that not a nuisance, people breaking rules and regulations?

MR. HIGGINS: I am saying you have certain departments here; you have the Natural Resources Department they are the ones to make the penalties, and these penalties should be enforced by the Minister of Economic Development. He would enforce that penalty. They have conservation of forests. Each department looks after its own affairs. As I said before, if an institution is so big that the welfare of the country depends largely on it, you have a right to interfere then; if Bowater's burnt down some of the timber, they would be burning some great resources, but if a man has a little farm and he burns some timber, I do not think you have any right to come in and say, here, you can't do that." "Well, I want to clear my land." "Well, you cannot clear your land; you are destroying timber." Well, there you are; where are you going to draw the line? That is the trouble. But I do say I quite agree with you about statistics, but let the Department of Home Affairs pass a law about statistics I quite agree with it. I do not say it is Communism to enforce things; if I had diphtheria in my house and I did not put up a sign, or tear the sign down, I go to goal because my house becomes a menace to the public. Everything is covered; anything out of the

ordinary is covered by some law or regulation. But I tell you candidly, I would prefer to see each department make its own laws, and you can invoke the laws in that department, as is often done.

MR. SMALLWOOD: What department would the honourable gentleman suggest to enforce the application of modern methods for the production and marketing of the products of Newfoundland; would he say that each department has its own departmental regulations? That is under 7 (a).

MR. HIGGINS: Yes I think it would come under the Fisheries or some other department.

AN HON. MEMBER: No, there are no penalties under anything like that.

MR. HIGGINS: Clause 7 (a)—I do not think penalties were ever meant to apply to anything like that. Most people carry on their business profitably, and if they do not carry them on profitably, they are only fools and are going to go under. You are saying if a man sells a barrel of salmon or herring and puts stones in it, for instance, is there no law for that. Certainly the law is there. That is pure fraud. The person who buys it would have a right to have him up before the Court for fraud.

MR. SMALLWOOD: But supposing he does not? Supposing he stops there, then the culprit is not punished, and the thing continues with some other customer?

MR. HIGGINS: I am not talking about culprits. I am talking about a man carrying on his business legitimately. I mean, somebody

is going to punish that man; I do not care whether it is the Government or who it is, but somebody is going to punish that man. He is guilty of fraud. He puts himself out of the pale of protection that is afforded to the ordinary citizen. If the Government says that in cases of this kind the man can be prosecuted, well that is perfectly all right, and the man who gets the goods can have him prosecuted too. That is a different thing. That man puts himself out of the pale of protection. He has committed fraud. Now if you could get the penalties in, I would say yes, that would be all right, but each department can get its penalties in and you need not have any overlapping. I do not see why the Fisheries Department cannot make its own regulations regulating the fisheries.

MR. CURTIS: Well, Mr. Chair, man, if it is going to be question of who is going to do it, what is the harm of leaving it here? This section may never be invoked, but when it is there it is capable of being invoked in case we find somebody who is absolutely destroying our natural resources and he is punished

MR. HIGGINS: But you have handed over certain objects to each minister, and now you are taking away his rights. He should make regulations with regard to all the institutions over which he has control.

MR. SMALLWOOD: We must not overlook the fact that this is a case where all the ministers will make the regulations. "The Lieutenant-Governor in Council"; that

means not only the Lieutenant-Governor, but all the ministers of the Government.

MR. HIGGINS: That is in theory. In practice each minister looks after his own department.

MR. SMALLWOOD: Oh, no, not now. We have the regular Cabinet meetings at which many things are brought in by the various ministers for confirmation or rejection or amendment by committee of Cabinet, which means the whole Government without the Lieutenant-Governor. Then there is a meeting of the Lieutenant-Governor in Council at which the final confirmation is given, so this is not giving it even to the ministers; it is giving it to the whole Government; it is the same with the Minister of Natural Resources, and all the other Ministers.

MR. HIGGINS: Yes, but what always happens is that whenever anything is passed in Council with regard to any department, the minister of that department looks after carrying out the wishes of the Cabinet.

MR. SMALLWOOD: Yes, quite true, but the point is that the decision is made not by the minister; he merely carries it out, and under section 9 and under section 8 it is the whole Government. I think the honourable gentleman's case has been tremendously weakened by that fact; that it is not the department; it is not the minister; it is the whole Government. Now it does not matter what particular department carries it out, when in fact the penalties are prescribed by the whole Government, with his Honour the Lieutenant-Gover-

nor present. "The Lieutenant-Governor in Council may make regulations to give effect to and carry out the objects of this Act"—only the whole Government has that right. Surely it is better that the Lieutenant-Governor in Council should have the right, rather than that any one minister should have it.

MR. HIGGINS: But you say the minister does not go on his own; that you meet in Council of the Cabinet and that the minister is told certain things he has to do, and he carries them out. It is the minister who carries them out.

MR. SMALLWOOD: But surely, does it matter who carries them out? Surely the principal point is who should make these regulations, who should make them, and the honourable gentleman's point was that it should not be the minister of this department but rather the minister of some other department. Now when we come back and read the clause we discover that it is not one minister but all the ministers combined, and His Honour the Lieutenant-Governor as well. They make the regulations. Now what is wrong with that?

MR. HIGGINS: But I said there should be no penalties .

MR. SMALLWOOD: Regulations but no penalties. And what is the good of having regulations if anyone can defy them?

MR. HIGGINS: Most regulations of that kind are not meant to have a penalty. You take here, for instance, the regulations that are set out that you will have a department that you will have so many servants that your work is to do

so and so; it does not say anything about penalties here; it is not like some of the penalties which are criminal.

MR. SMALLWOOD: The honourable gentleman is familiar with the various laws of Newfoundland, and just how many of them have penalties and how many have not, but I would rather guess that most laws made in Newfoundland carry penalties with them.

MR. HIGGINS: I do not say that regulations do not carry penalties, but that the various sections of regulations are done for the purpose of regulating things, and not to carry out penalties.

MR. SMALLWOOD: Obviously where it says here in (g) to be encouraged by the department, "The encouragement of the production and use of by-products"—

MR. HIGGINS: My goodness gracious, five months' penalty! Any regulation made under here would put a man in gaol for five months.

MR. SMALLWOOD: But "the encouragement!"—

AN HON. MEMBER: Encouragement is all right; we agree with encouragement.

MR. SMALLWOOD: Fine! Surely there would be penalties in a clause where the department is authorized merely to encourage.

AN HON. MEMBER: You have several clauses of the Act upon summary conviction for violation of, say, clause (a), (b), (c) or (d), under section 7

MR. HIGGINS: Mr. Chairman, I would say that we agree with pen-

alties, but let each department put its own penalties in; there is an overlapping here; let the Fisheries Department do so and so; and let the Natural Resources Department do so and so; because the penalties only apply to one or two things.

MR. SMALLWOOD: The honourable gentleman from Placentia-St. Mary's said there, that the penalties be specified for each particular sub-clause of the clause. There is something in that.

AN HON. MEMBER: Mr. Chairman, this is a new department altogether. Let the department grow a little first, let it get its milk teeth before it has power to hurt anybody.

MR. SMALLWOOD: Well, if my colleagues are agreeable to that?

AN HON. MEMBER: Well, Mr. Chairman, as far as I am concerned, I would suggest that if you would amend the clause to make it agreeable to us people, and more agreeable to the country in general, as I feel it, and more compatible with a new department such as you envisage in this bill. This is a new department altogether, something we never had here before; it is given wide powers here, and I believe that if you did that, the department could probably grow and do something for the country in general, but to start off and have such powers as are laid down there, I do not think it is right at all.

Clause 9 passed.

Clause 10 read by the Clerk.

Clause 10 passed.

Preamble read and passed.

The Committee rose, reported having passed the bill with some amendments.

MR. SMALLWOOD: I move that the remaining Orders of the Day be deferred, Mr. Speaker, and that the House at its rising do adjourn until to-morrow at three of the clock.

Adjournment taken.

Thursday, July 21, 1949.

The House met at three of the clock.

(3). Giving notice of Motions and Questions.

MR. CASHIN: Mr. Speaker, there are some questions on the Order Paper.

HON. J. R. SMALLWOOD (Prime Minister): But I am informed this afternoon by Home Affairs that they will have it prepared for tomorrow.

MR. CASHIN: The other one, Mr. Premier, No. 5, in connection with the number of employées?

MR. SMALLWOOD: In reply, Mr. Speaker, Finance informs me that they have the means of getting that information fairly easily, and that we will have it just as soon as they can put to together.

MR. SPEAKER: What number is that?

MR. SMALLWOOD: If the honourable member will pardon me, No. 2, is it, instead of No. 5?

MR. CASHIN: No. 2 is one, and No. 5 is another. You do not mind me going over these questions, Mr. Speaker? There is one, No. 15, re-

lating to the National Debt taken over by the Federal Government of Canada. And No. 19, concerning the one-third of the surplus, whether it has been set aside on deposit with the Government of Canada.

MR. QUINTON: In answer to question No. 35, asked by the honourable member for Ferryland,

(1)

Statement of Trustee Securities
£ s. d.

(a) 3½% Loan,
1910-50 (10 Edw.
VII Cap. 30) .. 569,796 3. 0.
House of Assembly—Col 89 SMJ

(b) 3½% Loan,
1912-52 (2 Geo.
V. Cap. 18) 302,731 18. 1.

Total £ 872,528 1. 1.

(2) The amount of £ 870,000 is held by the Crown Agents and earmarked for redemption of these Stocks on maturity, leaving a balance of £ 2,528 1s. 1d. to be met at date of maturity. The interest accruing on the amount of £ 870,000 is taken into the Exchequer as current revenue.

Supplementary Reply

The sterling equivalent (£ 800,000) of a partial repayment of \$3,232,000 on account of the non-interest bearing loan for War Purposes, received from H. M. Government in the United Kingdom, was earmarked for the redemption, in 1950 and 1952, of the two 3½% Trustee issues aggregating £ 872,528. This sum was invested in United Kingdom 2½% National War Bonds. Interest accruals on this investment have been brought to account as Exchequer receipts and have been

used to make additional investments. It is calculated that the principal sum, plus interest accruals, will be almost sufficient to retire the 3½% Trustee securities at their final maturity date.

(1) Statement of Sterling Sinking Fund—3% Guaranteed Stock.

Statement of Sterling Sinking Fund for the redemption of Newfoundland 3% Stock as established by Act of Parliament in 1933 for the years 1937-38 to 1948-49:

Question No. 34.

Year	Remittances, Interest, etc.	£	s.	d.
1938-39				
June, 1938—Payments		178,000	0	0
Jan. 2, 1939—Interest		2,710	13	2
		<hr/>		
		180,710	13	2
June, 1938—Purchase of 3% Stock		180,710	13	2
Jan. 1939—Purchase of 3% Stock		2,853	0	2
		<hr/>		
Mar 31, 1939—Balance (\$737,925.93)		183,563	13	4

Year	Remittances, Interest, etc.	£	s.	d.
1939-40				
June, 1939—Payment		178,000	0	0
July 1, 1939—Int. on £183,563 13 4		2,753	9	1
Jan. 2, 1940—Int. on £379,502 7 5		5,692	10	8
		<hr/>		
		186,445	19	9
July, 1939—Purchase of 3% Stock		195,938	14	1
Jan., 1940—Purchase of 3% Stock		6,128	16	3
		<hr/>		
		202,067	10	4
Mar. 30, 1940—Balance (\$1,550,237.35)		385,631	3	8

Year	Remittances, Interest, etc.	£	s.	d.
1940-41				
July, 1940—Int. on £385,631 3 8		5,784	9	4
Payment		178,000	0	0
Jan. 1941—Int. on £581,146 11 6		8,717	3	11
		<hr/>		
		192,501	13	3

July, 1940—Purchase of 3% Stock	195,515	7	10
Jan., 1941—Purchase of 3% Stock	5,000	0	0
2½% Funding Stock, 1956 61	4,020	13	2
	<hr/>		
	204,536	1	0

Mar. 31, 1941—Balance £586,146 11 6			
4,020 13 2			
	<hr/>		
Balance (\$2,372,472.27)	590,167	4	8

Year	Remittances, Interest, etc.	£	s.	d.
1941-42				
April, 1941—Int. on £4,020 13 2		50	5	1
June, 1941—Sale of Funding 2½% Stock, 1956-61		3,751	9	7
Payment		178,000	0	0
Int. on £586,146 11 6, 3% Stock		8,792	3	11
Jan., 1942—Int. on £777,939 4 1		11,669	1	9
		<hr/>		
		202,263	0	4
July, 1941—Nfld. 3% Stock		191,792	12	7
Jan., 1942—Nfld. 3% Stock		11,582	4	5
		<hr/>		
		203,374	17	0
Mar. 31, 1942—Balance (\$1,173,876.12)		789,521	8	6

Year	Remittances, Interest, etc.	£	s.	d.
1942-43				
July, 1942—Int. on £789,521 8 6		11,842	16	5
Payment		178,000	0	0
Jan., 1943—Int. on £978,772 16 8		14,681	11	10
		<hr/>		
		204,524	8	3
July, 1942—Nfld. 3% Stock		189,251	8	2
Jan., 1943—Nfld. 3% Stock		14,572	6	0
		<hr/>		
		203,823	14	2
Mar. 31, 1943—Balance (\$3,993,247.43)		993,345	2	8

Year	Remittances, Interest, etc.	£	s.	d.
1943-44				
June, 1943—	Payment Sinking Fund	178,000	0	0
	Int. on £993,345 2 8	14,900	3	6
Jan., 1944—	Int. on £1,185,968 78	17,789	1	6
		<hr/>		
		210,689	5	0
		<hr/>		
July, 1943—	Nfld. 3% Stock	192,623	5	0
Jan., 1944—	Nfld. 3% Stock	17,671	19	2
		<hr/>		
		210,295	4	2
		<hr/>		
Mar. 31, 1944—	Balance (\$4,838,634.16)	1,203,640	6	10

Year	Remittances, Interest, etc.	£	s.	d.
1944-45				
June, 1944—	Payment Sinking Fund	178,000	0	0
	Int. on £1,203,640 6 10	18,054	12	1
Jan., 1945—	Int. on £1,399,450 3 8	20,991	15	0
		<hr/>		
		217,046	7	1
		<hr/>		
July, 1944—	Nfld. 3% Stock	195,809	16	10
Jan., 1945—	Nfld. 3% Stock	20,835	9	8
		<hr/>		
		216,645	3	6
		<hr/>		
Mar. 31, 1945—	Balance (\$5,709,548.37)	1,420,285	13	4

Year	Remittances, Interest, etc.	£	s.	d.
1945-46				
July, 1945—	Payment Sinking Fund	178,000	0	0
	Interest on £1,420,285 13 4	21,304	5	8
	Interest on £1,617,387 7 9	24,260	16	2
		<hr/>		
		223,565	1	10
		<hr/>		
July, 1945—	Nfld. 3% Stock	184,675	16	11
	Nfld. 3% Stock	12,425	17	6
Jan., 1946—	Nfld. 3% Stock	24,229	10	5
		<hr/>		
		221,331	4	10
		<hr/>		
Mar. 31, 1946—	Balance (\$6,599,299.87)	1,641,616	18	2

HOUSE OF ASSEMBLY PROCEEDINGS

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Year	Remittances, Interest, etc.	£	s.	d.
1946-47				
Jun., 1946—Payment Sinking Fund		178,000	0	0
July, 1946—Interest on £1,641,414 18 2		24,624	5	0
Jan., 1947—Interest on £1,840,384 17 11		27,605	15	5
		<hr/>		
		230,230	0	5
		<hr/>		
July, 1946—Nfld. 3% Stock		198,767	19	9
Jan., 1947—Nfld. 3% Stock		27,129	19	11
		<hr/>		
		225,897	19	8
		<hr/>		
Mar. 31, 1947—Balance (\$7,507,409.85)		1,867,514	17	10

Year	Remittances, Interest, etc.	£	s.	d.
1947-48				
June, 1947—Payment Sinking Fund		178,000	0	0
Int. on £1,867,514 17 10		28,012	14	5
Jan., 1948—Int. on £2,071,477 15 8		31,072	3	4
		<hr/>		
		237,084	17	9
		<hr/>		
July, 1947—Nfld. 3% Stock		203,962	17	10
Jan., 1948—Nfld. 3% Stock		30,915	11	10
		<hr/>		
		234,878	9	8
		<hr/>		
Mar. 31, 1948—Balance (\$8,451,621.36)		2,102,393	7	6

Year	Remittances, Interest, etc.	£	s.	d.
1948-49				
July, 1948—Payment Sinking Fund		178,000	0	0
Int. on £2,102,393 7 6		31,535	18	0
Jan., 1949—Int. on £2,308,576 15 11		34,628	13	0
		<hr/>		
		244,164	11	0
		<hr/>		
July, 1948—Nfld. 3% Stock		206,183	8	5
Jan., 1949—Nfld. 3% Stock		34,234	13	2
		<hr/>		
		240,418	1	7
		<hr/>		
Mar. 31, 1949—Balance (\$9,418,102.00)		2,342,811	9	1

(a) The amount of £4,020 13 2 of United Kingdom 2% 1956-61 funded Stock was purchased in the preceeding half year, as there was not sufficient Newfoundland 3% Stock available for purchase at that time. It was resold in April, 1941, realizing £3,751 9 7.

(2) Sterling is converted into dollars at the rate £1 - \$4.02.

(ii) **Sinking Fund Investment.**

Invested 3% Guaranteed Stock.

(iii) It is the policy of the Trustees of the Sinking Fund to purchase 3% Guaranteed Stock rather than to reduce the principal of the Debit each year.

(iv) There was no surplus cash over and above the amount used each year for the purchase of 3% Guaranteed Stock. Interest is shown in (1) above.

(v) **Sinking Fund Trustees.**

(a) The Permanent Secretary to the United Kingdom Treasury.

(b) The Permanent Under Secretary of State for Commonwealth Relations.

(c) The Governor of the Bank of England.

MR. CASHIN: The Home Affairs Department, Mr. Speaker, in connection with the Housing Corporation. I will just give you the number—it was directed to Finance and forwarded to Home Affairs. No. 28.

HON. JAMES J. SPRATT (Minister for Home Affairs): Mr. Speaker, with respect to that question, the answer is in course of preparation. I have the answer here to Question No. 50:

Total salaries paid to Clerical Staff—Chauffeur, Orderly and Gardeners—at Government House as well as other expenses incurred during the term of office of Sir Gordon MacDonald, i.e., May, 1946, to March, 1949.

Salaries—Clerical Staff, Chauffeur, Orderly and Gardeners—	\$39,353.79
Expenses—Travelling ..	\$3,560.49
Telephone and Cable Calls—	\$8,848.42
Cost of car for official use—	\$4,986.72
Maintenance and operational costs (for official car) ..	\$735.43
total	\$18,131.06

MR. CASHIN: You say the answer with respect to the Housing Corporation will be forthcoming?

MR. SPRATT: Yes.

MR. CASHIN: There is one there, Mr. Speaker, directed to Public Health and Welfare, asking for the Auditor General's Report on certain discrepancies in the Department of Public Health and Welfare. I have not got that answer yet.

MR. QUINTON: I wonder could the honourable gentleman tell me what year it was when this report was made?

MR. CASHIN: Mr. Speaker, in reply to the honourable Minister for Finance, and Public Health, during the course of the Convention we were handed a document at that time with respect to certain shortages in the Department of Public Health and Welfare amounting to around \$250,000 or \$300,000, but we never could extract from the Commission of

Government at that time the actual facts in connection with these matters. It was probably back in 1944 or 1945, or 1943; in these years I think the discrepancies took place, and there was quite a lot of debate and we had the matter put before us, and we were told to keep our mouths shut with respect to it. The Auditor General was making a report and that is what I am after now, whether the Auditor General did make a report on these discrepancies, and if so, to table the same in the House for the information of the country and the House.

MR. QUINTON: I have not been able, so far, Mr. Speaker, to trace it in the files of the Public Health and Welfare. It concerns a period long before I came into office, but I am pursuing the matter, in order to be able to answer the honourable gentleman intelligently, in the Department of Finance, with which Department, of course, the Auditor General's Department is associated. I promise the honourable member that as soon as I can get the information I shall produce it.

MR. CASHIN: The present Auditor General was not here at that time, Mr. Speaker. It was his predecessor in office who was doing the job at that time.

Orders of the Day: Address in Reply.

MR. CASHIN: In rising, Mr. Speaker, to make a few comments in connection with the Address in Reply to the Speech from the Throne delivered by His Honour the Lieutenant-Governor on the 13th instant, let me first extend

to you, Sir, my very hearty congratulations on being elected Speaker of this House. This is the first time for a period of approximately sixteen years that this House has met, and during that period we all realize, even those of us who had been members of the House in those days, that many of us have forgotten all about procedure in the House. Consequently in this first session under a new form of Government, many of us are going to make mistakes, and therefore, Sir, as probably the senior member of this House—not probably, but actually the senior member of this House—I want to assure you, Mr. Speaker, that as far as I am personally concerned, that I will bow to your decisions at all times; that I will do everything I possibly can to help you, and that if I may at any time overstep the mark, which I undoubtedly will, because I am noted for that, I trust you will consider it is not done intentionally, but, as always happened in the past, in the heat of debate.

To the mover and seconder of the Address in Reply, who made their maiden speeches here on that day, I also must extend to them my sincere congratulations on the efforts which they made. The honourable member for White Bay, I think it is—Green Bay—made a specially good effort; he is a young man, just coming into public life, and I feel that if he follows the path which he outlined himself on that day, that there are many things in store for him in the public life of our country. To my friend, Mr. Mackinson, who seconded the Address in Reply, I also extend my personal congratu-

lations. In fact, the beginning of this address of mine is all congratulatory, and I hope by the end of it I might be in a position to congratulate the Government also.

But before I make any comment whatsoever, it might be just as well that the House understood my position from a political standpoint. I am here as an Independent member of this House. I am neither a Conservative nor a Liberal. I intend to remain an Independent member of this House until such time as the people of Ferryland kick me out, or decide otherwise. I feel proud of being the only Independent member of this House, for this reason, that my election by a sweeping majority against my two opponents, who were accusing each other and telling each other and telling the people that I was going to go on one side or the other if I were elected; they all had me Minister of Finance in various parties should that party be elected. Well, I want to assure the Assembly this afternoon that I shall remain Independent, and, as I said a moment ago. I am proud of being Independent, because the District of Ferryland is the only free and independent district in Newfoundland today. Others of you represent parties—political parties, controlled from Canada, or the mainland, as Mr. Higgins said yesterday. But Ferryland is independent, and is going to remain independent. Therefore, Mr. Speaker, I think I have made myself quite clear. There will be times when I will criticize the Government, and I want to say also that there will be times when I shall criticize the efforts

made by the Opposition. That is part of my job. I am not here definitely to oppose the Government in any legislation that they might bring in; any legislation that I think will be in the interests of the country I will support it. On the other hand, any legislation which they might bring in which, in my opinion, is to the detriment of the future of the country I will oppose with the same vigor as I shall support the other legislation. And that brings me to the Speech from the Throne.

The Speech from the Throne, as the Premier remarked on opening day—I think if my memory is correct he stated that it was the first time in the history of this House that the Leader of the Opposition had not got up and said that the Speech was famous or conspicuous for what it did not contain rather than for what it did contain. He is probably right—the first time in the history of this House. But I am going to make another suggestion now, Mr. Speaker, that this Speech from the Throne is conspicuous for what it contains inasmuch as it is creating jobs for members of the Government. Five extra departments are to be created to run the Provincial Government. That is the main policy outlined in the Speech from the Throne, the policy of department of this and department of that, and later on in my remarks, and particularly when the Estimates are brought down in this House, and the Budget Speech, I shall have further to say on these matters. However, I did listen to the Premier the other day when he stated that fifteen years prior to the Commission of Government

the dignity of this House lowered itself; that members in the old days, fifteen years prior to the Commission of Government, were undignified. That is what I inferred from his remarks. But I take exception to these remarks, and with the result, Mr. Speaker, that it will have to bring me back into the history of Newfoundland politics, back to 1908 and 1909, and from there we can go on, from 1908 and 1909 right on until 1919-20 and right up to 1931-32, when the crash came, and remember, Mr. Speaker, that I happened to be Minister of Finance when the crash came in this country in 1931-32. I was placed in the unfortunate position that we had no money to pay our interest and as we go on, as that time arrives in the course of my remarks I will tell you the history of what really happened right down through.

To do this I crave the indulgence of this House. There are many members in here, new members, young members, who have not followed the course of public events during the past twenty-five years. They have been filled up with the idea that in the past our politicians were corrupt, they were grafters, and everything else. Young men today in public life even said the same thing on public platforms, and today, as the oldest politician in the House I have to stand up for those men who have passed on and whose names have been defamed by these individuals. Therefore now I go back to 1909, and in that no doubt I shall be criticized by many people of repeating things which I have repeated during the past four years. Remember also, Mr.

Speaker, that this House of Assembly open on the fourth anniversary of my beginning of the campaign on Bell Island on July 13, 1945, to restore Responsible Government to Newfoundland. Just four years after that campaign I stated that some kind of Responsible Government be given the country, not the kind that I advocated in the beginning. But it is a coincidence that it is just exactly four years. Now where are we in 1909? If you get the Amulree Report and read it, that man and those identified with him claim that all our troubles started in 1909, and I am going to have to refer to a financial report for which I was primarily responsible for compiling during the course of the Convention, in order to prove my facts. You know there have been — slurs that have been thrown at me by people who do not know what they are talking about. And it shows that this country, this country, was always in a position to pay its bills as well as any other country. Now what are the true facts? The true facts are this. Prior to 1908 and 1909, it might interest some of the younger members of the House to know that the revenue of Newfoundland was just a little over three million dollars, to be accurate, \$3,447,000. By 1919-20 it had risen to \$10,597,000. True the expenditures had gone up. True the national debt had gone up. But we had received something for it. Now the people that controlled the Government of these days, these undignified individuals, and I can go back to 1900 and 1904; I used to visit this House of Assembly in 1904, in the days of

the great divisions down here, when the late E. M. Jackman, and the late Sir Alfred Morine had conflicted across the floors of this House. As a young boy I think my friend, Mr. Higgins, came here too. We used to come here after school in the afternoon to listen to these giants, when the revenue then was less than \$3,000,000 annually. Surely these people were not undignified! Surely Sir Robert Bond was not undignified. Surely Sir Edward Morris, (the late Lord Morris), was not undignified! Still according to the remarks made by the Premier the other day he was undignified. As the oldest politician, Mr. Speaker, I have to take it up for these people who are not here to take it up for themselves.

Well, now for the period 1908-09 up to 1919-20, the total revenue of Newfoundland amounted to a little over \$58,000,000. Now what were the total expenditures? The total expenditures were \$51,000,000; or during that period our undignified governments had a surplus of \$7,000,000 over and above our expenditures. True we added to our National Debt some \$16,000,000, because in 1914 the National Debt of Newfoundland was somewhere in the vicinity of \$27,000,000, but the War came on, 1914-15. This country, and there are some of us here this afternoon, sent men overseas, and some in the Royal Navy, some into the Air Force of these days, and that War cost this country somewhere in the vicinity at that time of \$15,000,000 originally, but today, up to the time we went into Confederation with Canada, the two wars have cost this country in the

vicinity of sixty millions of dollars. Undignified politicians did that; people who did not know how to behave themselves in the House! True they had fights in this House, political fights, political disagreements, between one another, about the policy of the Government, and so on, but they always, these people — when I came here in 1923 there is another gentleman in this House today who was here, I think my friend, the Finance Minister, came here in 1928. I came here in 1923. I saw some hard battles fought on this floor between giants on both sides. In my time we had Sir John Bennett, Sir John Crosbie, Sir Richard Squires, Sir William Coaker, the late Judge Warren, men of that class. Were they undignified, Mr. Speaker? Are we to go out of the House this afternoon and say these men were undignified in their attitude to Government matters? Certainly not, and I think the Premier probably realizes that he made that statement in a moment of haste. He knows, because as a young boy he came to this House in those days and saw those giants at work, and he realizes that these were real men, real Newfoundlanders, and if they are looking down on us this afternoon, as no doubt they are, if there is such a place as the other world, they are looking down on us, and what do they think of us? What would Cashin think of me representing Ferryland? Surely he is not going to say, if he could speak to me, you would accuse me of being undignified in this House, and so forth. He is gone. From 1909 to 1919-20, this country had a surplus of

\$7,000,000; then we struck depression. It was not created by Newfoundland; it was not created by these undignified politicians of that day; it was created by world chaos, or as a certain politician used to say here at one time "world chas," and we had to suffer until 1923. A general election took place in Newfoundland, and with the establishment of the Corner Brook industry, guaranteed by the people of Newfoundland to the tune of ten millions of dollars, which put us on our feet, temporarily at any rate; it created a lot of employment in those days. We had a general election again in 1924; another Government came into office, the Monroe Government. Corner Brook went ahead. It changed hands many times, and got into financial difficulties, but today it is the largest pulp and paper mill in the world, created by these undignified politicians of the past. And then we come on down to 1929-30, when a financial crash struck this world. Was that created by our undignified politicians? Certainly not. It was created by over-production on the part of those who produced goods for sale; there was too much goods to sell, and there was a slump, and we were caught up with the world in that slump. It struck us in 1931, and now I come to where I know something about what I am talking about. In 1931 I happened to be Minister of Finance of Newfoundland. We had asked for a loan in the previous year, in 1930, if my memory serves me correctly, and our loan went on the market at that time, and we received par for it, over a hundred, which was unusual. Next year, in 1931, we put out

bids for a loan through the Bank of Montreal, who were fiscal agents for the country, and got no bids. We were told we were bankrupt, go and cut your garment according to the cloth, which we tried to do. We came back, myself and the late Prime Minister, we cut everything to the bone. Now what was behind all this? Here we were in 1931 broke. In June or May of 1931 the Bank of Montreal and its associates, who had underwritten our loan in the previous year, told us we were bankrupt and they would not give us any more money. We were hardly back in Newfoundland before these same people came crawling on the doorstep of the Prime Minister and the Executive Government, asking us what? To go off the gold standard; that they were unable to meet their own obligations, and that, Mr. Speaker, is one of the reasons why I asked the question there to which I could not get the answer, as to what position the Bank of Canada stood in at the present time. The Bank of Canada at that time could not meet its own obligations, was almost bankrupt. I make that statement and I defy contradiction. Why? Because the Bank of Canada, or any other bank for that matter which is on the gold standard has to have a certain amount of gold behind its paper notes in order to be according to law; in other words, they have to have twenty-five per cent; twenty-five per cent of the note issue had to be covered by gold. Now what is the note issue of the Bank of Canada at the present time, and what is the gold behind it? They may have the gold in Ottawa in a vault, but _____ Uncle Sam,

who is carrying them along. Now we went off the gold standard in 1931, to save the Canadian banks from bankruptcy. I have repeated that many times. I am going to be criticized for repeating it again now. And how did that happen? At the time we went off the gold standard, Mr. Speaker, gold was \$20.67 an ounce; later on there was a general election in the United States; the great American nation was bankrupt, mind you, at that time; let alone Newfoundland, with 275,000 to 300,000; they were bankrupt. President Hoover was defeated, and the late President Roosevelt came in and took over in 1933. What happened? He closed the American banks for a period of fourteen days, if my memory serves me right, in order to straighten them up, to put them on a working basis. There were many of them bankrupt. He increased the price of gold to \$35.00 an ounce, the difference between \$20.00 an ounce and \$35.00 an ounce—\$15.00—and remember also at that time American currency was at a premium of twenty per cent; the difference in gold was \$15.00 an ounce. What did that mean to the people in Newfoundland? We had \$25,000,000 in the Savings Bank at that time belonging to the people of the country, and there was an eighty per cent loss to the people in Newfoundland—a loss which they contributed in profit to the Bank of Canada, because we went off the gold standard; the Bank of Canada was created in 1931 or 1932 by the Conservative Government of that time under the late Viscount Bennett, and all the gold from the other banks had to

go into the Bank of Canada, and the note issue came through the Bank of Canada. In other words, Newfoundland depositors at that time were defrauded, so to speak, by the Canadian Bank of a sum of not less than \$20,000,000. Now was that “undignified politicians?”

Very well. Now we come to 1932. What happened? The *Alderdice Government* came back with a sweeping majority; they were going to do everything. I nearly made a mistake that time, Mr. Speaker, and I must make my first apology to the House. I was going to say something else. However, I caught myself up. They were going to do everything; they were going to reorganize the country; they were going to put it on its feet. And what happened? They found when they got in that they were up against it financially; they could not meet their interest; they got money from the Banks; they got money from Canada; they got money from England, in order to pay our debt charges, and eventually, I think it would be in the session of 1933 they adopted a motion, or a policy at any rate, that they were going to bring this Royal Commission here to investigate our financial and economic position, and to make a report to the Government as to what should be done. And what happened? The Amulree Commission came; no Newfoundlander was on it—not one—two Canadians and a Scotchman, a Labour man, a Socialist in the Old Country, who made out a report; condemned everything in the country, church and state; condemned every politician from 1909 onward of robbery and theft, so to

speak, graft and corruption. If there is such a thing that he has got to meet someone on the other side, he has got a lot to ask forgiveness for. And what happened then? He recommended that this country be taken over by a Commission of Government, three Englishmen, and three Newfoundlanders. And so the House met for two days, or not more than three, and adopted that; they did not even discuss it. They felt, Mr. Speaker, we cannot meet our interest. Now how many countries were meeting their interest at that time? The Amulree Report lied, and lied deliberately. In one clause of that report, if I remember correctly, they threw up their hands in horror at the idea of any British Dominion or any part of the British Empire defaulting. This was Amulree! Well, three months previous to the writing of that report they defaulted themselves to the tune of \$75,000,000 to the United States of America. Honest people; Unblemished politicians! Dignified individuals, if you like! And that was swallowed, lock, stock and barrel, by our people at that time. Commission of Government took over office in 1934, and now I am coming to what happened from there on up to the present moment. In 1934 they took over office, and I witnessed the spectacle at the Newfoundland Hotel, Mr. Speaker. I witnessed the _____ of Newfoundland—

MR. SMALLWOOD: Undignified?

MR. CASHIN: Undignified, because if there were any real Newfoundlanders there at that time they would have been thrown out of the window, because our coun-

try was being stolen right under our noses, and the culprits who did it were three individuals who are now passed away and I am not going to go into that any further. They were putting on an act, a Barrymore act, so to speak.

Now we come to 1934, and I regret, Mr. Speaker, that I have to refer to my own financial report in order to check up on my memory as to what happened from there on. From 1934 to 1939, what happened in Newfoundland? These were the people that came here and were going to put us on our feet overnight. Why, we had more deficits than ever before; our interest was reduced by two per cent; our National Debt had been approximately \$100,000,000 in 1933-34, and we were paying interest at the rate of \$5,000,000 annually. They came here and reduced that interest by two per cent. As Minister of Finance and as an independent member also at that time I brought the matter up in this House that we should reduce our interest by legislation. Those were in Opposition at that time. Well, how did they take the suggestion that we should reduce our interest by legislation? They said that was default. Why, yes, I would default, and I would be doing nothing more than anyone else, because right down through these years only one or two countries paid their interest in full in this world, and one of these was Finland, if my memory serves me correctly. And what were we any more than Saskatchewan, Quebec, or anyone else? Canada reduced interest by legislation; Great Britain reduced its interest, not alone reduced its interest, but failed to pay its inter-

est to the United States of America. But we had to find the pound of flesh. Now during this period of 1934-39, we had a deficit. That deficit was on an average of four million dollars annually in interest.

Mr. Speaker, if these people who were dignified, these dignified individuals had been operating on the same principle as our Responsible Government they would have had deficits of six million dollars a year. But, no. In 1939, when you closed off your books, so to speak, because then someone else takes charge of the worry—not the Commission of Government, we had paid Great Britain all our interest, less—rather the advances Great Britain gave us were less than the interest we had to pay. In other words, what happened was this. The Grants in Aid which Great Britain gave Commission of Government from 1933-34 to 1939-40 were less than sufficient to pay the interest on that bonded indebtedness to the bondholders in England. And that money, mind you, Mr. Speaker—and I cast no reflection on Great Britain, although I have been accused of it—was taken from whom? Was taken from the Americans, in order to pay those Grants, because they owed money and each year had to pay \$75,000,000 or \$100,000,000 which they never paid or will never pay. So in 1940 we started to get on our feet, but it took the greatest war in history to put this country on her feet. What happened in 1940-41? Now we are coming to it. The Commission of Government, who were in control of the affairs of Newfoundland—the revenue started to decline; everyone knows the

critical situation about the North American Continent, as well as Europe, and at last, after eighty years, the British Government and the American Government realized the strategic importance of this country. Remember eighty years previously a gentleman in Newfoundland had told the British Government that this was the strategic point in North America, and tonight I pay tribute to his memory, the late Bishop Mullock. The last of them, they stopped them. Well, what happened? Newfoundland had to suffer for it. In 1939-40 or 1940-41, we find Great Britain up against it. I was in great Britain at that time. I realized the situation, as a soldier, who stood by for invasion on many nights, and the key position in the North Atlantic was Newfoundland. And what happened then? The British Government gave it to the United States of America for nothing. Now I am going to be told that. For ninety-nine years they gave these key positions to the American Government, and in return, got what? The fifty destroyers and many other things, and one of these days when this House, Mr. Speaker, as a Newfoundlander and as an Independent and under obligation to no party—not now, Mr. Speaker, when I was mixed up with a party they were always telling me, Cashin, he's always making trouble. If I were mixed up with the Premier's party I would do the same thing as if I were mixed up with other parties—Cashin is making trouble—but now I am mixed up with no party, I can do what I like, and I am going to do it, so one of these days I am going to put a motion on the Order Paper which probably the Government

will reject, to ask the American Government to tell this Government or the people of Newfoundland what amount of money they paid to Great Britain in 1941 to pay the Newfoundlanders for their property on the Bases. We will find out if they will ask it. I say they paid them ten million dollars, and the people of Newfoundland received two. Now I have heard in a confidential way, the people of Newfoundland received two millions when they should have received ten; they made a profit of eight million dollars. Now if they want to contradict it, they can do so. Let them come out with all the documents, just the same as I asked the Premier the other day a question which I knew he would not answer in relation to the Confederation issue, documents interchanged between the Canadian, the British and the American Governments, he could not table them. I knew he could not table them. I knew he would not be allowed to; at any rate, he would not do it. But any time I make a statement in connection with these matters the answer is, come out with the facts and see if I am right or if I am wrong, and I state now, that the property owners in this country were fleeced to the tune of seven or eight million dollars in 1941. Why? Because under the letter written by—excuse me, Mr. Speaker, I ask your permission to read this, the letter written by Marquess of Lothian to Mr. Cordell Hull on September 2, 1940. If you will refer to Mr. McKay's book, this one we were given gratis here by Mr. McKay when he came down here to arrange the Confederation issue in Newfoundland, with all of you.

"I have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs . . ."

No, here we are:

"All of the bases and facilities referred to in the preceding paragraphs will be leased to the United States for a period of ninety-nine years free from all rent and charges other than such compensation to be mutually agreed on to be paid by the United States in order to compensate the owners of private property for loss by expropriation or damage arising out of the establishment of the bases and facilities in question."

The American Government never paid any of our people five cents; the British Government transferred that money from overseas out here, and the Commission of Government paid the, and the American Government refunded the money at eight or ten million dollars to the British Government; and I challenge anyone to contradict it. So, you see, Mr. Speaker, what happened in connection with the Base Deal. Now I would be one of the last members in this House, or in this country, for that matter, that would refuse to give these Bases in the those days. Why? To use Mr. Job's expression, I would demand a quid pro quo, particularly when it was for ninety-nine years. I would have no objection to granting the use of these bases to the Americans or anyone else for the defence of the North American Continent for the period of the war, without any money, but when they are taken for ninety-nine years I think they should pay for

them. Why, Sir, the second reading of the Confederation Bill, the Union of Canada with Newfoundland, had not finished in Ottawa before Mr. Saint Laurent was off to Washington to try to negotiate a deal in connection with the bases with America. And why? Because this country has, in my opinion, at any rate, to depend to a great extent, for its future in the fish business, on the United States of America. It is the wealthiest nation in the world. Talk about Canada being wealthy! Why, Canada is only a bulls'-eye shop compared with the United States of America. Canada cannot buy our fish—or the mainland cannot buy our fish; if they do they have to sell it somewhere else. Certain brokers in Halifax have been buying our fish and shipping to the West Indies in competition with ourselves, but they cannot buy our fresh fish, and here was an opportunity which the Commission of Government had at that time, of either making a trade agreement with the United States of America based on this Bases Deal for a period of ninety nine years, or a lump sum of money in return, or just take them for five years and give them back to us when you are finished. That is what they did in Iceland, and Iceland, I think, is 110,000 people, and they kicked the Americans out, the biggest nation in the world, and the Americans came back with twenty million dollars just to get back there. But what happened here? Why not alone did they not do that, but the Commission of Government of the day saw to it that our people, by the American contractors in those days; they went out of their way to do it. The result was that there

was plenty of peculiar practices that went on in these bases. Labourers were put down as carpenters in order to give them a higher rate of pay, because the Americans realized that our people were discriminated against by our own Government. Very well. They got the bases for nothing; we got nothing. True, you are going to tell me that we got the labour on the bases. We had to get that anyhow, unless they imported labour to get things done. But now, from the year 1939-40 up to the present time, let us see what happened, and I am sorry, Mr. Speaker, that I have to bore this House with telling the facts, but I am going to tell them the facts, and anyone who wants to contradict them or things that I am telling some untruth, I refer them to a financial report made here in 1947-48. However, my memory is pretty good in respect of figures.

From the year 1940-41 up to the present time we created a surplus of how much? If there any gentleman in this House outside the Minister of Finance that can tell me? I question it. This country was taken over the other day by Canada. There was no financial statement presented to this House when it opened.

I got in dutch with the Premier because I was requesting a financial statement. It is just like taking over an ordinary business. You want to know your assets and you want to know your liabilities, and so on. And I challenge any member of this House, any ordinary member, to tell me the actual financial position of Newfoundland as

at March 31st, 1949. I doubt if the Premier knows it. Well, I am going to inform them that in addition to the information given me by the Honourable the Finance Minister I am going to give him a little warning. That is just in passing, because I have got to come to this farce, the Convention, as they called it, which appears in this period of which I am talking, so, Mr. Speaker, just excuse me a moment. In order to get these figures, I had to ask a question two ways. The Honourable the Minister did not get wise to it at the time, so I asked it in two ways, in order to check one against the other, and his figures are fairly accurate. And here is the financial position in Newfoundland, gentlemen, tonight, or at the 30th June, 1949. Now if you are interested in the country and its future you will take me seriously not just think that Cashin is just up here blowing off steam; you will take it seriously, because the time is coming when Cashin passes out of this place and you young fellows will have to carry on, and you are going to find yourselves in a mess. Remember I said that, if I go out tonight and never come back again. On the 30th June, 1949, there were \$14,590,000 in the Bank of Montreal. Interest-free loans to Britain, now that brings me to a point, \$9,068,000. I am going to state now, Mr. Speaker, you will never see a cent of it. Agency Accounts, \$71,000, these are held in London. Crown Agents Sterling for fish; the other year when I think the Honourable the Finance Minister was probably a member of Government in the Commission of Government at the time when they could not find the dollars, we had

to find the dollars to pay ourselves, and we took sterling for it, and that sterling amount in dollars today to \$7,669,000 in round figures. Colonial Fund, that is practically a million dollars—all held in England now, mind. Investment funds, another forty odd thousand dollars. Executor balance, over in England, \$3,650. Now amounts due by the Federal Government as at June 30, 1949, was somewhere in the vicinity of \$14,125,000. Makes a total in cash of \$46,000,000. That shows the financial position in part tonight. But there is more to it than that, Mr. Speaker. We have a Housing Corporation in here that cost this country, even though the information has not been tabled here, but if my memory serves me correct, it cost Newfoundland \$5,000,000, and I think it cost the City Council a million dollars, is that right, Mr. Spratt?

MR. SPRATT: \$1,250,000.

MR. CASHIN: There you are. There are six and a quarter million dollars gone up in smoke, because the only way you will ever get it back is to burn it down and collect the insurance. In addition there are over a million dollars owed the Treasury by certain fish companies in Newfoundland and it is a peculiar coincidence, Mr. Speaker, a very peculiar coincidence indeed, that these gentlemen, the representatives of these fish companies, were all staunch supporters of Confederation with Canada. I wonder if the gun was put to them and it was said, unless we do this we will call your loans; and remember these loans were granted to these companies for a period of twenty years at three and a half per cent

interest, no sinking fund there has been no financial statement of these companies given the Government as to how they stand at the present time, and I suggest to them right now that the Government will suffer a loss of half a million dollars on the transaction. Then we find in here—I shall have a laugh at the Finance Minister in a minute—we find in here in addition to these amounts, there are over a million dollars owed the Treasury of this country; 1,700,000 owed by the Department of Liquor Control, and in the Estimates of Expenditure and Revenue we find it was revere, and re-loaned, and the \$1,700,000—why did they ask for \$1,700,000 before the Commission of Government departed?

And today, on the Southside, in the cave over there, the place is packed with liquor of all kinds and \$1,700,000 is tied up in it, and when that is sold you will get your \$1,700,000 back. They wanted more dollars. Let us clean here before we get out of here. That was their policy right from the beginning. And then there is the profit in the Savings Bank of a million dollars. I remember, Mr. Speaker, when I started my campaign on the air in 1945, I got into a knot with the Directors of the Savings Bank with respect to the Sinking Fund. They had not got any Sinking Fund. They have not got any now, in the statement given me by the Finance Minister yesterday. True, there is no such thing as a Sinking Fund. Now what is a Sinking Fund? Because I shall have a lot to say about sinking funds before I am through, and I am an expert on sinking funds, Mr Speaker. Now here is a

sinking fund. In my opinion, a sinking fund is a fund created to set aside clear of the ordinary operations of business; that is a sinking fund. And that fund would be invested in certain securities in order to bring in interest. That has not been done here. Here is the surplus of the Newfoundland Savings Bank, only around \$37,000; that is not a Reserve Fund at all. General Reserve Account, he says. It is not a fund. There is no such thing there as a reserve fund. Now supposing these bonds dropped tomorrow, and they might, and I am not trying to create any mistrust in the Savings Bank, because the nation is behind that Savings Bank; people at that time when I was criticising that thing, the Savings Bank situation, they thought that Cashin was trying to create a rush on the Savings Bank. There was one time there was a rush on the Savings Bank, created by people now in business on Water Street when I was Minister of Finance who refused the night before we were turned down on our loan of \$8,000,000, refused to cash a cheque for the Government for twenty-five dollars. Upon investigation the next morning I discovered that he owed the Treasury thirty odd thousand, and he paid it so quickly he did not know what struck him. He is down now on Water Street, one of the twenty millionaires, mentioned by my friend the Premier so frequently during the course of the Convention. I think they are reduced in number now because there are now eleven, I heard. It is interesting to know that some of these individuals who did these things were great supporters of

the Premier though, in the recent election, millionaires, not one of the toiling masses, mind you; the toiling masses have no million dollars, but those millionaires that supported and financed those things, they do not comprise the toiling masses. The funny thing about this toiling masses situation, Mr. Speaker, and I am coming to that later on in my remarks, because when I get into the Speech from the Throne later on, then I look at various positions that have got to be created, the seventy-five hundred and twenty-five hundred dollars a year, I am wondering what my friend, Mr. Keough is going to think about his lone fisherman on the bill of Cape St. George when he finds he is getting nine or \$10,000 dollars a year salary. Consequently, together with the Housing Corporation, today, if you can since this House opened over a week ago, fifty-six millions of dollars, but how much is the next thing. Besides I understand this third of our surplus has not been sent to Canada yet.

Being the Father of the House, I want to teach my children what they should know. Well, I am going to conduct an educational programme, although you have a lot of educational men over on that side, I do not know whether they know much about this or not. But I only got tenth grade. Cash in the Bank of Montreal, \$14,590,535. Got that down? I ought to have a blackboard. Interest-free loans to Britain, \$9,068,000. Agency Accounts—these are various sums over in London to the credit of various accounts that will ultimately have to be straightened

out, it will take probably eight years to straighten them out, I understand that, \$71,000. Sterling for Fish, \$7,669,622. Colonial Fund, that is another thing in the sterling business—\$912,540 Investment fund, \$40,800. Exchequer balance, that is in England also—\$3,650,000 and then our friends of the Federal Government owe us \$14,125,000 as at June 30, 1949. That is the statement given me by the Minister of Finance

MR. QUINTON: Are you including the surplus?

MAJOR CASHIN: I am talking about everything now, what money we should have on hand as at June 30, 1949. Now I'll talk about the surplus, if you want to.

MAJOR CASHIN: That is the statement that was given here—here we are—I will just hand it over to your. I will tell you, Mr. Speaker, how they are owed. There are probably some Transitional Grants, and some subsidies, and you also have about seven or eight million dollars in refundable, what they call non-recurring revenues, that the Federal Government has to pay us for, such as the Gander, that's two or three million dollars, the Railway, the Post Office, and so on; they owe you about seven or eight million dollars; now I will check it my own way. That's Mr. Quinton's way of handing that to me. Now I asked him another question at the same time in order to check him, and he did not get wise, but I am going to tell now that I did that. Now here is what happened. Now here is the other way of doing it, you see. You see, Mr. Hefferton, I think you will have to give me a job down in that

Educational Department before long. Now here on the 31st March what you had, \$10,288,030. That is what you had in Newfoundland on the 31st March. That is all the money you had. Interest-free loans to Britain \$9,068,000. Sterling credits I have already given to you, \$7,669,000. Loans to various fish companies \$1,162,700. St. John's Housing Corporation, \$5,000,000. Collected by the Assessor of Taxes, I see that Mr. Quinton is getting embarrassed—discouraged, as Minister of Finance. You know, Mr. Speaker, the job of Minister of Finance is a peculiar one. Your Government expects the Minister of Finance to twist around figures in order to show the good standing of the Government, so in order that the Provincial Government has a surplus, a surplus, mind you—for the three months from April 1st to June 30th, 1949, they include \$7,000,000 income tax which is not a recurring revenue and you cannot get it again next year. It should not be there at all. It should not be shown in that surplus. It should not be shown as revenue. Because it does not recur next year. Therefore, on the 30th June, 1949, you had a deficit of two and a half million dollars, and not a surplus of over four, as published in the press. So please, Mr. Speaker, advise your friends over there not to try to pull any of that fast stuff around here.

Oh, I have more to give you yet. There was \$1,700,000 given to the Board of Liquor Control.

Now the total ordinary revenue for the three months ending June 30, 1949, is \$1,935,000, whilst the expenditure amounts to \$6,435,000, which leaves a deficit of two and

a half million dollars. Add to this, repayment by the Finance Department after consumation of Confederation amounting to \$1,112,000, and two other amounts, these two other amounts, \$3,000,000 and \$3,612,000. Therefore if we deduct this amount from the total we find \$6,587,196; that was as at March 31st, 1949. Now under the terms of Union, one-third of this surplus would have to be invested in trust with the Government at Ottawa, and I thought we were going to get some interest on it; I looked up the old Gray Book to day for the first time for a year, and I find we are getting no interest on it, no interest on this third that we are supposed to send to Ottawa; the balance, if you send them up any, they will give you interest on that, but on this original third, no; there is nothing in the Terms of Union.

MR. SMALLWOOD: What about

MR. CASHIN: Hold on a minute. We will have a look at it. Because I was surprised. I honestly thought we were getting something. That old Gray Book! It's not what it used to be.

No, that is the balance. Now here is where it is. "Financial Surplus—Newfoundland may retain its financial surplus subject to the following conditions." Here we are: "One third of the surplus shall be set aside during the first eight years from the date of Union on deposit with the Government of Canada, to be withdrawn by the Government of the Province of Newfoundland only for expenditures on current account to facilitate the maintenance and improvement of Newfoundland public ser-

vices, and any portion of this one-third of the surplus remaining unspent at the end of the eight-year period shall become available in the Province of Newfoundland without the foregoing restriction." Nothing there about percentage! "The remaining two-thirds of the surplus shall be available to the Government" and so on. One second, now!

"The Government of the Province of Newfoundland will have the right within one year from the date of Union to deposit with the Government of Canada all or any part of its financial surplus held in dollars on the 31st day of March and the thirtieth day of September in each year to receive with respect thereto interest at the rate of two and five-eighths per centum."—But that is not with respect to the third.

MR. SMALLWOOD: That is with respect to all of them.

MR. CASHIN: No, it is not. Here is what happens. The first third there, they are taking that as a kind of security that you will be a good boy because they are going to dole that out to you each year, but if you have any surplus money they say, all right, you can send that up here; at least that is the way I read it, and I am not trying to be obstinate. In other words, it should be included in there anyway—if you are putting one-third aside you should have included in that clause whether you were going to get interest or not, but it does not say there, Mr. Speaker, so I had to produce the old Gray Book and check it, check it with the Terms of Union with Canada.

MR. SMALLWOOD: We have here "to receive with respect

thereto interest at the rate of two and five-eighths per centum per annum . . . on the minimum balance outstanding at any time."

MR. CASHIN: But you will see also, Mr. Premier—now I am not going to argue with you on the point—I hope I am wrong.

MR. SMALLWOOD: Yes, you are.

MR. CASHIN: Well, probably I am. It's not the first time I have been wrong. Some of us are never wrong.

MR. SMALLWOOD: I am very rarely wrong.

MR. CASHIN: No, I am very rarely wrong in connection with these figures. However, I am kind of gone astray. Now under the Terms of Union this would amount to roughly \$15,000,000 that you would have to hand over to the Canadian Government—one third—and as to this the moneys held in sterling in London, as well as your interest-free loans to Britain, is only sixteen and three-quarter million dollars. Now, whilst the Premier was out—I do not know whether he heard me or not, but I am going to repeat it again; that that money that is held in England is in my opinion lost and gone forever; its like Clementine; the Canadian Government does not undertake to give us a dollar; they say they will make an effort within a year; they only make an effort, to convert that sterling into dollars; they do not guarantee it in the Terms of Union; they said they would make an effort. But supposing they do not make an effort—their effort may be feeble, because Canada today is having a tough time herself with

respect to this Sterling business. We know that. England is after goods, and Canada cannot afford to give them away and take sterling for them and buy in dollars in the United States or anywhere else. Consequently you are going to be up against it with the dollars, before you know where you are. Now there is \$15,000,000 going to be in Ottawa in a trust fund; there are sixteen and three quarters over in England; that is roughly \$32,000,000, and you would have a balance of available cash, just what is down in the Bank at the present time of roughly \$14,000,000 or \$15,000,000. How long is that going to last? That is the sixty-four-dollar question, Mr. Speaker, and I charge you sixty-four-cents for telling the truth. It will last two years and you are broke.

Now, that is now, if you take in the Housing Corporation. I do not know what the policy of the Government is going to be in connection with this Housing Corporation. I might say this—I live in there, and so do you Mr. Speaker. I would not commend the structure, and the capabilities of the people who dominated the Housing Corporation, because the place is half falling down in there now, and it is only up there two or three years, and in a period of five years—I just make this suggestion, Mr. Speaker—that within a period of five years the Housing Corporation, or the buildings in there, will be flat, and I ask my friend in the opposite corner here, Mr. Spratt, who is a practical man, some of these days to express his views in connection with the structure of these houses in here in the place

known as "Dunfield's Folly," because that is what it is—a mad-man loose with five or six million dollars to throw away.

Now, Sir, we find out therefore, that in 1945-46 the Commission of Government decided that we were going to have a National Convention, after this agitation which I started at that time, and which I feel had some effect—at least it had effect in several districts in the country, so much so that I had 25,000 names on a petition. And what happened? A National Convention Act, was passed, a National Convention Act, which says in effect, and I quote its exact words, I quote the exact words; here they are.

"It shall be the duty and function of the Convention to consider and discuss among themselves as elected representatives of the people of Newfoundland the changes that have taken place in the financial and economic situation of the Island since 1934, and, bearing in mind the extent to which the high revenues of recent years have been due to wartime conditions, to examine the position of the country and to make recommendations to His Majesty's Government in the United Kingdom as to possible forms of future Government to be put before the people at a National Referendum."

These were our functions. Now what happened? And here the story begins in earnest.

MR. SMALLWOOD: We had a lot of fun.

MR. CASHIN: We had a lot of fun, and we sold the country. We betrayed Newfoundland. We are

not Newfoundlanders, the people who were in that Convention. Here is the position. We were supposed to look up and find out the financial and economic position of the country, and we did that. After sixteen months of a farce, a fraud—I call that thing everything—and it was rigged up by the British Government to do it. Sixteen months which cost Newfoundland half a million dollars, and paid us at the rate of ten or fifteen dollars a day to do a job which should have been done in two months. But, no, you could not do it in two months! Certain things had to happen. Well, now, what happened?—And I am a little ahead of my story. In 1943 there was a Quebec Conference, at which Winston Churchill and Prime Minister King met. You will ask me to prove it. I ask you to disprove it. And Churchill agreed to hand Newfoundland over—to do everything he possibly could to hand Newfoundland over to Canada. There's where Newfoundland was sold out, in 1943. And then the conniving began; this National Convention started; it was hardly open; our committees had just barely met, when this Confederation issue was brought up; it was defeated the first time, and we went on, we brought in our reports as best we knew how; financial report and economic report, the two principal ones; the fishery report; the forestry report, the mining report, the Public Health and Welfare report, which showed indirectly that they were two or three hundred thousand dollars short down in that Department; why in 1922 or 1923, when some unfortunate politician happened to mis-spend \$1.50 he was dragged into the Supreme Court; but the Commission of Gov-

ernment can misappropriate as much as they like and get off scott-free. And speaking of Corner Brook also I tabled a question here and I received a reply that they did not know what the rate of pay was in Corner Brook and Grand Falls in comparison to that paid in Nova Scotia, New Brunswick, Ontario and British Columbia, to lumbermen; they do not know, but I know. The men in Corner Brook and Grand Falls receive a dollar a day more than they do in any of these provinces of Canada, and they pay forty or fifty cents less for their board than they do in the provinces of Canada. Now what happened in the Woods Labour Board not long ago? The Government says they do not know; well, they should know. And now I am going to tell them. There was a meeting four months ago, in the Newfoundland Hotel, of the Woods Labour Board, and the first thing that was shot at them was this: We have got to have a reduction in wages, and there was an uproar, naturally. And I do not know where it is going to end. Now, why a reduction in wages? Why is Corner Brook expecting this? Why is Grand Falls expecting it? And, speaking of Grand Falls—Grand Falls has been established now forty-four years, in production about forty years; it has been of great benefit to Newfoundland. But, remember this, that while Grand Falls had no guarantee from the Government, and it has not been exempted from taxation, remember this, Mr. Speaker, and let every member in this House remember, that Grand Falls has received from the Newfoundland Government, and tried to gyp the Treasury on many occasions. I had the pleasure—if you can

call it a pleasure—of taking \$75,000 off them in 1929-30 that they tried to get away with, and I would like to have about six or seven hours in the Customs, the old Customs Department, and see what they got away with during the past ten or fifteen years, and if they did not get away with a couple of million dollars, I'll eat my hat after their Agreement expired, and in the interim what happened? They were importing all kinds of things, and getting them in practically duty-free, by mere signature of the Commissioner. Don't tell me about these people. Now, with respect to the reduction in wages, there has been nothing done about it yet. But why do not the companies come across: I asked a question with respect to Corner Brook, and I believe it is a legal question, who is responsible today, the Government of Newfoundland, for that two million pounds balance, or the Dominion Government? That has not been clarified, so far as I can see, in the Terms of Union. Who is responsible? I do not know who they are. I would like to have a legal opinion on that. If we are, then we are in a worse position than I thought we were, because that means another six or seven million dollars that we are liable for. And Corner Brook, these Innocents Abroad, over in Corner Brook! Why Mr. Speaker, in the 1927 Agreement—I think it was the 1927 Agreement—of the International Paper Company, there is a clause inserted in that Agreement to the effect, what?—that before any dividends would be paid to the shareholders of that Company, a sum of not less than two million dollars would have to be set aside in a special fund. What

happened to that? Commission of Government decided to release them. For what? In order to get Bowaters to pay themselves dividends and give more dollars to Great Britain. That is the sum and substance, and the long and short, of it, and reduced the security of the Province of Newfoundland at the present time; that is, if we are liable for it, but it is reduced by two million dollars. Now I am glad my friend over there reminded me of this Bowater period, and I come to this Labrador mining. I asked a question about that, and I was told by the Minister of Public Works that the correspondence is so voluminous. Well I am sorry the Minister is not in the House, but I will see him later, and when this House adjourns I am going to ask the Minister to grant me an office for an afternoon or two afternoons; as a member of this House, to give me that correspondence and let me go to it. Because it is going to reveal something wonderful. I am going to tell the history of this Labrador thing now from the beginning to end, how it started and everything else about it. The old gentleman who started it is a man who now lives in Montreal, a very old gentleman; he is eighty-three or eighty-four years of age, an American, by the name of McKay. I think his name was mentioned yesterday on the Board of Directors of that Company. He is an old gentleman who gambled his fortune on the Labrador. He came to Canada in 1937 with four or five hundred thousand dollars in his pocket. That was a lot of money in 1937, because everyone was broke. And he got hunting around for something to speculate in. He was a speculator right down through his life-time;

he was about seventy years of age then. And he found out about this Labrador business, and he applied down here through a firm of solicitors, Emerson & Cook, for the right to prospect over 20,000 square miles of Labrador territory. They were given to him. He undertook to spend not less than \$50,000 a year, he and his associates. He had a couple or more associates. One of them is still a director, Simard; the others are dead. One of them faded out of the picture. The first year they spent \$80,000 down here; it is very easy to spend money when you are putting aeroplanes all over the place; and they found this ore. And it is peculiar, Mr. Speaker, that that claim was one time owned by a Newfoundlander, and he did not have the money to hold on to it.

MR. SMALLWOOD: Who was that?

MR. CASHIN: I refer to Mr. Mike Martin. In 1933 he held that property. The wealthiest ore field in the world was one time owned by Mike Martin, the year that we had the gold rush on the Labrador, that we were all going to make so much money, and I was one of the fools that were into it. And Mike Martin could not hold on to it; he did not save the money. So Mr. McKay had money; he and Simard and Nicholas and an American friend, they put up \$80,000. In 1938, if my memory serves me right, Simard and Nicholas got fed up; they were throwing \$25,000 or \$30,000 down into the frozen north. What was the use of putting good money up for that. They quit, although they still have stock and equipment to the extent of \$25,000 in there. Himself and his American partner car-

ried on the next year, and spent \$80,000 or \$100,000 between them again. The following year the American died, his American partner. The old man McKay kept on until 1939-40. He was getting exhausted. His money was fast depleted. And he went to the Commission of Government, to begin with; on account of the War he was going to ask them for a lease, to give him time; he could not do much during the War period. And one day Jules Timmins, the President of the Hollinger Mining Company, represented here now by Walsh, Cook, & Bartlett, walked in to Mr. McKay in the Windsor Hotel in Montreal, and he said, "I am interested in the place," and they made a deal. Results? Hollinger comes into the picture of this industry on the Labrador; they associate M. A. Hanna & Company, of Cleveland, with them. Hanna goes down in history, the great political battle of McKinley, I think; that firm is being carried on today. With that backing, and Hollinger, they have expended many millions of dollars down there since, exploring, and, I understand that before that mine could go into production, they will have to have in sight at least 300,000,000 tons of ore. At the same time they get a concession on the other side of the border. Now, what is the position? In 1937 or 1938—it is immaterial which year but it is around that time—the Government of that day—Mr. Howley, the late Mr. Howley, was Commissioner for Justice, insisted upon ten cents a ton royalty on that ore. And the funny thing about it, I spoke to Mr. McKay in Montreal two years ago, and he told me he never knew this ten

cents a ton was released. It was cancelled, and there was substituted in its place in around 1943 or 1944, five per cent on the net profits, which, in my opinion, Mr. Speaker, and I am entitled to it, will give Newfoundland nothing for twenty years. Now, assuming that this mine is going to be good, and I have faith in it myself—in addition, mind you, the great water-power of Labrador is being given to them, for nothing, fifteen cents ——— horse-power. Today they will tell you, we do not want this great horse-power; we can carry on without this water-power. All right! That is one of the things that I feel should be renegotiated today—the Labrador Mining Company's deal. That smells to high Heaven! It smells! People who knew would not think, Mr. Speaker, of being satisfied with that position. If you start digging with the pick-axe and the shovel you will find them, and our fishermen in Twillingate and Bay St. George, I can tell you, will not be satisfied with it when they hear about it. Now, speaking of iron ore, and the Labrador, I got away from it, and I am coming to it later on. Why so much fuss about this iron ore on the Labrador? Do we realize right here in this House, and in this country, that the last reserve of iron ore, high grade iron ore, is on the Labrador, in the North American Continent; that the ore in Minnesota is practically finished, or will be within a period of ten years. Timmins told me that himself, that before they went into this deal they sent experts up to Minnesota to find out how long they felt that this Minnesota ore could last, and they were told, ten years. Well, if that is so, where are they going to get

their high-grade ore in the future? Labrador! Newfoundland Labrador and Quebec Labrador. Three hundred million tons have been proven. McKay told me that in his opinion there were two billion tons of ore there—practically as big as Bell Island, which is low-grade ore. And you know what Bell Island has meant to Conception Bay and to Newfoundland generally. What would Labrador have meant to Newfoundland under the circumstances, where they proposed to produce ten million tons of ore a year, and our Government, the Commission of Government, were influenced to cancel that ten cents a ton, and substitute in its place five per cent on the net profits; and the excuse they gave is out of ——— Why, Mr. Speaker, that Commission of Government that was in office in this country, and I repeat it again, even though my friend the Premier did not like it, here in the Convention, and I repeat that Commission of Government and its bosses in Downing Street, robbed this country of twenty-five million dollars during that period in office, and I challenge successful contradiction. All they did was manipulate it, kick it around. So that is some of the history of the Labrador Mining Company—what it would have meant to Newfoundland; and when I get up into my talk in the course of the next week we will get it in good style. However, we know that in the Convention, what happened? We know the Premier, who was then the Confederate Leader, brought up this petition, and we know that on June 3rd or prior to that, the decision was made by the British Government to put three things on the Ballot Paper—Responsible

Government, Commission of Government, and Confederation with Canada. I have not got them in alphabetical order, but that is the sum and substance of it. Then the work started! All hands going mad! The truth was withheld from the people. The financial truth was withheld from the people. The duty of the Commission of Government was to lay the financial position in the newspapers or in some public place, and tell the people what would actually happen under Confederation with Canada. That was their job. Did they do it? Certainly not! They were under an obligation to Great Britain to sell this place out to Canada, and they went at it, hammer and tongs. The first Referendum, I think I have the figures here. Now I am sorry, Mr. Speaker, that I am going to tell the facts in this whole diabolical outfit. I do not care what it means. And incidentally, Mr. Speaker, before I go any further, this system that is in here—I have not heard the details of it or what it is all about, or whether the speeches are recorded on tapes or what. What, is it, a tape?

MR. SMALLWOOD: A tape.

MR. CASHIN: A tape. If it is recorded on a tape it can be wiped out in five seconds and someone else's speech put on top of mine, or mine on top of yours. And that is not a proper reporting of the Debates of this Legislature. Now I understand that it is costing the Treasury \$50.00 or \$60.00 a day to do that. Now these are the facts in connection with the Debates of this House. There are no records kept; at any rate, I have not seen any, and I have been in here now

a week or nine days. No records, nor do they intend to keep any! These will be kept and filed away and there will be no Hansard. Is it the intention, Mr. Speaker, to have a Hansard?

MR. SMALLWOOD: Mr. Speaker, no Province in Canada does. The Parliament of Canada does, yes. We always did—at least we did from about 1905 to 1927; before that we did not; after that we did not. It is fairly expensive, the cost of printing these days. The thought was to type off speeches from the tapes and have at least a type written Hansard, not published in printed form. That was the thought—not final. If there is really a genuine desire on the part of the House—all sides of the House—to incur the expense of publishing a Hansard, with my own sense of history I should like to see it published, but it is, I warn you, fairly expensive.

MR. CASHIN: I know. Personally, Mr. Speaker, as far as I am concerned, it is immaterial. I may go down in history in some other way! I will probably go down in history as defending myself in the Supreme Court of Newfoundland, and that is good enough for me—against people who tried to sell Newfoundland and who succeeded, and sold it out, lock, stock and barrel.

Now, the first Referendum! We had a vigorous campaign there for about six weeks. Those of us who sponsored Responsible Government went out and laid our cards on the table; we told what we felt was correct; we told that under Confederation with Canada additional taxation would be placed on the people of Newfound-

land; those opposed to it went out and they made capital of the baby bonus. Baby bonus! But one district stands out in Newfoundland tonight that has not been bought—Ferryland. Baby bonus did not matter to Ferryland! Old Age Pensions did not matter to them! Their country mattered more to them. As a friend of mine said to me the other day. He said, "Ferryland may not be rich in monetary way, or in materialistic way." That is so, and unfortunately this year the fisheries failed, the worst on record. "But," he said, "it is rich in another way." It is rich in a spiritual way." In other words, they could not be bought, they stand for no threat, and no bribes in the form of baby bonus, because that is what it amounted to. In an ordinary election, every member would have been unseated for what happened. Three or four days before Polling Day, practically every individual, practically every family, got a couple of cheques. Three or four days before Polling Day! Now what happened in the first Referendum, and even with that opposed to us Commission of Government were wiped out, 22,000. I think I have it here somewhere. Commission of Government, 22,000; 63,000 for Confederation; and 69,000 for Responsible Government. Now, Mr. Speaker, assuming that this General Election had to have three parties, and it did; I am a one-man party; I am independent; but we came into this House, would not the majority party take over the Government and try to form a Government? Certainly, because the Liberal Party in Canada during recent years, except the landslide the other day, have been holding power

at the mercy of the C C F., and incidently there have been a lot of C C F. methods introduced into this House. Now in connection with the baby bonus, that reminds me of these baby bonuses. You may think I am opposed to baby bonuses. I am not opposed to baby bonuses, but I am opposed to them being used as a bribe, and that is what it was, pure and simple, a bribe! You are going to get a baby bonus! God Almighty, Mr. Speaker, I am sorry that we have so little manhood left in our country tonight! The people can come in here and say, we'll subsidize you, because that is what it meant. And remember this, that it was further used in this respect—that unless you vote for this, in a later election, unless you vote for the Liberal Party, in the Provincial Election, you will not get any baby bonuses. That was tried out in Ferryland. It was tried out in other districts. But as I told my friends here in St. John's one time, the people of Ferryland have intelligence; they knew the Provincial Government could not stop baby bonuses; that the Conservative Party could not stop it; that the Liberal Party could not stop it; that I could not stop it. But the Liberal people were telling them that they could, and the Conservative outfit comes along, and they say we are going to give you more baby bonuses, and to top the whole works, the C C F. would come along and say, "We are going to pay you baby bonuses up to the time you are twenty-one; we are going to give you \$50 Old Age pension a month." And as my old Chairman in Ferryland said to me "Peter, the time will soon be around when we will have baby bonuses up to

when we are twenty-one, and then when we become twenty-one we will all be put on the Old Age Pension List." And that is how it strikes me at the present time. That's it. Everyone wants to live off the Government. I am not excluding myself, any more than any one else; everybody is out today to get something for nothing; they forget that these things have to be paid for. However, I have been speaking about the first Referendum. Now, the second one, the second one, they went to town in style. Nothing stopped at! And I am going to tell you what really happened. It may hurt me, because my days are pretty well finished with, and I want to go out of here clean. When they bury me in Belvedere or at the bottom of the ocean, or wherever it might be, I want to go out clean, and don't care who knows it. Sectarianism has run riot in this country. The Roman Catholic newspaper "Monitor"—I have copies of it here. Mr. Speaker, with your permission I am going to read. Now remember this, that I am a Newfoundlander, and I believe any man is entitled to worship God as he pleases. And this paper, the Monitor, came out in June, and here is the article in connection with this issue. One would imagine that our people had the right to express an opinion. (Reads article which is attached).

Mr. Speaker, is there anything wrong with the article? I cannot see it. Those of us who carry high degrees of education may see something wrong, but me, with tenth or eleventh grade, think it is a very fine article, and a patriotic one. What happened? Hell was let loose in this country from a sec-

tarian standpoint, and I have two of them here now, and I am going to read them, and as I told you, Mr. Speaker, it may be to my political disadvantage. I am in here to tell the truth, and I am going to tell it, so long as God gives me breath. Not alone, Mr. Speaker, were these circulars sent around, distributed in certain sections of this country, but in addition, the Chairman of the Commission of Government threw in his lot, went to a religious organization meeting in here and told the people at that meeting that it was time the Protestant people got together, because the other denomination wanted to run all the affairs of the country, and that was insufferable! These are facts! I know I am going to be criticised tomorrow. I don't care a hoot! I am going to tell the truth. If I won Confederation on this kind of propaganda I would be ashamed to walk into this Chamber.

MR. SMALLWOOD: So would I.

MR. CASHIN: Yes, and you were a party to it.

MR. SMALLWOOD: Pardon, you will take that back. Before another word comes out of you, you will take that back. Mr. Speaker, the honourable gentleman has made an accusation against me. I demand that he retract it, and if he fails to retract it I demand that he be suspended from this House.

MR. CASHIN: There is only one man that is going to suspend me from this House.

MR. SMALLWOOD: Sit down. Sit down.

MR. CASHIN: You sit down.

SOME HON. MEMBERS: Sit down.

MR. HIGGINS: Sit down.

MR. SPEAKER: I must inform the honourable member for Ferryland that S.O. No. 12 states that a member may not speak while Mr. Speaker is on his feet. With regard to the statement made by the honourable member and to which the honourable the Premier has objected, I am quite sure that the honourable member did not mean his words to convey the impression that the Premier has received and because his statement was made in the heat of debate he will be glad to retract it. In this instance I would remind the honourable members of S.O. 101 and 102.

MR. CASHIN: I am sorry indeed, Mr. Speaker, if in the heat of debate I did make such statement. I apologize to the honourable member, but now we see the propaganda that won Confederation for us. And incidentally, Mr. Speaker, this was published all over the country. Did the honourable the Premier at that time come out and denounce it publicly? Certainly not. Did any members of the Confederate Association come out and denounce it publicly? And then they say they would be ashamed to come in here. I cannot swallow that stuff. Why did not the Premier come out publicly and denounce it? And here is the first circular:

Little Catalina,
June 9, 1948.

Captain L. Stick,
Provincial Grand Master, L.O.A.,
Newfoundland.

Dear Sir and Bro:—

At an emergency meeting held on June 8th, the members of Star

of Bethlehem Lodge, L.O.B.A., and Benbow, L.O.A., passed the following resolution to be forwarded to the Grand Lodge for the consideration of its members.

We, as members of the Association have come to the conclusion that the Roman Catholic Church is endeavouring to dominate Newfoundland. We have reached this conclusion after careful consideration of the results of the votes from the various R.C. settlements during the National Referendum. Therefore be it resolved:

“That the Grand Lodge call an emergency meeting at their earliest convenience and some weeks prior to the coming referendum in order to discuss and consider the question submitted by your combined Lodges.”

Yours fraternally,
Sgd.) JAMES JOHNSON, W.M.,

C. EDGECOMBE
Acting Sect.)

Just imagine, Mr. Speaker, we have come to this in Newfoundland. Just imagine, you and I, and Mr. Quinton, and others who went overseas, did we think of that, in 1914 and 1917. Certainly not. But it was used here, and you all know it, in 1948, and people were laughing behind our backs, saying it was ————. And here are the contents of this document: “At an emergency meeting held on June 8th, the members of Star of Bethlehem Lodge, L.O.B.A., and Benbow, L.O.A., passed the following resolution to be forwarded to the Grand Lodge for the consideration of its members.

“We, as members of the Association have come to the conclusion” now listen to this: “that the

Roman Catholic Church is endeavouring to dominate Newfoundland"—

That is one thing to be proud of: "the Roman Catholic Church is endeavouring to dominate Newfoundland. We have reached this conclusion after careful consideration of the results of the votes from the various R.C. settlements during the National Referendum."

In other words, the R.C. settlements are not allowed to vote how they like. "We have reached this conclusion after careful consideration of the results of the votes from the various R.C. settlements during the National Referendum. Therefore be it resolved:

"That the Grand Lodge call an emergency meeting at their earliest convenience and some weeks prior to the coming referendum in order to discuss and consider the question submitted by your combined Lodges."

They should be banished from Newfoundland society to try and create that kind of feeling in the country, and they did create it, and it was instrumental in bringing about the result of the last election of the Referendum. Some poor unfortunate people swallowed it, lock, stock, and barrel; thought that Roman Catholics had horns on them. And following that, here is another one that was sent to this outfit. Here is one on July 16th, just six days before the Referendum. Now, if this is not dangerous to Newfoundland, I don't know what is. Six days before the Referendum! Distributed to certain sections of this country a few days before the election. Fortunately, Mr. Speaker, or unfortunately, as the case may be, I only got this the

day of the Referendum. If I had it two days before that Referendum, I probably ———.

And here it is:

Clarke's Beach,

July 16th, 1948.

Dear Sir and Brother:

As your Grand Master I direct your earnest and loyal attention to the following important resolution adopted at the recent session of our Provincial Grand Lodge at Grand Falls. IT REQUIRES YOUR IMMEDIATE CONSIDERATION:

"Whereas a referendum on forms of government for Newfoundland was held on the 3rd of June, 1948;

AND WHEREAS the nature of the campaign waged by "THE MONITOR"

I know people do not like to hear me read it, but it is true.

"the official organ of the Roman Catholic Church the attitude of its clergymen, the nature of the arguments used by its adherents, and above all, the records of the polls in the various settlements and districts, indicate clearly an attempt to influence the result of the said Referendum upon grounds having no relation to the merits of the various forms of government submitted to the people;

AND WHEREAS this, in the opinion of this Grand Lodge, constitutes an unwarranted invasion of and an effort to dominate the right of free choice of the individual elector."

Ah, I ask you, Mr. Speaker, after hearing the article in that paper, whether there is anything contained in that newspaper that was intended to influence the Catholic

people, and to say to them, so to speak, that unless you, the Roman Catholics, vote so and so you will be excommunicated.

"THEREFORE BE IT RESOLVED:

"That this Grand Lodge in regular session assemble condemns such efforts at sectional domination."

My God! Sectional domination!

"and warns the Orangemen of Newfoundland of the danger inherent in all such attempts to influence the result, and calls upon them to use every effort to bring such attempts to naught."

I cannot too strongly impress upon each member of our Order the importance of this decision of your Grand Lodge and the necessity for his loyal co-operation.

Yours fraternally

(Sgd.) CHESLEY FILLIER,
Grand Master."

He ought to be proud of himself, Mr. Speaker. We ought to pass a Special Resolution in this House to Mr. Fillier and those identified with him in the composition of that document. Mr. Speaker, before I go on, I move that we have a recess for five minutes. It is rather hot here.

MR. SMALLWOOD: Mr. Speaker, I would suggest that if the honourable gentleman is overheated—physically I mean—

MR. CASHIN: Yes.

MR. SMALLWOOD: I do not mean mentally—whether he would care to sit and speak.

MR. CASHIN: No, I would rather go out and have a drink.

MR. SMALLWOOD: Then shall we have a recess?

MR. CASHIN: For five minutes. Recess granted.

MR. CASHIN: Thank you.

The House returned after five minutes' recess.

MR. CASHIN: Mr. Speaker, before I continue, I want to express my appreciation to you, Sir, for giving me this short recess; and—to continue my remarks—As you know, just before we recessed I was expressing a heated opinion in connection with the methods that were used by some people, at any rate, to defeat the cause of Responsible Government in the July Referendum. I produced proof, definite proof, that the sectarian issue was wild throughout the country, class against class—I state now, Mr. Speaker, without fear of successful contradiction, that the Chairman of the Commission of Government was sent here especially to create that strife amongst our people; it was part of his job, and when the pay-off came—and it came in this instance a short while ago—the pay-off was to sell the country; he was elevated to the Peerage and made Paymaster, I think, of the British Government. The only advice I give the British Government is to watch the Chest when such a character has charge of it. Because an individual who is prepared to come amongst an innocent, decent people, to create such strife and ill-feeling amongst denominations, one denomination against another, as that individual did, and then strayed away out of the picture and laughed up his sleeve at us—

that individual is not fit to live; he should be put before a firing squad. And incidentally he was one of the conscientious objectors in 1914-1918; he had not got the courage or the guts to fight for Great Britain. That was the type of character that was sent here to put this thing across. And further, there are people in Newfoundland, and there must have been a lot of them, who created that feeling, and I state now that the present Secretary of State of the Dominion of Canada was primarily responsible for this document being circulated throughout the country. He ought to be proud of himself. Mr. St. Laurent should be proud of having such an individual in his Cabinet occupying such an important post. Now I know what I am talking about. Laughing up his sleeve, is he? But listen, Mr. Speaker, I represent probably the largest Roman Catholic district in Newfoundland to-day, proportionately. We do not care what denomination a person is; as a matter of fact, in the National Convention the District of Ferryland elected a Church of England; in its history in by-gone days it elected them. And to-day, anyone can go into that constituency and come out of it unmolested. But I cannot say that of myself. I went to Corner Brook. There Bolshevistic and Communistic methods were used by those who were advocating Confederation in Corner Brook. I went to the Burin Peninsula. I could not believe this. I went on the Burin Peninsula. I did not speak at meetings in Burin or Fortune or St. Lawrence, but I stopped in to talk to businessmen, and when I came out, their language was most threatening, and that was

created by certain people advocating Confederation. Keep this Catholic, Cashin, out of here. And they threatened to throw me in the harbour, because I was a Roman Catholic. My God, Mr. Speaker, I hate to bring this thing up, but the time has arrived in Newfoundland when, if we are going to get anywhere in the future, and if as a people we are going to prosper, if we are going to work together, it is just as well to clean the slate now. Let us know where we stand. If you people, the Protestant people—and I do not believe it—dislike us Roman Catholics, then say so—but I cannot believe that. It is one of our teachings to love each other, but that was wonderful love to send a document like that throughout the length and breadth of certain sections of this country. Love of what? Love of country? That was going to come to the selling out of the country. They would use anything. I have great sympathy for these poor people to be used by individuals like that. I would not be associated with an outfit like that if you gave me the whole balance in the Treasury at the present time. That settles that part of it for this evening, Mr. Speaker. I am not going to bring this matter up any more, but I want it distinctly understood that before I pass on, I will bring up the matter. We are all to blame in this connection, all of us, Roman Catholics, Protestants, and everybody else. When a party is being formed, you will hear them say, both sides, one is just as bad as the other, "Oh, you cannot have this fellow leader of the party; he is a Roman Catholic; Protestants will not vote for him." That is a well-known fact. Every person

knows it; everybody on this side of the House knows it; they all know it. Well, if I broke off my arm now and the blood started to run out of it, is it any different from Mr. Courage's over there; is it blue or green, or yellow, or what? Is it not the same way that the blood flows through our veins? Is not that the stuff they teach in school? It is time, Mr. Speaker, that that stuff ceased, and as an individual, and perhaps it is my last time in political life in Newfoundland, because with the strenuous way I go at it I cannot expect a lot more than another four or five years.

MR. SMALLWOOD: Do not say that

MR. CASHIN: As a matter of fact, an incident with a little humour in it. Mr. Chairman, in Renew's, Mr. Jackman, told me the night I had my meeting in Renew's, he told me, he said, "Peter, you have to take it easy; you can only last another four years," and I remember here in this House people who went out quick—I remember Ken Brown when he said here—he sat in that desk over there; he was making a heated speech like I am this afternoon—he passed out like that! But I hope, because I have a lot to do before I pass away. One of the main objects for the rest of my life is to try if I possibly can to eliminate this dirty Sectarianism. And you Protestant people who are here—and I speak bluntly to you—I am blunt if nothing else, you have got to help to do it. You are a third of the population of this country, and the people who wrote that document—Look, Mr. Speaker, I would like to get even

with the individual who wrote that document—I know who he is—and train a machine gun on him. In 1915-1919 I would have taken pleasure in riddling two hundred and fifty rounds across his dirty body, because he does not deserve to live. Now any one who would try and do that kind of thing to influence people does not deserve to live. You know it. The Premier knows it. You all know it. Then, for God's sake, get up here in the House and denounce it, bring in a motion denouncing that kind of stuff, if you are sincere about it. I am going to wait until the end of this session to see if that is going to be done.

Now, Mr. Speaker, that ends that phase so far as I am concerned this afternoon. I have to go on to another phase tomorrow afternoon; that is, if the House is prepared to adjourn this debate until tomorrow afternoon at three o'clock.

MR. SMALLWOOD: Mr. Speaker, I was going to ask the indulgence of the House a little later for a rather early adjournment today. Some members of the Government—in fact all the members of the Government have been invited to make that flight over St. John's tomorrow in the strato-cruiser, and the United States Army has been kind enough to place a military plane at our disposal for the flight to Gander tonight, returning at noon tomorrow, and for that reason—the plane is leaving at seven o'clock—I hear now that it has been changed to eight o'clock, in which case we might be able to go on to the normal time. That being so, Mr. Speaker, perhaps we might proceed to the Orders

of the Day, the second item, and I move the Third Reading of the Bill.

MR. SPEAKER: The item now is Third Reading of a bill "An Act Respecting the Department of Economic Development."

Third Reading passed.

MR. SPEAKER: Committee of the Whole on a bill "An Act to Amend the Gasoline Tax Act 1949."

Speaker leaves the Chair.

Section (1) read.

MR. HIGGINS: Mr. Chairman, I wonder would the Minister of Finance explain this a little more particularly to us, so that we may know what the whole thing is about.

MR. QUINTON: The original Act was No. 14 of 1949. That provided for the change-over from the procedure under the Revenue Act regarding the gasoline tax. Commission of Government before it left office passed this Act No. 14 to provide for the change from Revenue to Federal taxation. The former tax was 16 cents per gallon on the Avalon Peninsula, and 14 cents for the rest of the country. Now No. 14 of 1949 established in section 8 the minimum quantity to be sold was forty-five gallons and this bill changes that to forty gallons; otherwise the bill is not concerned with any change whatsoever in the main Act.

MR. HIGGINS: What is Section 8?

MR. QUINTON: That deals with the standard size of the unit.

MR. HIGGINS: I see, it was 45 before; now it is to be 40.

MR. QUINTON: It was 45, but dealers found that unit very difficult so we contemplated changing the size.

MR. HIGGINS: So the prices would be the same.

MR. QUINTON: Yes.

MR. HIGGINS: I am very much obliged.

Section passed. Preamble passed.

Committee rose and reported having passed the bill.

Bill to be read third time tomorrow.

MR. SMALLWOOD: Mr. Speaker, we might perhaps go on to the next item on the Order Paper,

MR. SPEAKER: Committee of the Whole on a bill "An Act Respecting the Department of Provincial Affairs."

Speaker leaves Chair, and House resolves itself into Committee of the Whole.

Clause 1 read and passed.

Clause 2 read and passed.

Clause 3 read and passed.

Clause 4 read and passed.

Clause 5 read and passed.

Clause 6 read and passed.

Clause 7 read and passed.

Clause 8 read and passed.

Clause 9 read and passed.

Preamble read and passed.

Committee rose and reported having passed the bill.

Speaker resumes the Chair.

Bill to be read a third time tomorrow.

MR. SPEAKER: The next item on the Order Paper is Committee of the Whole on the bill "An Act Further to Amend Chapter 1 of the Consolidated Statutes (Third Series) Entitled 'Of the Promulgation and Construction of Statutes.'"

Speaker leaves the Chair, and the House resolves itself into a Committee of the Whole.

Clause 1 read and passed.

"	2	"	"	"
"	3	"	"	"
"	4	"	"	"
"	5	"	"	"
"	6	"	"	"
"	7	"	"	"

MR. HIGGINS: Mr. Chairman, pardon me for a moment. Is that the usual rule in Canada, to quote the regnal years? It is a most clumsy method. It is bad enough for a lawyer; for a layman it is utterly impossible to follow. "A certain year of the reign of George V." You have to find out what year he started to reign, and you cannot tell whether you add on a year or take off a year. From 1909, is the tenth year 1919 or 1920? Personally, I found the Commission way of, say, Statute 12, 1940, a very much better way.

MR. CURTIS: It is a clumsy way. I move that Section 7 be stricken out, and Section 8 will become Section 7.

Committee rose and reported having passed the bill.

Speaker resumes the Chair.

Act passed Committee of a Whole, bill to be read a third time tomorrow.

MR. SMALLWOOD: Mr. Speaker, if the House is agreeable, we would pass by the next four and go on with the Co-operative Societies Act, the Second Reading.

HON. EDWARD RUSSELL (Minister of Natural Resources): Second Reading of Bill "An Act Further to Amend the Co-operatives Societies Act, 1939," Mr. Speaker, before moving the second reading of this bill, I would like to associate myself with the other honourable members and congratulate you on the well-deserved honour conferred upon you in your being elected to the high office of Speaker.

Now, there will be later, probably at another session, a much more comprehensive amendment of this bill, brought in, to amend the Co-Operative Societies Act of 1939. It is a long Act, ten years old; it was passed at a time when the co-operative movement was very young, and it has grown out-dated. But it is proposed to give the Co-operative Societies themselves an opportunity to have some say on the form which those amendments should take. In the meantime, this is only a simple Bill; there is nothing profound or contentious about it; it is not even a money Bill, although it may save a little money in one way later. The immediate need for the amendments to this Act as suggested here is connected with another Act. In 1936 the Commission of Government passed an

Act called "The Agricultural Societies Act" and it enabled agricultural societies to register under it as incorporated bodies with unlimited liability. Now that because the agricultural societies as envisaged by that Act and as ultimately formed were more or less bodies through which the Division of Agriculture made contact for the purpose of distributing literature regarding improvements in agriculture and for improving live-stock and agricultural matters in general. But as those agricultural societies got on their feet and felt that they had got hold of something that could be used in even better ways than the Government had at first thought, they began to do business; they began to see the advisability, when possible, of importing seeds, fertilizers, and those things they imported, in order to get them cheaper. They began to see the possibility even of organizing themselves for the purpose of marketing in bulk, and thereby being able to fill orders for wholesalers and importers here in St. John's who would just as soon, and being Newfoundlanders, would sooner, buy local produce if it could be obtainable in the quantities that they required. Of course, these quantities would not be obtainable from any one farmer, but could be from a group of farmers if they organized themselves into a Society.

In 1939, when the Co-Operative Societies Act was passed, I think the Government must have seen then that these Societies, the Agricultural Societies, had gone so far and undertaken so many varied forms of business activities, and even in some cases got to acquiring real property, community cel-

lars, warehouses, and things of that sort, that it would be better if they were incorporated under some Act which permitted them to have limited liability. Now Co-operative Societies, Mr. Speaker, functioning as they do without governmental interference, except where the Act requires where they should have audits annually and submit returns to the Registrar, those co-operative societies having organized themselves and lifted themselves up by their boot-straps have reached a certain point where they carry on fairly healthy businesses, and because to keep themselves up by their boot-straps that boot-strap may not be a means in itself; it is only a means to an end—they sometimes get to the position where they are eligible for loans the same as any other organization or any other kind of business. But they do at times take advantage of their democratic right of making a mess of their own affairs, just as private businesses do, Mr. Speaker, and they run aground just as do other businesses and individuals; there is always the danger that a co-operative organization or an agricultural society, just as other businesses, might make such a mess of its own affairs that it would have to be liquidated. Now this is a serious matter, the liquidation of an organization composed of small farmers, or small fishermen, where the organization is incorporated with unlimited liability. The Co-operative Societies Act made provision for societies of that type being incorporated with limited liability, or unlimited liability and agricultural societies were encouraged to become incorporated under it. In fact, they were more than encouraged.

There is a peculiar piece of legislation in the Co-operative Societies Act. There is one section which says that all agricultural societies incorporated under the Act three years older, 1936, all those agricultural societies had to become registered under the Co-op Act within one year—it was changed afterwards to two years—failing which they would be deemed to be dissolved. Quite a number of them did not become incorporated under the act, and so there is some doubt to-day whether they are existing or not. But the 1936 Act, through omission apparently, was never repealed, and the agriculture division is in the peculiar position since of having to consider the old societies to have been dissolved, but other new ones could perfectly legally become incorporated under the old Agricultural Societies Act. Now to clear that up, it is proposed to encourage the agricultural societies to become incorporated under the Co-operatives Societies Act, where they will have the advantage of being organized with limited liability, either by shares or by guarantee, and that is the purpose—to make it easier for them to come in—not to compel; there is no compulsion whatever implied here, but if you look at Section 4 of this amending Act, it amends a section which defines and describes the way in which an agricultural society could transfer its registry to the Co-operative Societies Act. Mr. Speaker, for the benefit of honourable members I have here in the possession of the Clerk a number of books containing the original Act. I must apologize for it, especially to the legal honourable members, because it is an office consolidation, but

still accurate enough for the purpose, and that can be distributed before the bill—if it ever does—goes into committee, but it cuts out a great deal of the last part of the section of the original act which provided that not only agricultural societies had to go to one meeting to come in under the Act, but they had to come back again about a week later to see if they changed their minds, and have it all over again... Now that kind of thing is irritating to our people; it is unnecessary, and we propose here to eliminate it. Now if an agricultural society wishes to become a co-operative, it just meets, talks the thing over; if a three-fourths majority are in favour, that is all that is needed. They can then become incorporated under the Co-op Act by filling out the necessary forms and so on, and applying to the Registrar of Co-ops for registration. That is the main purpose of this amendment—to facilitate, not to compel or use any pressure whatever, but to facilitate, so to speak, the incorporation of agricultural societies under the Co-operative Societies Act.

The remainder is more or less to complete the legislation. For example, Sub-section (4) of Section 5 of the original Act reads this way: "The name of every Society incorporated under the Co-operative Societies Act shall contain the word co-operative." Now elsewhere in the Act it gives co-operative societies the exclusive right, and to say they must use it, is a case of compelling, or cramming their rights down their throat, because since Confederation we need a few changes in the name of our societies. For example, we have a so-

ciety, but its legal name is "Co-operative Credit Society, Limited." That gives a very long name if some company wants to call itself the Star of the Sea, for instance—we will have the Star of the Sea Co-operative Credit Society, Limited; that would be its legal name. In Canada they would just call it Star of the Sea Credit Union, and this amendment will permit them to change that long name, "Co-operative Credit Society, Limited" to "Credit Union" just as it is used all across Canada. Then again, if the St. John's Societies get incorporated with limited liability under this Act, should they wish to do so, they would want to distinguish themselves from other farming societies, and they might want to call themselves the St. John's Co-operative Agricultural Society, Limited, which would again be too long and clumsy a name; they may use the word "co-operative" if they wish, but the purpose of that amendment there, Section 5, first part, would be to let them use it or not use it, as they saw fit.

The other three things mentioned here are simply this: to leave out in the Co-operative Societies Act all references to societies becoming incorporated under it with unlimited liability. In the ten years in which this Act has been in existence there had never been a society incorporated under it with unlimited liability. We never want to see one. While they have limited liability there is never a danger of that horrible thing I mentioned just now, one of those things having to be liquidated. There would never likely be a need of it, because the fact of limited lia-

bility is a discouragement—it may not discourage them from attempting to get credit, but it would certainly discourage creditors from giving them too much, and one of the main purposes of the co-op movement in this country is to get rid of some of the aspects, of many of the aspects of credit. We all feel that it is in the best interests of our people and our industries.

Well, these things can be explained more fully in the Committee stage, and for those who are interested, a copy of the original Act will be available.

I move the second reading, Mr. Speaker.

MR. HIGGINS: Mr. Speaker, the position that the honourable member for Bonavista South sets out with regard to those agricultural societies which did not—within the time appointed by the Act—come under the Co-operative Societies Act, is extraordinary, because if they have been dissolved, their property belongs to nobody; it is what is called in law *bona vacantia*; that is what it means, goods which really belong to nobody, and therefore consequently belong to the Crown. If there is a limited liability company formed, and it is dissolved, and it is afterwards found that there is certain property belonging to that company, it does not belong to that company; that company has ceased to exist; it has no successors or anything else. Now these agricultural societies that you mention are in a way extraordinary position. I remember some time ago, to show the seriousness, I was asked to bring back a company on the register, and I found it was dissolved ten

years previously by not filing its share lists. The business was carried on as a holding company; the people in this case carried on; there was one shareholder really; there were two *nominal share-holders*, but the property of the company was enormous, and the man died, and we could not get it in; we could not sell it because the company had dissolved, and I had to apply to the Court, setting out the facts, and showing that it was equitable and just that the company should be put back in order that somebody should own the assets, but I had to join the Attorney General, because the Attorney General was entitled to those goods; they belonged to the country; goods which are vacant belong to the country, and, of course, that was only form. The Attorney General would never try to seize goods of that kind. These organizations are in the same position, and if there are any further organizations of that kind you will have to take care that this does not happen, and I suppose this Act will help out in that case, but if they are wound up for some reason or other, those goods would belong to the Crown.

Bill was read a second time.

MR. SMALLWOOD: Mr. Speaker, I move that the remaining Orders of the Day be deferred, and that the House at its rising do adjourn until to-morrow, Monday, at three of the clock, and I may say that the reason for the adjournment until Monday—that is, that we do not sit to-morrow, and we never do sit on Saturday except under special circumstances—is to enable members of the Government to hold a number of meetings which are needed and also to

enable Ministers to do some work in their departments to catch up, and possibly, honourable gentlemen opposite may appreciate the opportunity also of getting some work done in their own offices.

Adjournment until to-morrow at three of the clock.

Monday, July 25th

The House met at three of the clock.

HON. J. R. SMALLWOOD, (Prime Minister): I have a reply to a question addressed to me by the honourable member for Ferryland. I forget the number on the Order Paper, but that will become obvious when I read it—Question No. 2; the answer to this question is contained in part by the reply of July 18th to question No. 42 having relation to the \$200,00 allocated for “Provincial Legislature, Remuneration to Ministers and Members, Allowances to Lieutenant-Governor and other costs.”

In addition to Salaries already submitted, the following expenditures were incurred, i.e., from April 1st to June 30th, 1949:

Postage	\$109.53
Telephone Exchange	
Service	466.35
	<hr/>
	\$575.88
	<hr/>

Authorities: Minutes of Council Nos. 12 and 107, 1949.

Now I may say for the benefit of the honourable member that though this amount of \$466.35 telephone exchange service may

sound high, for April, May and June, the three months, it includes a very considerable number of radio telephone calls to Ottawa in connection with Governmental matters, and also, I may say, a number of long-distance calls throughout the Province; in fact, I suppose that is all that would be included except the normal monthly charge of the telephone company for the use of the telephone.

HON. JAMES J. SPRATT, (Minister of Provincial Affairs): Answer to Question No. 28, on the Order Paper of Thursday, July 14th, 1949, addressed to the Minister of Finance and passed to the Department of Home Affairs:

(1) The Government of Newfoundland is not aware of any proposition to take over the St. John's Housing Project by the Federal Government.

(2) The question of making further advances to the St. John's Housing Corporation to complete that project (i.e., the houses partially completed) is presently under consideration by the Government of Newfoundland.

(3) I understand that a statement from the St. John's Housing Corporation is in course of preparation for submission to the Government which will be submitted following audit. As soon as a statement is available it will be tabled in the House.

Indebtedness to Newfoundland Government by the St. John's Housing Corporation:

Total Interest bearing Loans issued to the St. John's Housing Corp.	\$4,100,000.00	
Less Repayment	100,000.00	
Total Interest bearing Loan as at July 21 7 49		\$4,000,000.00
Total Interest Free Loans		
(a) For the purchase of equipment	250,000.00	
(b) For the acquisition of Land	411,000.00	
Total Interest free Loans as at July 21 7 49		611,000.00
Interest due from Jan. 1, 1948 to Dec. 31, 1948	134,459.97	
Interest due from Jan. 1, 1949, to June 30, 1949	69,424.80	
Total Interest Due		203,884.77
Total indebtedness to Newfoundland Government		\$4,864,884.77

And Question No. 29, on the Order Paper of July 14th, 1949, also addressed to the Minister of Finance and passed to the Department of Home Affairs, also in relation to Housing Projects:

The following is a list of Housing Associations other than the

St. John's Housing Corporation to whom the Commission of Government through the Department of Home Affairs advanced sums of money for building projects; also a statement of sums advanced and repayments made, as at July 22nd, 1949.

Association	Total Advances to date	Repayments on Principal
Iimber Housing Co-operative Society Ltd.	\$ 61,300.00	\$4,146.00
Railway Employees Welfare Association (Bishop's Falls)	75,000.00	Nil
Westhomes Loan Association	50,000.00	15 year debentures held by Gov.
Grand Falls Ex-Servicemen's Housing Association Ltd.	75,000.00	Nil
Housing Association of War Veterans, Corner Brook West	100,000.00	Nil
Corner Brook Townsite Housing Association Ltd.	75,000.00	Nil
Totals	\$436,300.00	\$4,146.00

HON. S. J. HEFFERTON Minister of Education): Mr. Speaker, in answer to Question No. 52 on the Order Paper of July 4th, by the honourable member for Ferryland, I beg to table reports of monies expended by the Department as referred to in the question.

(a) Statement showing how amount of \$61,500 provided in Estimates 1948-49 was expended:

Administrative Traveling	\$ 5,204.30
School Supervisory Service	24,465.78
Adult and Visual Education	11,115.78
Maintenance and Operation of Motor Vehicles and Motor Boats	21,755.72
	<hr/>
	\$62,541.58

(b) List of officials expending such monies:

Administrative	Net Issues
R. L. Andrews	\$ 521.12
Maj. W. C. Brown (S.A.)	353.08
C. W. Carter	555.50
J. J. Conran	239.48
Rev. Dr. K. F. Curtis	404.92
G. A. Frecker	811.10
S. R. Godfrey	92.85
P. J. Hanley	450.65
G. Nofle	224.85
Dr. F. O'Neill	989.80
Hon. Dr. H. L. Pottle	354.95
Taxi fares for Administrative Staff	206.00
	<hr/>
	\$5,204.30

(c) Supervisory	Net Issues
W. Dawe	\$ 806.51
R. J. Connolly	1,029.28
O. K. Crocker	929.49
R. L. Dawe	2,092.49
E. Ennis	1,399.41
D. Evely	693.37
I. Fitzpatrick	1,613.84
M. George	688.25
H. J. B. Gough	907.14
H. Guy	1,442.34
C. Ivany	954.76
R. Ivimey	2,145.85
F. R. Kennedy	351.80
A. W. Parsons	801.40
J. G. Parsons	99.64
E. P. Sexton	619.76
R. F. Sparkes	740.65
C. Strong	2,777.63
B. P. Walsh	276.73
G. Woodland	1,271.57
J. Case	369.85
E. Scammel	2,454.02
	<hr/>
	\$24,465.78

53 (1) Report of Conferences Canada and U.S.A., April 29—May 26, tabled.

53 (2) Memorandum to the Hon. Commissioner for Home Affairs and Education, Visit to Northern Labrador, tabled.

53 (3) Memorandum to the Hon. Commissioner for Home Affairs and Education, re attendance at the N.B. Corporation Convention on School Broadcasts, tabled.

53 (4) Common Examining Board of the Maritime Provinces and Newfoundland, tabled.

MR. SMALLWOOD: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled "A Bill 'An Act to Amend Chapter 2 of the Consolidated Statutes (Third Series) Entitled of the House of Assembly'".

ADDRESS IN REPLY:

(d)	
W. Beehan	\$ 46.30
A. J. Burke	2,419.85
E. Chard	141.16
M. Connors	2.68
J. Cull	818.58
H. Grandy	442.78
R. G. Hiscock	735.76
S. Holloway	100.00
E. G. King	1,119.12
M. Lund	100.00
M. Moores	2,482.80
J. Morgan	1,232.68
H. Mosdell	150.90
Mrs. G. Parsons	224.95
M. Strawbridge	255.53
L. G. Vey	320.74
J. R. Courage	79.95
Taxi fares for Adult and Visual Education	442.00
	<hr/>
	\$11,115.78

MR. CASHIN: Mr. Speaker, upon the conclusion of my remarks on Thursday last, you will remember, Sir, that myself and the Premier got into an altercation which was settled properly, but during that time members on the opposite side of the House were profuse in their—what would I call it—singing out to me to "sit down." Mr. Speaker, there is only one man in this House going to tell me to sit down and make me obey and that is you. So far as these others are concerned, Sir, they are members of the House of Assembly, and, as such, I respect your ruling and will continue to respect it, and I expect the other members of the House, both sides—being an independent member—that they will

do the same thing. They are not going to dicte to you as to whether I sit down or whether I do not sit down. Now that's that, Sir, and I want that distinctly understood. And furthermore, you will remember, Sir, the Premier at that time threatened to have me expelled from the House. No doubt there are a lot of people who would like to have me expelled from the House; there are a lot of people who did not want me to be elected to the House.

MR. SMALLWOOD: Would you allow me to interrupt. I said I would move—

MR. CASHIN: Yes. In other words, the position is just this: that even now the Premier could make a motion to have me expelled from the House, and I have not broken any rule at all. I understand, Mr. Speaker, that you are the only person to expel me from the House not the Premier, not this House, but the Speaker. True, if that is the case, then I could be expelled from the House, the Government could have me expelled or any other member immediately by putting a motion and carrying it, but apart from you, Mr. Speaker, there is only one aggregation of people able to expel me from this House—the people who elected me here, and not members of the Government and not members of the Opposition. You yes, for breaking the rules of this House, you have the right to expel me, but otherwise there is no one can expel me from here—

MR. SMALLWOOD: Not “expel” —“suspend.”

MR. CASHIN: Suspend me from here—only the Speaker, and to ex-

pel me from the House or suspend me from the House, as far as that goes, the people of Ferryland sent me here and it will be their job either to suspend me or put me out of the House altogether, if I should stand in another election for that constituency. And following on now, Mr. Speaker, I had intended to let that issue lie and sleep. You will remember I said on that occasion, when I was speaking on sectarianism that it was used in this country during the last Referendum; that I intended to let it drop, I wanted to hear no more about it. But, Sir, I notice I was threatened the next morning in the “Daily News,” not by the “Daily News” itself, but by Mr. Fillier. Now, Mr. Speaker, there is another aspect. Outsiders are not permitted to threaten members of this House, and also I have a right under some of the Rules, which I have not gone into clearly, to bring this gentleman before the Bar of this House and make him answer it, and if I hear any more of that coming from Mr. Fillier or any other individual connected with that scandalous propaganda that went out during 1948, I will bring him before the Bar of this House. Threats do not frighten me. Threats do not frighten the people of Ferryland whom I represent, and we are not taking any such threats. And personally I am not taking any threats from Fillier or anybody else.

Also Mr. Bradley made no comment on that matter in Canada. Mr. Bradley, I stated on that occasion, or the Secretary of State — God Save the Mark! — he is the one who is responsible for that document, and he represents

Newfoundland in Canada today in the Cabinet, and I hold, Mr. Speaker, that he is not a fit representative to represent the people of Newfoundland as a whole, in Canada or anywhere else. God help us, if the rumours current around the community are correct, that this individual is given a permanency on the Supreme Court Bench, it would be a travesty on justice in the community. Now, if anyone else brings this matter up again I will have to deal with him; I do not want to deal any more with this; it's too filthy; it smells. But further I also want to add that in a rag published here on Saturday last you were again dictated to, Mr. Speaker, by individuals whom I term tenth-class authors and tenth-class publishers. No one is safe. These involved Ferryland District; why these individuals visited Ferryland District a short while ago; it is going to take the rest of my term of office to disinfect the place from the smell they created in it when they did visit it. Imagine these people, Sir, going into a decent community, where no one is safe from the scurrility of their pen; the rag is not fit to go into a decent home, and the people that publish it are not fit society for any decent people.

Now, we will get down to brass tacks. I was speaking on the Second Referendum and the methods used, and you will agree with me, Mr. Speaker, speaking extemporaneously and sometimes without notes, that one is liable to forget things that might have happened, and so on Thursday there is one thing in particular which I forgot that happened dur-

ing the two Referendums. One was the inclusion of a Party called the Economic Union Party, called by some the Comic Union Party. I hold, Mr. Speaker, that that party, and the leader of that Party, were blind, that they no more desired to advance the cause of Responsible Government in the country than was the Premier over there who was conscientiously fighting for Confederation with Canada; that they so to speak, were, knowingly or unknowingly, in collusion to sell out Newfoundland. Do they not publish a newspaper in Corner Brook which in effect says that they were supporting Confederation with Canada, while at the same time they were beating all around the Avalon Peninsula, and even went into Ferryland, and once I had to go in there and drive them out; putting up all kinds of bluff.

They did not know what the word "Economic" meant, because they never, Mr. Speaker, they never in one part of their campaign, and I think the Premier will uphold me, gave an explanation of what "Economic Union with the United States" really meant. Now what did it really mean? I do not try to tell people I know it all, but I took considerable trouble to find out what "Economic Union with the United States" would really mean to Newfoundland. I wanted to know whether it would be worse than Confederation with Canada, for this reason, that all our exports would go into the United States free, and all their goods that we would buy, if we had economic union with the United States, would come in here free. Where

would the revenue come from? I think I heard the Premier on the air asking the Leader of that Party to explain where he was going to get the revenue to run the country, and I never heard one of them come back and say, "Here's how we are going to get it," and there was only one way they could get it; taxation of all kinds would be imposed on the people in order to get it; consequently, the thing was only a bluff, something like in the Convention. Why in the Convention the Leader of that Party made a seven-minute speech on Confederation, a page and a half of foolscap paper. But I notice one of the companies he is interested in received a couple of hundred thousand dollars from the Commission of Government, and probably that helped to close his mouth.

MR. SMALLWOOD: Mr. Speaker, I do not want to interrupt the honourable gentleman to detract from his argument, but I do suggest that, although here we have privilege—we cannot be sued for anything we say—

MR. CASHIN: No.

MR. SMALLWOOD: That so far as private citizens are concerned, it is only fair that we should remember that they cannot come back at us; they cannot sue us; they cannot do a thing to us; we are privileged; the King himself cannot say a thing to us for what we say here. We might bear that in mind and—

MR. CASHIN: Mr. Speaker, I thank the honourable the Premier for that remark, and now I go further. I am prepared, Mr. Speaker,

to call a public meeting in the city of St. John's tomorrow, and invite the leader of the Economic Union Party to come there and I will make the same statement. I am not seeking in here the protection of this House. I have not said anything in here, Mr. Speaker, that I have not already said outside. I don't believe in it. So far as I am concerned, I am an Independent member—I have no party and owe allegiance to no party. You can exclude me from the privileges of this House, because anything I say here I am prepared to say before the public. So if you want to make an action out of this—if individuals want to—let them go ahead. Other people tried that before, when what I said in this House was not privileged, and see where it landed them. This House was not privileged during the Convention, and I was dragged out of here, so to speak. I was nearly handcuffed, dragged into the Supreme Court. What happened? Everyone knows what happened. As I said the other day in referring to these Christmas presents around here, these microphones, that I do not care whether my speeches were recorded or not, but one thing would be recorded in history, recorded in the records of the Supreme Court. So, so far as I am concerned, I would like to tell the honourable the Premier that while I appreciate his suggestion, that I am now prepared to take the leader of that Party into a public meeting in the City of St. John's and discuss the whole economic situation; let him tell his side; and let the public judge for themselves.

I say now, Mr. Speaker, the Economic Union Party was blind, a

farce, and it was merely a pawn, so to speak, for Confederation with Canada. Now the result of that second Referendum, as I pointed out the other day, the result of that second Referendum showed that forty-eight per cent of votes polled was for Responsible Government, and fifty-two per cent of votes polled was against Responsible Government. Now, in addition to that vile propaganda—I would not be fair to myself, fair to the country or fair to the House, if I did not say that the Commission Government was involved in that; two members of the Commission of Government came out at that time, and that in my opinion, Mr. Speaker—and I am entitled to it—constituted a violation of trust. They came on the air after Commission of Government was defeated with only 22,000 votes; they came on the air and advocated Confederation with Canada, both of them, two members of the House now, two Cabinet Ministers at the present time.

MR. SPEAKER: I must warn the honourable member.

MR. CASHIN: Thank you, Mr. Speaker, but does it not seem a little peculiar, Mr. Speaker, that that happened. Why did they not let the thing go on? Their duties were neutral, but it shows that Commission of Government was not neutral. That Government—the Commissioner or whatever you like to call it, were underhand about it. That split the vote. Now forty-eight per cent voted against Confederation with Canada, and fifty-two voted for it. What did our friend Prime Minister Mackenzie King say, in his Gray Book he sent down to us at the Convention? "It

is our understanding that the National Convention is entrusted with the responsibility of making recommendations to the United Kingdom regarding future forms of Government to be submitted to the people of Newfoundland in a National Referendum. The Government of Canada would not wish in any way to influence the National Convention"—wouldn't that make a cat laugh, Mr. Speaker?—"nor the decision of the people should they be requested to decide the issue of Confederation." And all that time they had a fifth-columnist in here; he came in here in 1945 in the person of the High Commissioner for Canada, and he sowed the seed in Newfoundland of union with Canada. I think I mentioned the other day in my remarks that in 1943 at the Quebec Conference Winston Churchill agreed that if possible they would bring Newfoundland into Confederation with Canada; he agreed with Prime Minister King; I have no definite proof, but my answer is this: If I am wrong let them produce the correspondence. The Premier says he cannot do it. I know he cannot. Let them produce it; if not, let them hold their peace.

MR. SMALLWOOD: Do you think if that happened they would put it in writing?

MR. CASHIN: Mr. Speaker, away back in 1869 Governor Hill at that time wrote Sir John A. MacDonald, and I think he told him to use force to bring Newfoundland into Confederation with Canada, and he put that in writing and it is in McKay's book. That is my authority for that. And they put it in writing between themselves, but it is sec-

ret; they have secret agreements with these big powers, "Should the people of Newfoundland indicate clearly and beyond all possibility of misunderstanding their will that Newfoundland should become a Province of Canada on the basis of the proposed arrangements, the Canadian Government, subject to the approval of Parliament, would for its part be prepared to take the necessary constitutional steps to make the union effective at the earliest practical date." Is there anyone in this country going to get up and tell me that that was beyond all reasonable doubt of misunderstanding—four per cent—particularly in view of the fact that the methods used, the methods used particularly by the arch-enemies, of Newfoundland, I call them. The present Secretary of State, because he is the individual—and I apologised to the Premier the other day—he is the individual who brought the sectarian thing about. You say, this man Peter, he comes along and tells us that this thing was made; made! Why it was carried out in truck-loads almost; it was scattered around the streets so to speak, in Conception and Trinity Bays. You could pick them up anywhere, and I have a photostatic copy of the actual thing in my possession at the present time. But, getting back to this four per cent, why did they both interfere? I think it was Mr. St. Laurent, or Mr King—I forget which—came on the air and synchronized with the Leader of the British Government, or his spokesman, before the polls were declared, and said the Union had become practically effective, even with four per cent of a majority. Would Canada tomorrow, I won-

der, if it had a Referendum based on whether or not it would join the United States of America, and forty-eight per cent said no, and fifty-two per cent said, yes, what would happen in Canada? True, the Premier was right when he made a public statement at that time and said fifty-one per cent would be enough. Remember that there was only forty-three per cent of the total electors voted for it. But no, we were engineered into it, sold down the river. And that brings me to the selling part. The pay-off has not come yet. How much did Canada pay for Newfoundland? That brings me to the Terms of Union.

An announcement was made from Ottawa that charged up to Canadian National Expenditure the sum of \$71,500.00, if my memory serves me right, something like that. However, they were wrong, and I am going to prove it. The financial Terms of Union say that they will take over the sterling debt. How much does that amount to? Approximately seventy-two millions of dollars, or at the most seventy-three, and the honourable the Minister of Finance tabled that information here the other day. But what else did they take over? They took over the sinking fund which amounts, according to figures here, nine million four hundred odd thousand dollars, but nine and a half million dollars, if we forget the million and a half that we were really plundered out of by the mismanagement of that sinking fund. But nine and a half million dollars coming off that seventy-one million dollars means sixty-two million dollars

that Newfoundland was sold for to Canada. Now what did we get in return? What did Canada get? That's the deal, and I am coming to that right now. Canada got Newfoundland, the Labrador, the American bases, ninety-nine years, under which they could negotiate in a certain way by mutual agreement. Why, as I said the other day, Mr. Speaker, the second reading of the bill in Ottawa was not complete when Prime Minister St. Laurent was over in Washington trying to make a deal based on it. He was turned down at that time. But since then, the consummation of Confederation, what happened? The Gander, the Gander Airport, how many nice fat, juicy deals has Canada made about the Gander Airport in the past two or three months? Could we compute it in dollars and cents at the present time? What would it mean to Newfoundland? Would it mean baby bonuses, old age pensions, or what not? But, however, the Referendum was over; a delegation was selected to go to Ottawa, picked by the Chairman of the Commission of Government, not by the Commission Government. There are two members here now, who were at that time members of the Commission of Government. I say they had nothing to do whatever with selecting these delegates that went to Ottawa. They went to Ottawa, and spent something I think in the vicinity of three months, dickering back and forth; they engaged or were given the services of chartered accountants, outstanding individuals in the world of finance and chartered accountancy—I do not know how much they got paid; I have not

asked the question, but it was just as well that they did not have them at all, because they took no notice of what these financial men advised them or told them, because it was all cut and dried before they went there. But, nevertheless, they increased the transitional grant; the only thing they got was that they increased the transitional grant from three and a half million dollars a year to six and a half million dollars a year. Now, Mr. Speaker, we were told during the Referenda that these were wonderful terms contained in the two Black Books and in the Gray Book. They were going to put the country on its feet. However, they got an extra three million dollars, six and a half million dollars transitional grant, and now, Sir—

MR. SMALLWOOD: They got eighteen million.

MR. CASHIN: Oh, yes, I know about the eighteen million—three million dollars a year for the first three years, and I tell you exactly now how much you got in comparison to what you were offered in your Gray Book. Transitional Grant — for twelve years you would get \$42,700,000 transitional grant, or three and a half million dollars a year roughly; that's what you were going to get, under the final terms. Under the old terms what were you going to get? You were going to get \$26,000,000 for the twelve years, or roughly two million and a half dollars a year. These are the actual figures in the Gray Book and in the Terms of Union. Now, what should you have got? And I have discussed this with financial men because I am hipped on this financial

situation. What should you have got? During the course of our debates in the Convention on the National Debt of Canada, which was tried without success to be hidden from the Convention—the document came down here marked “Secret” in big red letters; no one should see it, but I saw it, and brought it out in the open. The National Debt of Canada at that time was \$1,492.00 for every man, woman and child in Canada. What was it in Newfoundland at the same time? \$220.00 in round figures. What is the difference? \$1,400.00—say \$1,400, give them the benefit of the \$50.00—that is \$1,200 difference in our favour. Now, people are going to say to me, oh, but we could not get anywhere even with that. Well then I shall tell them. \$1,200 for every man, woman and child in Newfoundland would mean roughly \$400,000,000 difference between their debt and our debt, and then we would be on an equitable basis. We got nothing, and these documents which the Premier tabled the other day, letters that went back and forth, do not show that there was any talk at all regarding the National Debt of Canada in comparison with the National Debt of Newfoundland. But let us go back further in the history of the country, away back, and it is here in McKay’s book, and he is supposed to be the big chief. He is one other fifth columnist that moved into Newfoundland in connection with Confederation. We will see what he says, or his book says, with respect to National Debt in other provinces, and see whether we are entitled to the \$400,000,000, and I am of the opinion right now, Mr. Speak-

er, and I challenge any member of the Government or any member of the Opposition to deny it, that within five years from now there will not be a dollar in the Treasury; at least five years, but I may be optimistic, and that we will be short \$12,000,000 each year in the Budget, money which Newfoundland is entitled to and Canada is not paying. With regard to the general financial terms of union with other provinces. “With regard to the Conference”—this was a conference held up in Canada in 1869, I think it was.

MR. SMALLWOOD: 1895.

MR. CASHIN: Oh, no, no. This was way back before that. 1895 was the year Sir William Horwood, Sir Edward Morris, and Judge Emerson, I think, and Sir Robert Bond, went to Ottawa, the year after the Bank Crash. This is talking with respect to per capita debts of provinces and so on. With regard to the financial terms it was decided by the Conference that the general government should assume all existing provincial debts and liabilities on an equitable plan by which no one province would be charged with more than its own obligations on this account. This plan proposed that the debt of Canada to be assumed by the general government should not exceed sixty-two and a half million dollars; that of Nova Scotia should not exceed eight million, and that of New Brunswick should not exceed seven; as the respective debts of Newfoundland and Prince Edward Island were lower than the debt of any other province, they were to re-

ceive from the general government the interest at five per cent on the difference between their respective debts at the time of the union, and the average amount of indebtedness per head of the population of Canada, Nova Scotia and New Brunswick. I am seasoned up a bit now. They were sold; and we are entitled to twelve million dollars, and if I am in order, one of these days, Mr. Speaker, I am going to bring a resolution into this House, based on that—that this country cannot exist under the present Terms of Union, and that it requires another twelve million dollars, to which we are definitely entitled, in order to balance our accounts, and I am going to prove that this afternoon.

I won't wait for that. Now, Mr. Speaker, when these terms were signed on December 11th, one gentleman did not sign them, Mr. Crosbie. He is not here and I am sorry he did not stand, and he wrote a letter to the paper at that time in which he called the terms, if I remember correctly, financial suicide. There is another incident to make a cat laugh. But he agrees with the Liberal Party; he says in effect that these terms are good, because he supports the Liberal Party. I will see if I have that letter here. It makes interesting reading.

Before I go on, Mr. Speaker, might I ask the honourable Minister of Finance if we are going to have new Estimates of Expenditure this year brought down?

MR. QUINTON: Yes, Mr. Speaker.

MR. CASHIN: And a new budget?

MR. QUINTON: Yes.

MR. CASHIN: I see—because this Budget business is a serious matter, as the Minister of Finance probably knows. This Budget—oh, here we have Mr. Crosbie's letter. "Mr. C. A. Crosbie reads a Minority Report," and two or three months after that he presents his own report that he is in favor of it. Consistency, thou art a jewel! "Dear Sir"—written to the Telegram and other newspapers—"I am enclosing herewith copy of my minority report to His Excellency the Governor," well, we will leave that out. Here's the one he wrote the Governor.

MR. SMALLWOOD: Would the honourable member be willing to do, in connection with that statement about Mr. Bradley—

MR. CASHIN: Yes, I will meet him any place he likes—

MR. SMALLWOOD: What he says he is prepared to do with regard to—

MR. CASHIN: Any time that Mr. Bradley likes I am prepared to call a public meeting down in a theatre or in the C.L.B. Armoury—down in the C.L.B. Armoury, that is the place for him to come and face me, and tell me what he did with the sectarian dirt he put around this country—

MR. SMALLWOOD: No, I am referring to—

MR. CASHIN: Well, he can deal with everything when he goes there; I will let him off with nothing. It is common knowledge,

Mr. Speaker, every soldier that was over in the Army in this country knows, where was he in 1914-19? My God, meet him on a public platform! They will have to disinfect the platform before I get up on it after he gets down. Don't think I am afraid of Mr. Bradley! There are not enough Bradleys born yet to make me frightened! However, to go back to this Budget.

Let us have a look at this Budget. You have fourteen and a half million dollars in the bank here. Britain owes you nine million and seven million six hundred thousand. You can cable Mr. Bradley now, Sir, and let him reply immediately so that I can take the necessary steps to hire the C.L.B. Armoury for us to meet before the people of St. John's. And also meet the messenger that he sent around the country with that filthy literature. Now I bet you that Mr. Bradley not only will not be in Ottawa; I bet you he will go up to the northern end of Queen Charlotte Island to see if he can escape. However, you have fourteen and a half million dollars down here in the bank, and I think, Mr. Speaker, that there must be some slight error in the amounts due by the Federal Government of fourteen million dollars. However, that is neither here nor there. That sixteen million over on the other side is gone. Canada owes you about seven or eight million dollars; therefore you have approximately—because the auditor in making up this statement forgot about the Housing Corporation—and today we discovered from the Minister of Home Affairs that in

Housing projects all over the country we are five and a half million dollars in debt. The one thing here I question, and I bet five dollars that my friend, Mr. Spratt, over there will agree with me, that you will not get twenty-five per cent of it back, and when we see the statement of the revenues and expenditures of the Housing Corporation and what profit or losses they are making at the present time, it will amaze you. However, you have twenty-five million dollars. Now where are you going from there? Here is the Budget that Mr. Crosbie was not allowed to publish.

MR. SMALLWOOD: Mr. Speaker, I presume that the document to which the honourable gentleman refers is a confidential document belonging to the Delegation representing Newfoundland that went to Ottawa. If it is, I suggest very respectfully that it be not read.

MR. CASHIN: I am not going to read it. I am going to comment. And I am going to tell you—

MR. SMALLWOOD: I suggest further, Mr. Speaker, that no figures in it be quoted.

MR. CASHIN: Well, I do not need to quote figures—

MR. SMALLWOOD: It is a confidential document. This House does not own it. It belongs to people who have not released it, and it will not be read in this Chamber, nor will it be quoted from, nor will any figures be used out of it in this House.

MR. CASHIN: Mr. Speaker, I do not need to use the document to

quote figures in this House. I am in a position to know what I am talking about, and this outfit, Mr. Thompson and Mr. _____, corroborated every statement I made during the Convention. And if my friend the Premier over there felt that his case was good, he would be only too delighted to have that thing read.

MR. SMALLWOOD: Mr. Speaker, may I say that I would rather welcome to have it read—

MR. CASHIN: Certainly—

MR. SMALLWOOD: But I am in duty bound to see that it is not read; it is a privileged document; if that one can be read, then all the voluminous documents that it would take a strong man to carry could be read—

MR. CASHIN: Yes—

MR. SMALLWOOD: He would have a right to read them; they are all privileged. Three months we negotiated and there were voluminous documents given to us and given by us to the Canadian Government as privileged documents, secret and confidential; we have never been released from that and we do not propose to break or allow it to be broken.

MR. SPEAKER: I am quite sure the honourable member will recognize that.

MR. CASHIN: I don't need them, Mr. Speaker. I knew the facts before they ever went to Ottawa. They did not have to go to Ottawa to get them; I could have given it to them. But you must remember, Mr. Speaker, that a man is never a prophet in his own country. Now here are the

figures; not what's there, but what's here, and what is correct, and I challenge the Minister of Finance or any member of the Government over there, if they know anything about it, to contradict it. You have twenty odd—I give you twenty-five million dollars in available money, and I doubt if you have it. Now you start off from scratch on March 31st or April 1st, 1949, and where are you going to get it? Your expenditures from April 1st, 1949, until March 31st, 1950, and I am not going to quote this fellow, because I do not agree with him, and the honourable the Premier will agree with me too, when the next fiscal year comes round and he finds his expenditures will be twenty-two millions of dollars at least. Now what is the revenue? Your revenue at the most will be sixteen million dollars. Where is that coming from? I suppose I am allowed to talk about that. You get three millions or a little over three millions of ordinary revenue from your own resources like gasolene, rum, and so on, principally from rum. You get about thirteen millions from the Canadian Government; that is when the tax agreement is brought in here and passed. I am assuming it will be passed, and I am assuming it will be brought in shortly. That's thirteen millions, added to three millions, or sixteen millions or seventeen millions—say seventeen millions, I will give them the benefit of the doubt. That's five million dollars of a deficit. Now, you are going to say to me, "We will find out when the Estimates come in." As a matter of fact, I have the Commission of Government Estimates

here. I suppose I am allowed to use them. They are here. Here are the *Commission of Government's* Estimates.

MR. SMALLWOOD: That will include, you mean—

MR. CASHIN: Everything. Everything, apart from Capital expenditures, and we will see what they think. They think \$6,396,000. I am giving them four millions off. I said twenty-two millions, and you will have five to six millions deficit. Where is it coming from? You have a twenty-five million dollar nest egg. Take six million out of that, and we will put it over here, and we balance, and we will start off again next year. That's where you are going to be. That leaves you nineteen million—we will say twenty million—you know money, there is nothing to it; one million or two million, as Mr. Courage knows, is not money these days, particularly when you have twelve or fifteen ministers of the crown; money is nothing. I mean, money was just like dirt. You remember that poem of Robert Service, "Money is just like dirt here now, easy to get and to spend." It is not going to be so easy to get next year. Now where are you going to get that five million? You are going to take it out of your surplus; you are not going to impose any taxation, but you will. You are going to impose taxation on such things as liquor; you are going to have a Sales Tax. Someone has got to pay. Now who is going to pay George is going to have his share of paying that. Thinks he is going to get a baby bonus for nothing! We're getting over twelve millions

a year in family allowances and old age pensions; you'd think, the way my friend talks about it, that all we have to do now is to live on family allowances.

Wind up the Government! Have nothing! Have no department! You can get the baby bonuses and old age pensions. All right, abolish all these departments; abolish this place. Let the old age pensions and the baby bonuses come down and be delivered and let people carry on, and have no administration. But it has got to be paid for, and in my opinion, Mr. Speaker, within five years from now, there will be no family allowances or baby bonuses in Canada because it is practically bankrupt at the moment. They will have to cut it down. \$300,000,000 going out for nothing! A wonderful thing, I agree, but Newfoundland did not get what it should have got. Why? For this reason, that we were gyped out of \$12,000,000 a year. So that really, the baby bonus partly compensates the country for what it should have got. Now, we are down to \$20,000,000, this is one year gone, one year. The second year, you come in; it is going to increase a bit the second year; you are going to be six to seven million down—two years—six from twenty, fourteen millions left now. The third year you are going to be another seven down. That is three years; that leaves seven millions, and the fourth year, as I said this afternoon, by that time the whole surplus is gone. The whole surplus is gone! Now what is going to happen? Before your eighth year is up, Mr. Speaker, you are going to have

the Royal Commission down here. You have got to have it here. You'll be broke. Unfortunately, you will be broke, and I hope to goodness, Mr. Speaker, that I am wrong in my assertion; I honestly hope I am wrong. But I have made many predictions during the past four years, and so far I have been accurate in every one of them.

MR. SMALLWOOD: Not every one.

MR. CASHIN: Yes, I was accurate in this. I go right back to 1945 when the whole lot of you people were asleep; when I was the only voice in the wilderness, as I call it, and I told you we were being engineered into Union with Canada and those of you who were opposed to it at the time did not swallow it; they finally found out that my predictions were correct. I told you last year that Canada was putting it across you. Now what did Canada get for all this? For \$62,000,000 they got Newfoundland, and I repeat they got the Bases, when Mr. St. Laurent went over, on the second reading of the bill, to try and make a deal about the Bases. And what else did they get? The most important thing of all! They got the sovereignty of the Labrador.

MR. SMALLWOOD: The biggest thing is—

MR. CASHIN: The biggest thing is the sovereignty of the Labrador.

MR. SMALLWOOD: No, the biggest thing is the people of Newfoundland.

MR. CASHIN: They got the people of Newfoundland, yes, and the people of Newfoundland are

being pauperized today by the people of Canada. Now what does the Labrador mean to them? American dollars, which they want; they are just like Great Britain at the present time, hungry for American dollars. And Newfoundland gets nothing out of the Labrador. The Commission of Government saw to that too in 1943-44, when we were to get ten cents a ton royalty when the ore would be produced, they decided, no, to give that crowd nothing. That has been their policy right down through—the Commission Government. Now I pointed out here the other day a good many details with respect to the Labrador, and the iron ore there. It is the last resort of iron ore in North America, particularly high grade. Steel, Mr. Speaker, is as essential for life as food itself. Without steel no industry can prosper, none, fisheries or anything else. Well, if the mines of Minnesota are become depleted, the mines on the Labrador are the only ones left, and they have got to go there and get it in order to keep up steel production. And the Commission of Government, the British Government and that delegation to Ottawa, gave away that Labrador for nothing. For nothing! And remember this, that the Chairman of that delegation to Ottawa, the night before he signed those terms, admitted that they were inadequate, and still he goes in the next day and signs them. He admitted they were inadequate, and I challenge him to come out now and say that he did not admit it. Why, if I thought certain things were inadequate or unjust, would I sign it? Certainly not. And I say, Mr. Speaker, watch for

the final pay-off, because it is coming and it is not far distant. And then we will see, as they saw in Nova Scotia and New Brunswick, and everywhere else, who the people were who sold us out. I believe the Premier over here was not a seller-out; he had a conviction that Confederation was good. But he was not the inspiration behind it. There were other people moving. Why, a few days after the agreements were signed in Ottawa he realized that some two hundred and fifty million dollars in credits were released by Canada to Great Britain—food and credit dollars. Why? It would appear on the face of it that that was one part of the pay-off to Great Britain for what she had done.

MR. SMALLWOOD: You have a suspicious mind.

MR. CASHIN: I certainly have a suspicious mind, but the facts are there, Mr. Speaker. These are facts, explain them if you can. And I say that the Chairman of the Commission of Government was sent here especially to do the job. And he probably, like the last Chairman of the Convention got a bonus after he went back to England. They gave the last Chairman of the Convention \$3,000. I wonder how much they gave the Chairman of the Commission of Government when he got back for carrying out a dirty job? Nothing was too bad for him to do. Hell let loose, as I said the other day, and he was the inspiration of all that dirty sectarianism that started here, and the present Secretary of State for Dominion Affairs, both of them, vile creatures!

Mr. Speaker, it is not my intention this afternoon to go through all the Budget, but I think I have proved that within a period of five years you will have no money. I think the Premier himself will agree that right at the present time he has an unemployment situation on his hands and I do not begrudge it to him. I would not like to be in his position. I sympathize with him. Here he has twenty-five hundred or three thousand woodsmen who were told, mind you, during various campaigns, who were told, "you are going to live in a land of milk and honey," and here we are in Confederation just a few months when twenty-five hundred of them were laid off. Why? The law of supply and demand is catching up; the law of dollars—American dollars—is catching up with Great Britain; she cannot buy today in a dollar area. Britain is bankrupt, finished, so to speak, financially. No longer is Great Britain the financial centre of the world; that centre is in New York, and they cannot buy newsprint. The result is that twenty-five hundred or three thousand woodsmen are out of work; and furthermore, with respect to the Corner Brook industry, I asked a question here the other day with respect to who is liable for the two million pounds of Government guarantee. It is not quite clear; it is not made clear in the Terms of Union. I understand, I am told by the General Manager, of the Bowater Paper Company some time ago, that they would be liable to income tax or profits tax under Canadian law; in other words, they have to pay thirty-five per cent roughly of their profits to Canada.

MR. SMALLWOOD: Thirty-eight.

MR. CASHIN: Thirty-eight! More still! Thirty-eight times three, a million or a million and a half dollars a year! They will pay \$150,000 a year. A lot of people said they were not paying enough profits tax. In a sense I agree, but that brings me to the foundation of that Bowater company. Away back in 1923, the first year I came in this House, we had a general election in 1923 based on that Humber deal; the Humber was going to be a wonderful thing, and it has proven a wonderful thing to Newfoundland. There is no doubt about it. But in order to raise the money—now before I go on there we will speak about the A.N.D. Company. The A.N.D. Company came here in 1905; they went into production in 1910; the reason I remember that is because that is the year I went to the ice, Mr. Speaker.

MR. SMALLWOOD: Were you to the ice?

MR. CASHIN: Yes, in one of the biggest vessels ever brought in here, 49,000 tons in the year 1910. And I remember the number of seals we got, 49,069, and the bill we made is imprinted on my memory ever since, \$148.36. Now if you get Mr. Levi Chafe's book, the late Mr. Levi Chafe, you will find I am correct. There were 203 men in the ship, and there is a man over there in the corner, his father was out with us that year; he was a member of the House of Assembly, and there was some fuss up; he had been a captain in the old days, but that year something happened and be-

cause he was a Member he went out, a kind of a spare man, with Captain Abraham Kean, in 1910. That is a long while ago. A good many of you people over there were not around then. However, the A.N.D. Company opened that year officially, because I remember distinctly going up to the railway station about the 8th of March, 1910, to see my father go out—he was then Minister of Finance—to go out to the opening of the Grand Falls mill. That is why it is imprinted on my mind. And when it went into production it was producing, I think, about 100 or a hundred and fifty tons of pulp and paper a day. It gradually increased, right up to what it is today. Then the Reids, who owned these other properties, tried to promote mills, and I think we had an individual in this country called "Carbide Wilson." The Premier will remember something about him. And they flopped several times. What was the reason that the Reid's could not promote another mill at that time in Newfoundland? The reason was this. It was being blocked by the A.N.D. Company in the financial markets. How? The A.N.D. Company is controlled by a group of newspapers in London, and the profits were shown by the newspapers in London, who got cheap newsprint from their own company out here. The result was that when the A.N.D. Company's stock appeared on the markets, it was low, and other financial people would say, "Well, if the A.N.D. Company cannot make money out there, how in the name of goodness do you expect us to go out and put several million dollars in an investment that has already proven a failure?"

However, in 1918 or 1919 the A. N. D. Company showed their profit. Why? Because prior to the war the profits tax in Great Britain was not so high, so they shifted their profits out here and showed their big profits here, because we had hardly any profits tax out in Newfoundland at that time. Result, we negotiated a deal with the Armstrong-Whitworth in 1922, and it began to be built up in 1923. We had a general election, and we guaranteed two million pounds. Newfoundland took a second mortgage, and the British Government guaranteed another two million pounds, which made that deal possible. Therefore, Newfoundland at the time of Union at any rate, had a two million pound interest in what goes on at Corner Brook. And, remember, that it was not only the people of Corner Brook that started the Corner Brook mill; the other people in Newfoundland are just as interested, because they are liable for that two million pounds, but I am glad to say that the Sinking Fund, and I am an expert on sinking funds, Mr. Speaker, the Sinking Fund reduced that debt down to somewhere around six and a half or seven million dollars. But now we are going to find that the Bowater's are going to be taxed. It started in 1922 and produced in 1925; in 1926 it got into financial difficulties; in 1927 the International Paper Company came and took over; we passed a bill in this House at that time, whereby the Company was liable for only one hundred and fifty thousand dollars a year at the highest; to begin with, it was \$75,000 and worked itself up to \$150,000 a year, for a

period of years. What was the idea of this? Why, the A.N.D. Company, they got more concessions out of Newfoundland than all the rest of the companies that ever came in here, growling because the others had got their concession, but the idea was to give them an opportunity to pay off the principal bonded indebtedness. Now it is going to be taken away, a million and a half dollars a year in taxation, profits tax, coming out of Corner Brook. But Corner Brook does not pay it. The men who are working over there have got to pay for that, directly or indirectly; their wages are going to be reduced; their incomes are going to fall off, and next year I predict—I have a letter in my pocket today, or in my office—whereby newsprint is gone down in New York three or four dollars a ton, and there are twenty-five hundred or three thousand men out of employment who were receiving more money, mind you, than any woodsmen in Canada. Now, Mr. Speaker, I am about to come to the conclusion of the few remarks I have had to make, but before I do I want to point this out, that the Province of Newfoundland today has a debt of \$6,394,000. There was no effort made by the delegation to Ottawa to get that taken over. No effort whatever. In addition to that debt, there is one provided for over on the other side of some four million dollars, one loan coming due in 1950, next year, and another coming due in 1952, in all amounting to nearly four millions of dollars. In 1945, and it is corroborated here, the Commission of Government took out interest-free loans to England, eight hundred thousand

and pounds, and I think the Minister of Finance is incorrect in his figure, but it is immaterial, took out eight hundred thousand pounds and set it to one side with the Crown Agents in London to meet these debts as they came due, one in 1950 and the other in 1952. You see, Mr. Speaker, the idea there—let us grab what we can while the going's good. Canada got clear of paying it, four millions of dollars; Newfoundland paid it. And at the same time, in order to show the financial manipulation by the Commission of Government—people are going to say, "Cashin, you should not be talking; that is dead and all water that has run under the bridge"—but these people, in my opinion, have to be exposed, how they handled the finances of this country. The Commission of Government worked their own exchange. They got this money, this twelve million eight hundred thousand dollars, thirteen million dollars interest-free loan, went over to England; they took eight hundred thousand pounds from it, \$3,200,000; that left this nine million and odd thousand dollars left to our credit; they took that three million two hundred thousand and said, "Here, we are going to put that aside and pay these two issues as they come due." They are getting interest on that at two and half per cent, so, at the end of 1952, that \$3,200,000 will have amounted to sufficient altogether to pay off almost the four millions of dollars and we should not have to send over any more money.

Now, another thing I want to point out, how they robbed Newfoundland, and I say "robbed"

advisedly. We will take the "Cabot Strait," that cost a million and a quarter dollars, and the other two boats which are getting paid for, somewhere over a million four hundred thousand dollars; these moneys, Mr. Speaker, were sent over from Newfoundland; they were not taken from the interest-free loan. Why were they sent over from Newfoundland? And two or three Newfoundlanders sitting there allowing two or three Englishmen to steal the money out of the Treasury, and never raised a voice in protest. They were sent over in order to give Great Britain more dollars. Why, the Commissioner for Finance acknowledged it to me at the Finance Department when I brought him up about it. We have got to use this place, he said, and get as many dollars as we can out of it; it does not matter, so to speak, what happens to Newfoundland. And we had two or three Newfoundlanders—three—on that Commission permitting that kind of thing to go on. If I had been on it, I know I would not have, there would be a revolution in a week; there was no guts there, Mr. Speaker.

MR. SPEAKER: I do not wish to interrupt the honourable member—

MR. CASHIN: I am sorry, Sir; there was no courage there, they should have Mr. Courage there. But myself and the Premier have use these words on many occasions, and I do not think he would have any objection to—

MR. SMALLWOOD: It's good; it is a good old Anglo-Saxon word—

MR. CASHIN: Sure! I am glad the Premier agrees with me.

MR. SMALLWOOD: I am not sure to what the honourable the Speaker was referring.

MR. SPEAKER: I was not referring so much to the word as to the rule under Standing Order 102, that a member shall not use offensive words against any member of the House.

MR. CASHIN: Well, Sir, I am sorry if I am incorrect—

MR. SPEAKER: The members of the House are entitled to protection under this Rule. It would apply to the honourable member as well as all other members.

MR. CASHIN: I do not think, Mr. Speaker, that I need an awful lot of protection. You must remember that I am the father of this House, and consequently, as I pointed out on the opening of my remarks that being the father of this House, I am due to a certain amount of respect—

MR. SMALLWOOD: We all of us are.

MR. QUINTON: I should like to say—

MR. CASHIN: And I am going to keep my children in order—

MR. QUINTON: Mr. Speaker, I should like to say that the connotation of courage is not entirely within the province of one man, although he may be the father of the House. I also have been a member of this House, and I take issue when he says "You have no courage."

MR. CASHIN: Well, Mr. Speaker, if the honourable gentleman was a member of the Commission of Government when these financial manipulations went on, I tell him right straight now that he did not protect the interests of Newfoundland. And over on the other side, if I have to go and haul out these records again, over on the other side I brought that matter up before—in London—and they really told us, so to speak, "Yes, we have been taking your dollars; we have been using Newfoundland, small as it is," and when one of the members of the delegation at that time took issue with them, they fought; and I say now, Mr. Speaker, that the Treasury of Newfoundland, through manipulations of that kind, and other kinds, was deprived of twenty-five million dollars during the past ten years, since 1939-40, we never had any money before that. And if you make it up on the basis of exchange, here is the reason—they promised at that time to reduce that from our National Debt, but they were trying to kid us along; they never reduced it; they never had any intention of reducing it. They promised to devote the Sinking Fund to our National Debt, but they gave that to Canada. And people went to Ottawa and signed that agreement, giving practically ten millions of dollars to Canada, and Canada comes out and says the other day that \$72,000,000 or seventy one and a half million dollars is what Newfoundland cost them. Newfoundland cost no such thing. Newfoundland cost them nothing, because now we are going to make up for what she did get. She got the railway of Newfound-

land, good or bad, whatever it might be, and it cost this country fifty millions of dollars to date, at least—

AN. HON. MEMBER: Seventy.

MR. CASHIN: Seventy, we will give them forty per cent discount. Got the Gander Airport, and I think I heard the honourable member for Harbour Main-Bell Island the other day say that they made several good financial deals out of it, and every one knows it; because it has been all over the public press; they have even gone to Hong Kong and made one out of it. What is that worth annually to Canada, for its T.C.A. and so on? It is worth another ten million dollars. True, they put up four million dollars to build that place. That's sixty million dollars. What is the value of all the public buildings and so on—

MR. SMALLWOOD: They all have to be rebuilt.

MR. CASHIN: I know, but they are there. They cost the people of this country money. They have got to be rebuilt! They haven't got to be rebuilt. Are you going to tear this one down?

MR. SMALLWOOD: They do not get this one.

MR. CASHIN: No, but they practically got it, because they control your Government.

MR. SMALLWOOD: Not at all!

MR. CASHIN: Yes, at all! They tell you what to do and you do it, or else.

MR. SMALLWOOD: I don't know about that.

MR. CASHIN: Well, we'll find out. What else? Lighthouses, and so on. Ten million more. Roads, bridges, public wharves, rather marine wharves, another five million dollars! Labrador! Two billion tons of ore! Put it down at fifty cents a ton—there's a billion dollars there. Bell Island under its control! Four million, three million tons, and they pay what? Seventy-one and a half million dollars, they say, and sixty three. There is a correction that should have been made in that paper by the Minister of Finance, when it came out the other day. It said it cost them seventy-one million one hundred and fifty thousand dollars to take over the National Debt of Newfoundland. That was wrong, and your Department knows it because there is a Sinking Fund there against it; therefore it cost them sixty-one, and Newfoundland continues to pay its share of it, because what happens is this—that that money that we owed was taken over by Canada, charged up to their capital account; we go in with Canada. In addition to having to pay their share of their public debt, we also continue paying our share of our own debt. And I say, Mr. Speaker, it was a steal, and engineered from beginning to end.

Now I am coming back to these Budgets. I did not intend to come back to them, but when it comes down to talking figures in this House I take second place to no one. And the position is this, and I am sorry that this microphone does not go over the country, because I want to tell Newfoundland this afternoon that inside of five years from now the Province

of Newfoundland will be bankrupt as a Province. I hope I am wrong. I want to tell the people of Newfoundland today that within five years they will be paying additional taxation of not less than \$12,000,000 a year which is equivalent to the amount they should have received extra from the Dominion of Canada. I want to tell the people of Newfoundland this afternoon, if I could reach every man and woman in it, and there are lots of places I am told that they hate me, and I do not care whether they do or not. I want to tell the people of Newfoundland today that they are going to live to regret what they have done with their own country. I want to tell those primarily responsible for the bringing about of this union with Canada, particularly the Secretary of State at Ottawa, that he should never face a decent Newfoundlander any more; that he is nothing more nor less than a Quisling, and I am prepared now to accept the suggestion of the Premier to meet that gentleman at a public meeting in the city of St. John's at any time, and collect the necessary funds to pay the most of the meeting. And let him explain, because I will never forget the documents, and I have a photostatic copy in my pocket, let him explain to this country, and to the people generally, why he created these tactics; he is the father of these tactics, and how he used other individuals to circulate that filthy propaganda throughout the country. And still you have people low enough, degenerate enough, to bow and scrape to such a creature! Yes, let them shoot me if they like, and Mr. Speaker, I have been threat-

ened that way in recent days, and I don't care whether they do it or not. There is a certain time we all have to live on this earth, and we have got to go somehow or other. There is no better way I would like to go. And some wild individual who has not the courage to come out in the open would do that. I say that, Sir, not looking for sympathy, but just that these threats are coming, and I want to go further now and state that these threats are all Communistic, and as a Newfoundlander object to it in this House and out of this House. And again, the people that sent me here—Ferryland—remember what I said to the Premier when he said that he would make a motion that I would be suspended from the House, remember this, that the people of Ferryland elected me and they told me to go in there, and I can come back to them at any minute; they told me to go in there and do my job, the best I know how, and I am going to do it. Men on both sides contested that election, but neither side, neither the Opposition nor the Liberal Party as they called themselves, wanted me here. Neither party! They did all they could to keep me out of here, and now I am being threatened with suspension by a motion, and it is you, Sir, as I reminded you the other day, is the only one that is going to suspend me out of here for misbehaviour, if I do misbehave, but I will tell the truth.

Now, coming back to our Budget, within five years from now your expenditures are going to be twenty-five million dollars a year. Within twelve years from now, the time when your transi-

tional grants expire, and incidentally they only amount to forty-two million; but within six years you are going to have a deficit of fifty millions of dollars—I put it down six years and fifty million dollars, and you have got to pay it out of twenty-five; therefore you have got to put on twenty-five million dollars in taxation. Now, Sir, when the Minister of Finance brings down his Budget, and I gather from him this afternoon that they do not know whether they are going to bring down a Budget or not; you are only going to bring in the Estimates, and in such case, then, we will have to see what this Budget contains, because here, in this document here, prepared by the Commission of Government before they went out of office, here is what they claim is their expenditure and their revenue. Now let us analyze it, because I take it, Mr. Speaker, that the present government is carrying on on the Estimates the Commission of Government left behind them, is that right?

MR. QUINTON: Correct.

MR. CASHIN: "Current Revenue, Provincial Services" it says \$5,894,900, and from Federal Grants, that is this year, \$15,532,700—total revenue \$21,427,000. But now there is \$7,900,000 of that non-recurring revenue; that means \$8,000,000 off.

MR. SMALLWOOD: Mr. Speaker, how does the honourable gentleman—we had this out in the Convention—how does he argue that because a piece of bread that you receive today you won't receive tomorrow; you receive it

only today; but it is not bread because you are not going to receive it any more. How about, for instance, the days when we had an income tax in Newfoundland, and the income tax was abolished, the honourable gentleman remembers that? It was the Monroe Government that wiped it out, and it remained out for a number of years—

MR. CASHIN: And I put it on.

MR. SMALLWOOD: The honourable gentleman had the honour of restoring it in a Liberal Government, Now—

MR. CASHIN: A Liberal Government, is it?

MR. SMALLWOOD: You can talk about that all day. Would he say that the revenue received under the income tax was not in fact revenue, because the Income Tax Act itself was subsequently repealed, brought no revenue at all because there ceased to be such an Act, and that therefore there should have been a re-writing of the Public Accounts and the revenue received under an Act that ceased to exist should cease to be called revenue?

MR. CASHIN: All right. But anyway, there is \$7,906,000 I am talking about now, non-recurring revenue. What is that? What makes up that \$7,906,000? That is the point. It is not a source of revenue at all; it's goods that were taken over by the Canadians; for instance, Gander; they took over Gander; they took over things on the railway, and so on. Now next year you are not going to have another Gander. Consequently you will not have to pass any

legislation to wipe that out. Neither will you have the railway. It is not a source of revenue, and can never be a source of revenue again.

MR. SMALLWOOD: It is not of recurrence.

MR. CASHIN: No, and that is what I said—

MR. SMALLWOOD: It is a source—

MR. CASHIN: It's a source; it is a repayment of money you spent. We are talking about revenue. Revenue comes from taxation; this is not taxation.

MR. SMALLWOOD: Some of it does.

MR. CASHIN: Most of it does.

MR. SMALLWOOD: Most of it—

MR. CASHIN: All of it.

MR. SMALLWOOD: Not all of it.

MR. CASHIN: Yes, no one gives you anything for nothing. The only thing, Mr. Speaker, that does not come from revenue is baby bonus.

MR. SMALLWOOD: Somebody sent me \$250.00 the other day—

MR. CASHIN: I wish they'd send me a few—

MR. SMALLWOOD: Anonymously, from Corner Brook, asking me to hand it over to the Minister of Finance. I assume it has been handed over. Have you received that?

MR. QUINTON: Not personally—

MR. CASHIN: Conscience money, that is.

MR. SMALLWOOD: Probably conscience money.

MR. CASHIN: Well, there will be some of that delegation that went to Ottawa, that ought to hand over a lot of money before very long.

MR. SMALLWOOD: Don't go into that. Now, is that \$250.00 received from someone we do not know—we do not know where it came from except that it arrived in the mail—is that revenue?

MR. CASHIN: Yes. And the position is this. But, Mr. Speaker, in your source of revenue next year you are not going to put down the conscience money, because if you do you will have to put in \$12,000,000, which you allowed the Canadians to get away with. Now, when I was Minister of Finance, you often got conscience money, people that gyped the Customs. Well, Mr. Speaker—

MR. SMALLWOOD: We do not get it all.

MR. CASHIN: No, you very seldom do. A lot of people take pride in beating them. I know I would like to be able to beat them myself, once in a while. But that is not a source of revenue. What is a source of revenue? A tax on gasolene, a tax on goods, and so on. Now here is where you got that \$8,000,000—you are not going to have it next year. That should go back to your cap-

ital account, because you spent that. It should not go into revenue at all. Therefore, total non-recurrent revenue, it says, \$17,000,000. Now \$17,000,000 from twenty-one makes four million dollars. Now add to that \$13,000,000, at the most—I am liberal when I say \$13,000,000, not the Liberal Party, but liberal when I say thirteen; that means \$17,000,000, does it not? Fine! Now where is it going to come from? Where are you going to spend—how are you going to balance your account? You are going to spend \$26,000,000, according to this thing here, and it says, why these very Estimates say you are going to have \$5,000,000 against your surplus that we have here now. I know that. I have read this before. But now I discover that no less an authority than the famous Commission of Government says Cashin is right, when they agree that the first year you are going to have four and a quarter million dollars deficit. Now, how are you going to get that? We say you are going to pay it out of surplus. Well, out of that surplus you are going to leave twenty million dollars, or less than twenty million dollars, because these financial experts there estimate more money than they were going to get. They allowed, for instance, six or seven hundred thousand for two ships up at the railway. What about the "Cabot Strait" which cost a million and a quarter dollars? We never got paid for that. And she was launched practically the same year as the other two; they did not pay back that money. Now, that is handed over, lock, stock and barrel, to Canada. Newfound-

land gets nothing. The splinter fleet is their own. That was one of the greatest scandals of the Commission of Government; they cost between two and a half and three million dollars. I understand they value them at a million, and I bet dollars to doughnuts that if you put them on the market you are not going to get any more than four hundred thousand for the nine of them.

MR. SMALLWOOD: Do not talk like that. We may have to sell these. Don't run them down.

MR. CASHIN: Well, I am not running them down. I am just telling you what I think. Well, here, Mr. Speaker, it is like this. I am going to give you a case in point. I do not want to take your money away from you—far from it. I want to help you if I can. But at the same time, I do not want to see the people hoodwinked; that fleet cost two and a half million dollars; we have nine of them up there now. I would not sell them if I were in the Government's place; I tell you what. Those ships employ, I think, about ten men each—ninety men; they carry our fish to market; they carry back various commodities and goods, salt and so on. It is a source of employment; there are ninety men being given continuous employment there. Why not keep them? I would not sell them, particularly in view of the fact that they cost two and a half million dollars. Now what do they bring us annually? I never got an answer to that question. What is the revenue and expenditure covering these during the past twelve months? I noted somewhere, that they dropped forty or fifty thou-

sand dollars last year, and I would suggest this to the Government, Mr. Speaker, in all sincerity, that what they should do with those nine ships, now that the matter has come up, and the Premier said do not hit them too much; this is not going out over the air; we are talking to ourselves, and, as he said the first day of opening, we are all friends—I will make this suggestion: You form a Crown company, a Government company, take them clear of the political atmosphere altogether, give them to some outside company or a good organization to handle; take them clear of that Railway, because once they grab them into that dock up there; I know from experience that once you get tangled up with that dock with a ship, you have got to be there all day and all night, or otherwise by the time you get the ship off dock you do not own her. Run them as a separate company, a private company, with the Government back of it naturally, and pay someone a commission, say five per cent, I think that is what they are paying the Railway at the present time, to operate these ships. I believe they can square their accounts and make a little money, and we have written off, so to speak, what they cost; that is gone, so we cannot lose any more. But if you sell them to someone outside the country, because I do not think anyone in the country is going to pay any big amount for them, nothing like what they cost; you are not going to get anywhere. Now, Sir, that is my opinion. With the other two ships that they had up there, one of them, I know, made over a million and a half dollars during the past seven years, and she is for the scrap-heap;

whether we like it or not, the C.N.R. has got her now, and she is for the scrap-heap unless they are prepared to spend about two hundred and fifty thousand dollars on her. The other one, the Brigus, was bought from the Canadian Government, and now the C.N.R. got her back for nothing. She cost somewhere in the vicinity of \$400,000, a fairly good ship, built in Canada, but we must admit that the best shipbuilders in the world are on the other side, in Great Britain, in Holland, in Norway, and they build great ships; these ships that were built in Canada were war babies; they were just thrown together; this one has cost a frightful pile of money to try and put her on her feet during the past few years; but she is there, and the Railway own her, and the Government should take some steps to see that the Railway operates her in Newfoundland trade; there is plenty of work for her to do.

Now, Sir—I take it, Mr. Finance Minister, that this is the Budget.

MR. QUINTON: The existing Budget—

MR. CASHIN: The “existing”—are you going to have a new one?

MR. QUINTON: Yes.

MR. CASHIN: Before the House closes?

MR. QUINTON: Yes.

MR. CASHIN: All right. Now they say you are going to have five and a quarter million dollars deficit, and when the Budget comes down we will be told how that is going to be found. They say here you have got to find it out of the surplus, because they have not had

the impudence to say you have got to put on taxes. But taxes, on they go, or else your surplus becomes depleted. That is the unfortunate position, Mr. Speaker.

Now, I think I have covered practically every phase of the whole situation, from 1909 right down to now; I think I have covered this "dignity" business fairly well; I think I have covered the methods that were used to bring about Confederation fairly well. I do not think I have insulted any gentlemen in this House. If I did, I apologize now openly. I have been straight and above-board. I am a great believer, Mr. Speaker, in saying what I think, particularly with respect to matters of public moment. I believe, and I hope I am wrong, that this Confederation with Canada is going to be detrimental to the best interests of our country. However, she's gone! That is what a friend of mine said to me the other day when he was talking about it. "She's gone". There is no more Newfoundland. She's gone! But I felt now at this opening session—next year, if I am here at my desk; I had to tell the House—it will never get to the country—I had to tell the country through the House my views in connection with the whole rotten situation. I feel that statements I have made with respect to the methods used to bring about Confederation may have some good effect in the future, particularly this sectarian stuff. I do not care what way another man worships as long as he gives me my freedom of worship, as long as he gives me my freedom of speech; that is his business. But when some foul creature issues circulars—I do not

care what denomination he is—such as was issued during the Referendum, then I feel it my duty as a Newfoundlander to bring it to the light, to expose that dirt, and I think I have done it. I feel this afternoon, Mr. Speaker, that if the Premier would communicate with the Secretary of State, tell him that Cashin challenges you to meet him here in the City, and discuss this whole rotten story, I feel he has not got the courage to come here; he has not got any courage; he never did and he never will. Now wipe him off the map; he is only a Quisling, anyway, why should I worry about him— I feel, therefore, in heating myself up in that respect that it will have a good effect somewhere, with all denominations, my own as well as any other; there is none of us perfect, and in closing my few remarks I want to assure this House, the Government, and the Opposition, that as far as I am personally concerned, that any legislation which is brought in here which I think is for the good of Newfoundland, that I will help it, that at all times I am ready to help the government, if they want my help, in a constructive way—Budget, Estimates or anything else. That is my job. That is what the people of Ferryland told me to do when I came here—to be independent. Help both sides. If the Government brings in something that I think is not good for Newfoundland I will fight it, just as hard, probably harder, than the Opposition.

In closing my remarks, therefore, Mr. Speaker, I thank you, and I apologize again, for the length of my remarks which I could have made much longer, but which I will

defer until such time as the Estimates are brought down and the Budget presented in this House.

GORDON W. JANES: Speaking to the motion, Sir, before the Chair, I want to take this opportunity to congratulate you upon the office to which the House has been pleased to elevate you, and to assure you, as other speakers have done, that I shall always be happy and pleased to co-operate with you in maintaining the dignity of this legislature.

Speaking to the Motion, I am conscious of at least two things. I represent in this House a generation who are the immediate successors of the Newfoundland heritage and tradition. I also represent in this House, with a few of my colleagues, a section of the Newfoundland population who have been much abused over the past three years as being politically uneducated. I want to refute that contention. I want to say that on politics, the politics of this generation does not consist of getting jobs for men on the roads, building bridges, and trying to balance unsatisfactory budgets through the means of poverty, starvation and ignorance. I am sure the honourable member for Ferryland, even, will agree that the gold reserves of the Bank of Canada, or even Mr. McEvoy receiving \$3,000 for the purpose of travelling abroad, has nothing whatever to do with the political welfare of the people of this country. This House is divided into two parts; we have the Opposition; we have the Government. We are not clear in our own minds to-day perhaps the difference between these two sides of this House, but I feel that the ideological differences

of opinion which must separate this House are well known; in spite of the fact that we have small differences of opinion to-day, and these differences are going to grow, yet in spite of that, we can live in social harmony, one with the other, is the evidence of the democracy which this generation has in reserve. In the meantime, we must take recognition of the fact, and probably this generation more than anybody else recognizes it, that we have in the community of Newfoundland economic inequalities; we have a maldistribution of the national income, and a host of other economic inequalities to which we do not subscribe. The Leader of the Opposition has already said that though we are poor materially, we are rich spiritually, and therefore we are armed against invasion by foreign ideologists. I do not agree with that. I do not agree with him. To-day we are witnessing throughout the world revolutions and dictatorships being set up in Europe; it is Communism. Now it is not by accident that Communism happens. Communism is the result of poverty and plenty of it, and nobody can doubt that in Newfoundland we have plenty of poverty. For some reason or other—I do not know why—we have escaped Communism so far, but I assure you, Sir, that the new generation is being born, a new generation which probably has more ideals than their fathers had regarding these things, a new generation that knows why this world exists and what goes on, and are not going to be satisfied to continue in the same old rut which we have done, and to tolerate the economic inequalities under which this country for the past four hundred and fifty years has suffered.

So far what I have said may sound a little idealistic, but I am very much reminded of the man who said, in defining "idealism," "Idealism," he said, "is nothing more than realism plus foresight, and people are more susceptible to it than we give them credit for." That can be true of Newfoundland. The Opposition has called us a crowd of idealists. Well, if trying to find an answer to some of our economic problems in this Newfoundland of ours is going to be called idealism, then I am glad to be an idealist, very glad. We are going to have before this House legislation. Some of it is going to be new, at least it is going to be new to Newfoundland. We have never heard of such before. We have already got through the greater part considering a bill for the economic development of Newfoundland. Now ever since I have been a boy, ever since every man in this Chamber has been a boy, we have heard in this country about the great resources that we have. haven't travelled the greater part of the country, Sir, as a matter of fact I have put myself in a position where I do not recognize a resource where I see it, and the majority of people in Newfoundland are in exactly the same boat, and yet we talk about the great natural resources we have which nobody has developed. During the Referendum, and since you heard—you have already heard it to-day too—that we have been sold up the River. Well if the honourable member for Ferryland wants to know who sold Newfoundland up the river, I would say it is the younger generation in this country who voted for Confederation. However, as for being sold up the river, the

Labrador was being sold, everything we had was being sold. I was not concerned about it. It did not seem logical, it still does not seem logical. This bill for Economic Development, setting up a department of Economic Development, is going to assist us, in some way, I hope, in some great way in this country, to enable us to determine just what resources we have, and it is just as well for us to get the foolish idea out of our heads that we can live on "pine-clad hills' and 'wind-swept shores"; it sounds nice in poetry, but it certainly does not fill my stomach.

SOME HON. MEMBERS: Hear, Hear.

MR. JANES: We shall also have before us a bill respecting the Department of Fisheries and Co-Operatives. Now I am very happy to see both these phases of our national life coming under the one Department. The movers of this Motion stated, and I agree with it, that a system of marketing in this country, especially of fish, is probably well organized. I do not doubt it. But the same cannot be said of the means and the methods being used to bring this fish to land. We have forsaken the old black punt, and for its place we have substituted a twenty-five or thirty foot boat with a six-horse power Acadia engine, which takes our fisherman a life time to pay for. Their season's work is an average of thirty quintals of Madeira a year. They cannot live on this, only folly and foolishness for anybody to expect them to live on it, and those who know the fishermen knew they are not living on it. The method of bringing this fish to land is not well organized, not well organized by any means,

and by comparison, Sir, by comparison with the mainland, and the methods our fishermen are using to-day to bring this fish to shore, I do not see any modern people walking on the streets of St. John's.

There has been much said about the co-operative movement in Newfoundland during the past two years. I think it is a great social and economic movement which is completely misunderstood. We have a lot of cynics who laugh up their sleeves at the idea of a co-operative movement in Newfoundland, and referring to the figures I might say that the figures as shown in the Registrar's report, in the Registrar's report of the success or failure of the co-operative movement is the very least indication of the strides that movement is making, the strides it is making in the education of our people, economically, and I do not think that any Government in this country ever received such value for money spent as the Commission received in the money it spent in the education of our people for the purpose of promoting the co-operative movement. The people of the Scandinavian countries have the finest and the highest standards of living in the world, and that standard of living is directly due to the co-operative movement. And to come back to the Maritime Provinces of Canada, they have been directly aided by a decent co-operative movement, and we in this country have to do exactly the same thing. Our people are ready for it. They want it. And it is the duty of the Government to provide such services that the people are going to be educated co-operatively. The very fact, Sir, that we have such

economic inequalities is alone reason enough for the support of the co-operative movement; it is the direct opposite and opposed to Communism; it is the only thing which probably will save this world against Communism. If we think that we can maintain the present economic system, the present political system, and continue to go on as we are, we are going to be sadly mistaken. One of those days we are going to find that in this country we will have something which we cannot handle. It is no good to say "It can't happen here."

It can happen here. It can. And it is up to this Government, it is up to the people of this country, to provide our people with the necessary social and economic education to make sure it does not happen. If you are going to have the development of a co-operative bank, our people might say, why are you going to advance money to co-operatives for this and going to advance money for that? Well, we have had some men styled financiers who think that the only people who know how to handle money. It is a fallacy. It is wrong. We have fishermen in this country who are equally as good financier as the bankers are, quite capable of handling their finances, quite capable of handling credit, not only for the success of the industries in which they are engaged, but for moral and social education.

I was hoping, Sir, to hear in the Speech from the Throne something with regard to Adult Education. Now we are definitely a rural people. There has been a very fair amount of adult education go-

ing on in this Province for the past few years, and it is reaching the stage where I think it is becoming a success. But it needs the spirit of the pioneers, no doubt about it. Teachers must go out among our people to tell them, to get them to know the resources that they have, and they must be definitely pioneers in this field. I think it is the duty of this Government to see that the services of adult education are not only carried on as they are today, but also extended into wider fields; that is quite a possibility. As I said, we are a rural people, a people who cannot do without these things. We need a lot of civic education in this country, and I do not know who is going to bring this type of education to our people. It certainly is not being carried on in the day schools, and people differ on matters of civic education to be actually carried on in the day schools, except in certain classes, the higher classes; but for our adult people adult education is needed, and has to be carried on by teachers who are going to be pioneers in this field.

Our problems of transportation and communications go to the very root of every other economic problem with which we are faced. I think that the day when governments in this country could build roads on the high-water mark, and every wave that washing in washed away ten dollars worth of Newfoundland gravel, I think that day is finished. I do not think it can continue. We cannot afford to have it continue. There was a good road there while it lasted, as Responsible Government, in co-oper-

ation with the C.N.R. or other Federal agencies, should be able to embark on a programme, an overall country-wide programme, of communications and transportation, that the whole thing might be linked up, and a good system of communication developed in this country, in order to enable the industries we already have to be an aid to the industries which are going to come and which are going to be built up.

In conclusion, Sir, I would just like to say that we have an opportunity unparalleled in the history of Newfoundland to bring about development, to bring about education in this Province, but it has to be done quickly; otherwise I feel that we are going to face the same problem which the Maritime Provinces faced. I think probably some of it can be averted in Newfoundland, not all of it; all of it cannot be averted; it cannot be averted by any government which could possibly come to power, but I believe some of it can be averted, and I am sure that over the next four or five years that policies will be brought in, policies implemented, that are going to stop the tragedy which happened, which was caused in the Maritimes. Our people require information; our people need to be taken into the confidence of the Government; our people can be led, can be educated. I think for that purpose an information bulletin which adorned the walls of so many outhouses in our outports; I think something could be substituted for that and our people given to understand what the Government is doing, what the Gov-

ernment wants to do, and what the Government expects of the people themselves. The people can play a big part, and with co-operation between Government and people, I think great things can be accomplished in this Province. I am not prepared to say what would happen, but we had a legislature here a matter of seventeen years ago, which was quite similar to this. It passed out of being, and we would indeed be very foolish to think that even this legislature cannot pass out of being.

MR. CANNING: Mr. Speaker, I would like to move an adjournment of the debate on the Address in reply to the Speech from the Throne until tomorrow, Tuesday.

Debate deferred until tomorrow.

Third reading of bill "An Act to Amend the Gasolene Tax Act, 1949."

Passed.

Third reading of bill "An Act Respecting the Department of Provincial Affairs."

Passed.

Third reading of bill "An Act Further to Amend Chapter 1 of the Consolidated Statutes (Third Series) entitled 'Of the Promulgation and Construction of Statutes'."

Passed.

MR. SMALLWOOD: Mr. Speaker, I wonder if we might pass over and defer consideration of the next four items, and come to the fifth item there. I think, per-

haps, Mr. Speaker, we might do it without a motion; we might just move on, to the Committee of the Whole stage and the three second readings, and we come to the fourth second reading.

MR. SPEAKER: Second reading of a Bill "An Act Respecting the Department of Public Health."

HON. H. W. QUINTON (Minister of Health): Mr. Speaker, in rising to move the second reading of a bill "An Act Respecting the Department of Public Health", I would also like to offer to you, Sir, congratulations on your election to the office of Speaker, and to offer you the fullest co-operation in the discharge of that honourable duty. I should also like, Sir, to extend a personal word of congratulation to every honourable member of this House who has been returned to serve in the first constituent assembly since the suspension of the constitution in 1934. Also, Sir, in dealing with this bill, with the principle of this bill, I should crave the indulgence of you, Sir, and the House, because I find it necessary to go back and develop some background in connection with the bill and the function it proposes to discharge.

It is with mixed emotions I do so, Sir, because I was a member of this House twenty-one years ago, when the main bill became an Act, the Health & Public Welfare Act of 1931. Former friends and associates in public life, former members of this House, who played a very active part in the political life of the country, laid at that time the foundation for the establishment of the very excellent health services which this country had today. The late Sir John Pud-

dester, the late Dr. Mosdell, both members of this House and of successive Cabinets, I particularly remember. Prior to 1931, Sir, the health services of this country were in an obscure branch of the Department of the Colonial Secretary, a very minor portion of that Department's work. Of course, the work at that time constituted mainly the operation of the several hospitals in St. John's, and of the men getting a little amount of relief work in Newfoundland, commonly called the dole. The Health and Public Welfare Act was the first main step in a new organization. Unfortunately, lack of funds prevented the implementing of many of the provisions of the Act, and members of the House and a good many of the general public will remember how voluminous that Act was, and the very careful provisions it made affecting all phases of public health and public welfare in the country. But in 1934, when the change came in the administration of the country, the first beginning was made for the development of long-needed services, and so the Department of Public Health and Public Welfare began to extend. A measure of the work done, Sir, may not be out of place at this time, because this new bill proposes to separate the Department of Health from the Department of Public Welfare, and make a separate ministry in the Department of Health. We have hospitalization, beginning with the main function of the old Department of Public Health and Welfare, the General Hospital, the Tuberculosis Hospital, the Mental Hospital, Fever and Isolation Hospitals, and later Cottage Hospitals, of which there are fourteen throughout Newfoundland. We

find communicable disease, prevention and control, in the field of tuberculosis, venereal disease, and other communicable diseases. In the term of child health, pre-natal clinics; and well baby clinics; care of mentality patients in district mental hospitals; other public health measures arising out of the old Act, where sanitary inspection and its disposal, inspection of water and food supplies, nutrition, health education through Junior Red Cross, distribution of pamphlets and posters, newspaper articles and radio broadcasts, nursing services, preventative and curative, public health laboratory, all phases, and the Blood Bank, a pharmacy and a division of vital statistics. I think it will be clear to all reasonable men and women, and particularly to the members of this House, that the rapid development of Public Health services in Newfoundland has outgrown the legislative and administrative setup. Let me now offer a word or two on the actual size, charge of functions, of health functions, in the Department of Health as it is constituted today. There are 1,550 employees. At the General Hospital there are three hundred and nine beds presently occupied; 4,339 patients under treatment during the past year. The total number of patient days 82,646; the out-patients treated at the Hospital 5,832, and 2,300 major operations performed. In the Sanitarium the number of beds presently occupies, 365; the total patient days 132,000; the total operations in this group 2,800. The Hospital for Mental and Nervous Diseases 634; patient days 230,000; out-patients 400. And now I come, Sir, to a new phase which has been one of the main forms of expansion in the Health Depart-

ment-Cottage Hospitals. As I have said, there are fourteen. Total number of beds 340. I propose, Sir, to quote just one illustration, an illustration of one Cottage Hospital, to show the volume of work done there—Come-by-Chance. The number of patients admitted 730; number of patient days 6,600; number of out-patients 3,600, and the number of major operations 137; that in a small hospital with not more than thirty beds. One could go on, Sir, through a whole range of activities whereby the services of the Department range over a wide field for public good. I propose, Sir, not to do this, but rather to pass to the Clerk of the House for circulation among members a number of copies to show the volume of work done. That has been a brief description of the measure of the work done. I should like to refer briefly to the measure of the work to be done. Everybody who reads must realize the sad condition which pertains in the Mental Hospital in this country. There are six hundred and thirty-four beds; there are about one thousand patients, and the difference between the number of beds we have and the number of patients on our waiting list is practically 400, and that is a circumstance which cannot, I submit, Sir, be allowed to continue. Steps are in hand now to enlarge the capacity of the Mental Hospital, and we will, within two or three years, we hope, be able to afford capacity for the maximum number of patients in the foreseeable future. Tuberculosis Sanitarium at Corner Brook we hope will be finished this year. It will greatly expand the activities of the Health Department. We need Children's Wards in the General Hospital. We need more dis-

trict medical officers and more nurses, and we also need additional cottage hospitals to round out the scheme of health services in the field. We are considering now the establishment of cottage hospitals at Channel, at Springdale, at Fogo, and at Renewes. These four, we hope, will complete the facilities of Cottage Hospitals throughout the country. This question of cottage hospitals has always been tied up with the development of road construction and access to institutions that exist and the prospect of creating such institutions in areas that are development areas, where continuity of the work can be maintained.

Now I have only to refer in this brief talk to the part of the Health and Public Welfare Act of 1931 which will be taken out of itself, as it were, in this new bill. The question of Welfare is, of course in the hands of my colleague on my left, the honourable Dr. Pottle, but I am bound to say, Sir, that, having had experience of two and a half years as Commissioner for Public Health and Welfare, the volume of the work in that Department, Sir, has meant in practice that the treatment of Public Welfare has been nothing more than formal treatment, formal administration. The volume of the work in Health itself, because it was the senior of the two in development has been more than sufficient for one minister to handle, and I feel, Sir, with considerable development, that the fact that this Department will now be divided, and that close attention will be given to each of the separate departments. The bill before the House will in due course, Sir, set up a Department of Health

and enable the Department to give a service of continuing and increasing value to our people throughout the Province. There is a great work to be done in the field of health, and in my opinion, the main task which confronts us is to ensure a healthy population. A healthy population I am sure, Sir, we all agree is the principal factor of progress in this or in any land. I invite, Sir, the hearty co-operation of members on both sides of this House in the promotion of these necessary services. We can in this great attack on ill-health, work together as a body of patriotic men, and without reference to the cheaper nature of political strife; there should not and must not be differences of opinion in an attack upon such deadly enemies as are disease and death. Freedom and knowledge are the weapons we must use. We have freedom; let us acquire the best knowledge so that our problems may be easier of solution. I move, Sir, that this bill "An Act Respecting the Department of Health" be now read a second time.

MR. MILLER: Mr Speaker, I would like to have a word to say on this Act in principle. I understand it will go to Committee later. The honourable Minister of Public Health said in his remarks that a certain job, or otherwise, to secure the trained nurses, nurses aides, etc., in order to take care of the patients at the Mental Hospital and otherwise—

May I suggest from a labour point of view, that the Minister of that Department should take into consideration the fact that all over the world today labour

has advocated and established in many cases an eight hour day. I understand that at the Mental Hospital and many other hospitals in this city that the working period runs as high as twelve hours a day, and that nurses, or those training for nurses, for the first six months do not receive any remuneration. I would suggest in principle that the way to get over it, the part that the honourable minister referred to, would be to pay adequate wages, and at least introduce three eight-hour shifts, rather than two twelvehour shifts, because of the fact that any human being today who works eight hours for relaxation, time out for meals being separate. And then we are told, by the Department of Health, I suppose; or otherwise by our medical adviser, that they require eight hours' rest. Well, there are only three eight hours in any twenty-four. If the nurses and aids at the various Government institutions have to work twelve-hour shifts, because of the number of hours rest—eight—which is twenty, it only gives them four hours of relaxation. There, again, from the point of employment, I would suggest to the honourable minister that, instead of two twelve-hour shifts, and working six months, so to speak, to get your cap in the nursing profession, to me it is ridiculous for a Government that advocates fair wages, advocates decent hours, to ask people to work for nothing, for the people, to serve the people, six months before coming to the stage of receiving any remuneration. I feel that the honourable minister said it was very difficult to get

people to attend to those hospitals, and different other aids that you need—I feel, from a workers' point of view. Mr. Speaker, that if proper remuneration was paid, that difficulty would not exist. I would like to explain to the House an example: A friend of mine who happened to be supervisor of _____ at the Base some years ago said to me, "I see by the evening paper it is difficult to get men to go in the woods, to go at logging. It is difficult to get men to go at the fisheries." I said "Why?" "Well," he said, "The reason is that we pay more money on the Bases." Well, if the Government needs, and I think we do need—I agree with the minister on that point—we do need services for health, but if we need it, if the demand is so great, surely I feel, and I believe the Minister of Labour, who just came in at the moment, will agree that if the demand is so great, I think wages should be for that particular employment, and I believe that if the honourable minister and the members on the opposite side, or I should say, perhaps, the members of the Government, would take into consideration, I do not think of those people that are required in those departments were paid sufficient wages, you would not have the difficulty that exists today. My opinion is this, Mr. Speaker, if you want to go back to the Bible, A Labourer is worthy of his hire; if the demand is so great, pay those nurses, and the nurses' aides, give them decent, proper hours, in order for rest and recreation, pay them decent pay, and we will not be confronted with the situation outlined by

the Minister of Health here this afternoon. I would say in principle, in my opinion, the bill seems fair, but the part the minister referred to can be overcome by paying proper remuneration for those who consider the necessary services.

MR. FOGWILL: Mr. Speaker, in speaking to this question, it is not my intention to oppose it at all, because of the fact that this Department, the Department of Public Health and Welfare, is one of the greatest spending departments of the Government. I notice by the Estimates laid down by the late Commission that they estimate for this year an expenditure of \$9,034,900. That of course includes the \$1,800,000, Federal grants, augmentation of provincial old age pensions, and the \$5,550,000 which they grant for the expansion of existing health services. I do realize, just as well as the other members, on the other side of this House, although perhaps I did say, or rather I agreed with the Premier the other day that they were rubber stamps, but perhaps there is a little worth in them just the same. But nevertheless I do believe that this Department should be split in two, because of the necessity in Newfoundland to see to it that the people's health is maintained and also that the welfare of the population in other spheres is also maintained. Of course, there is one comment I wish to make, and it is this—I am not going to speak very long on this subject—that on page 50 of the Estimates under "Health", I notice that in 1948-49, for the fiscal year 1948-49, the Revised Estimates state

that a sum of \$2,150,000 is paid out for relief and assistance, we say, to indigent persons, and this year the Estimates are only \$750,000. Now I would like to point out, or ask the minister in question to bear in mind, the fact that we have a large number of people in the country who are now unemployed, and the number of unemployed persons is increasing today. I understand lately that there are quite a number of people who were employed in the logging industry who have been laid off from work these past few weeks, possibly numbering up to 1,000 or 2,000 people. I would like those gentlemen who are going to take over this Department—two of them, for it is going to be divided—to keep that in mind. I understand that welfare services—it is the duty of welfare services to look after the unemployed and see that they are relieved when necessary. Although the total expenditure now, estimated by the Commission of Government, is \$9,034,900, I believe, Sir, at the end of this year, the end of this fiscal year, it will be considerably higher, because I would say to the Ministers of Public Health and of Welfare, that during this year you are going to have much more unemployment than possibly you thought you would have. Therefore, I believe perhaps that when you bring down your Estimates you will bear that in mind. That is one thing I do believe in, that the health of the people of this country, and their welfare, must be looked after at all times. So with those few words, I say that I agree with the division of this department into two, because I

really believe there was too much work for the minister, although perhaps it may be said by some people that one minister could do it with several assistants; to me that does not seem possible. But I do agree with the bill for the creation of the two departments instead of one. But I do ask both of those gentlemen, the honourable ministers who will look after these departments, to bear in mind their responsibilities, and see to it that their departments are looked after in the best interest of our people.

Bill read a second time. To go into the Committee of the Whole tomorrow.

MR. SMALLWOOD: Mr Speaker, I move that the bill immediately preceding that one on the Order Paper—that is, the bill “An Act Respecting the Department Welfare” be taken up now.

Second reading of Bill “An Act Respecting the Department of Public Welfare.”

HON. DR. POTTLE (Minister of Public Welfare): Mr. Speaker, before passing on to move the formal second reading of this bill, I should like to associate myself in two respects with the honourable members who have addressed themselves to the Chair in their first major speech—first to add my personal compliments to you on your elevation to your responsible post in this House, and second to hope, Sir, that your term of service there will be one of great benefit, not only to us, but to the country at large.

Now, Mr. Speaker, the House has just heard from my colleague,

the honourable Minister of Health, the reason which he adduces for setting up a separate Ministry of Health, and these reasons, I believe, have commended themselves favourably to this House, and will commend themselves favourably to the country at large. The reasons he has adduced for setting up a separate Ministry of Health are fairly open, effective backgrounds for the setting up of the Ministry of Welfare, for two reasons; one, that the Ministry of Health, to the public, and the Ministry of Public Welfare, should keep pace with one another; the farther a long and the more improved our public health service becomes, the more it is necessary for our Public Welfare services to keep pace. It is not for me to say, but it is worth pointing out, that the genius of the public health services during the past generation in Newfoundland, and that is common with the Ministry of Public Welfare as well, the genius of its ministry to the public is that it has become preventative; it has come to the point already in Newfoundland where it is enabled to carry on a ministry of prevention along with the ministry of remedy, and we in the Public Welfare, Sir, covet the same position, where we can arrive at the point in the development of our public services where we could render a ministry of prevention as well as of remedy. Unfortunately, we have not, or only in a very small degree. Those of you who have read the successive reports of the Director of Child Welfare will know that we have already laid something of a pattern of prevention in that particular field. That is to say, we are enabled by the extension of the

services that we have given to get into a situation and prevent some of them arising, whereas hitherto the common experience has been that the social problem has developed to such a point that—social problems have been allowed to develop, and other public services have been called in, sometimes unfortunately when it has been too late to effect any sound cure or solution. Now, the ambition of the Public Welfare Department is that we might more and more arrive at the point where we shall be able to exercise more preventative measures, but there will always of course be a place for up-to-the-minute or at hand-remedy.

There is another reason why I associate myself with my colleague in Public Health at this time, and that is, that we know this from experience that many of the problems so severe, became so severe, because essential problems of Public Welfare which preceded them were not solved in time, and any all-round administration should see to it, any all-round sound administration dealing with public health and public welfare should see to it that at least public welfare problems are tackled and tackled properly, and systematically, following their beginnings, so that the problems of public health will not in later stages become as severe and as critical as otherwise they would be. For instance, our standards of child care, if they are low, if they are neglected, it means that later on we have to meet questions of adult disease and morbidity on a large scale. Now there is a further reason—and I think all feel in

this respect—there is a second reason by a Department of Public Welfare in Newfoundland may be justified. In this respect at least that we should thereby be more or less like all the other provinces across the Dominion and that is not a matter of merely keeping up with the Joneses, but it is more essentially a matter of being able thereby to take advantage of the Federal benefits, and to be able to avail of services of counsel and thought which can be offered from such a medium as the Canadian Welfare Counsel.

I should like to extend my argument, Mr. Speaker, to this point where I might with profit discuss the role of the State in matters of public welfare. Now I do not want on a summer afternoon to draw this House into any argument on the theory of the State with regard to public welfare, but I shall say what I have to say in as simple terms as I can. There tends to be and there in fact is, a fear in many quarters that the control by the State of the welfare services of a country will mean a curtailment of private or voluntary help or voluntary effort; that it is just another means of the State laying hold upon the liberties of the individual, and therefore bringing about a result which we would all deplore. Now I take one other point, and it is one which is a practical thing for us that we read about, with dire results in various parts of the world, but I believe that it is not the only outcome, and the exercise by the State of certain wide powers does not necessarily mean that that is going to be the out-

come; that individual liberties are perverted or curtailed. I should say that there is another outcome which may be just as inevitable, and it is the outcome that the States becomes thereby—by taking on these larger responsibilities—the State becomes thereby more the servant of the people. That is not a fantasy, Sir; that is an actual fact, and it is the point of view which public welfare administrators have in mind when they seek to enlarge the powers of the State in the area of public welfare. I should like to make that clear—that the State, by taking on these larger responsibilities, enables—enables rather than curtails—the individual, in concert with his fellows, to do what he cannot do by himself. A great deal of the criticism we have heard against social benefits begin from too low a level, begin from too personal a level, or within too narrow confines, sometimes just for political argument; people who uncritically criticize, if I may use that contradiction in terms; but people who fought the State, criticize social benefits, and into that argument I desist from going just now. Benefits need not pauperize our people; they may in fact elevate their lives; they may in fact enhance human values, and they are able to do just that. I believe that people, and Newfoundland people too, may be motivated by fear, but by hope as well as by fear, indeed more so—

MR. FAHEY: Mr. Speaker, we are proceeding with the second reading of an Act Respecting the Department of Public Welfare. I believe the honourable member

from Carbonear-Bay de Verde is rather dealing with the Speech from the Throne than dealing with the Act which we now have under consideration. I ask your ruling on that, Mr. Speaker.

MR. SPEAKER: Since the honourable minister is dealing with a bill respecting the Department of Public Welfare, it is rather difficult to circumscribe the limits. The honourable minister was going into the reasons for the Dept. of Public Welfare. Perhaps he was a little lengthy, but I do not think he was dealing with the Speech from the Throne so much as showing the need for this Act.

MR. POTTLE: Mr. Speaker, I was merely trying to pass on the background by which this House could intelligently—

MR. SPEAKER: I am quite sure the honourable minister will understand the reason for the objection offered by the honourable member for Hr. Main-Bell Island.

MR. SMALLWOOD: If he does, Mr. Speaker, he is about the only one in the House. The honourable the Minister of Public Welfare is a pretty intelligent man. I don't understand it.

MR. POTTLE: I have no intentions, Mr. Speaker, of unnecessarily delaying the House.

MR. SPEAKER: The honourable Minister will understand that he should explain the principle of this bill relating to Public Welfare. Continue.

MR. POTTLE: I was going on to point out, Sir, that in setting up this separate Department of Pub-

lic Welfare, we were not thereby going to limit the private or voluntary bodies in any way. We were going to enable those bodies to give a better service than they are already giving, and to enable them to come together in concert and think about their problems from a national point of view. In the Health and Public Welfare Act that we already have there is set out in Section 532, sub-section (m) one of the ambitions of the Department of Public Welfare, that it shall foster co-operation and intelligent division of work between all public and private charitable and social agencies throughout the Colony to the end that public resources and voluntary donations of a charitable nature may be best administered to the greatest good of the greatest possible number of deserving cases. That, Mr. Speaker, is the spirit which lies behind the thought that the Department of Public Welfare should be set up in its own right, to administer public welfare services. The bill will not cause so much additional staff; we have a total headquarters and field staff now of about one hundred and seventy-five persons. But what was it is intended to do is to co-ordinate the resources which we have to a greater degree, and to make possible straight line of administration from the minister down to the humblest servant in the Department, whereby a division of labour may give better service to the country at large. We have a considerable investment, as one of the honourable members of the Opposition has already pointed out from the Estimate; we have already a considerable investment of public funds in that Department, and our thought is that we shall

get the most use of our money in a practical sense, if I may say so, by seeing to it that our staffs are wisely selected and that we shall set out to be of professional service, not merely a charitable service, but a professional service, which is one based upon need.

The bill, I may say in conclusion, Mr. Speaker, illustrates very well something which lies at the heart of the point of view of the present Government, and that is, that it is designed to promote social welfare. I know that there are aspects of government concerned, such as economic development and employment of our people, which is another side of a total on-going enterprise of government, but I am dealing now, as I have been reminded, with public welfare alone, and I am here to say as the Minister of Public Welfare that this bill catches up in its spirit the point of view of the present government, and that is the place of social welfare of our people, at the heart of our total on-going laws. In doing so, I am not unmindful, Sir, of the work which our predecessors have done, and it has already been signalized by my honourable colleague to my right, to my immediate right, in signalling out the tremendous, enlightened contribution which our predecessors have made in framing the legislation upon which our present bill is based. I want to add with his words my words of appreciation for the work which our predecessors in office have done, and in doing so, Sir, I have now much pleasure in moving formally the second reading of this bill, "An Act Respecting the Department of Public Welfare."

Second reading passed. Committee of a Whole to-morrow.

MR. SMALLWOOD: Mr. Speaker, perhaps we could now go back to Committee of the Whole.

COMMITTEE OF THE WHOLE.

MR. SPEAKER: A bill "An Act to Amend the Co-operative Societies Act, 1939."

Speaker leaves the Chair.

Section 1 read. Passed.

Section 2 read. Passed.

Section 3 read. Passed.

MR. FAHEY: Mr. Chairman, the limited liabilities Act—if a Company is registered it takes three persons in order to register it legally, then that company in itself is liable and not any individual. Now under this Act here, supposing you have fifty or one thousand members, the members of that particular branch of that society, I would like to ask the question to the Chair or the member responsible for putting the amendment through, as to whether all or any would be responsible for any debts incurred by the Society.

MR. RUSSELL: Under Section 3, page 6, of this booklet distributed to honourable members, Societies were permitted to become registered here either with limited liability or with unlimited liability, as they preferred. This amendment would eliminate all possibility, all question of unlimited liability altogether. They would all be registered with limited liability. Now it takes nine members to form a Co-op. The position then is that all Co-ops—in fact, they are all regist-

ered to-day with limited liability. There has been no occasion to use this unlimited liability, but since agricultural societies are going to be welcomed in under this Act, and they to-day have unlimited liability, this is merely to clear up the situation where as soon as they become registered under the Co-op they immediately give up their own unlimited liability status and become incorporated with limited liability. Now then, whether they have nine members or a thousand, which is by no means the maximum, the position then will be that each member would be liable only for his share capital in the society; if he had shares of eighty dollars paid-up, he would be liable in the event of liquidation of the Society for his paid-up share capital. If he had a balance unpaid on his share, he could be, strictly speaking from a legal standpoint, he could be made liable for that much as well, the unpaid balance. But his liability as an individual would be limited by the amount of his shares in the Society. In other words, if a Society cannot pay its creditors, they cannot come in on the individual members and take their barn or sheep or anything like that. That is the meaning of limited liability, as I see it applying here. It is the same as with public companies. That is the function of limited liability, to enable the liability of an individual to be limited by the amount of his shares. And in a few cases Co-ops have taken advantage of another form of limited liability the same as companies, a liability limited by guarantee, and in their Articles of Association some of the Co-ops have said that in the event of liquidation each member shall be liable to contribute to the assets

to pay off creditors a sum not to exceed, say—it could be as low as one dollar. That is a very common practice in commercial law, and one or two of the Co-ops decided to take advantage of it. Most of our Co-ops are limited by shares, one or two are limited by guarantee; none are unlimited. And this amendment here is framed so as to cut out the possibility of unlimited liability.

Section 3 passed.

Section 4 read.

MR. RUSSELL: Mr. Chairman, the intention of that, I might explain—on page 34 of this book, the original section was much longer. This amendment does not change the first part of the section. It merely cuts out the last part. The last part requires, say, a group of farmers, intelligent men, who meet and decide by a three-fourths majority that they would like to become registered under the Co-operative Societies Act—well, the original Act said that they could meet, talk it over, go home, and come back again a week later, and if when they came back again a week later their minds had not changed, well you can do it. Well, this amendment takes it for granted that these people are intelligent enough to know what they were doing in the first place, and if three-quarters of them wanted to get the society changed over, why should they have to come back a week later to see if they have changed their minds. That is the effect of this amendment.

Section 4 read—Passed.

Section 5 read—Passed.

MR. RUSSELL: Mr. Chairman, there is going to be, if I may sug-

gest, another change necessary. I do not know if the people who drafted the bill realized it, but I called their attention to it. If sub-section (2) of section 13 is to be repealed, and I may say the repeal is merely to complete the legislation since all other reference to unlimited liability is now repealed. Then 13(1) becomes the whole section, and there is no sub-section of section 13.

MR. FAHEY: Mr. Chairman, I do not get that clearly, what was explained by the honourable member, about section 13, sub-section (1), and so on. Could we have a clarification on that.

MR. RUSSELL: Gladly! Mr. Chairman, if the honourable member would refer to page 9 of this book, he will find section 13 refers to something that is in two parts. Sub-section (1) restricts the transfer of shares from one member to another. Well, that is a common practice in all companies and in co-ops. We are not concerned now with sub-section (1). Sub-section (2) provides that you do it a slightly different way if you are in a society with unlimited liability. Well, now, we are not going to have any societies registered with unlimited liability. Therefore there is no need of wasting time on sub-section (2) because that refers only to societies with unlimited liability.

MR. FAHEY: It says "A member shall not transfer"—

MR. RUSSELL: "In case of a society registered with unlimited liability shall not transfer", but now the point is we do not care what he does now in the case of a society with unlimited liability because there are not going to be

any; they are all now going to be with limited liability.

MR. FAHEY: Thank you very much.

MR. RUSSELL: And a more important and interesting point is the other one, sub-section (4) of section 5, that is on page 7 of this book, where it says that the name of every registered society shall contain the word "Co-operative". Now they all have a right to use the word "Co-operative"; I think I mentioned it at second reading, and since some of such societies are called credit unions in other parts of the world, why not call them that here. By this amendment they are not compelled to use the word "Co-operative".

Preamble read and passed.

Speaker resumes Chair. The Committee rose and reported having passed bill.

Third reading tomorrow.

MR. SMALLWOOD: Mr. Speaker, we could now go on to the second reading of the bill "An Act Respecting the Department of the Attorney General."

MR. CURTIS: Mr. Speaker, I move the second reading of this bill, and in doing so I do not think that I need make an explanation in as much as this bill does not involve any change in the department, except a change in name. Now that we are a part of the great Dominion of Canada, and are but a Province, the Government feels it desirable that we should follow the other Provinces. There is in Canada the Minister of Justice, who is a Federal Minister; the Provinces have their Provincial Departments of Justice, which are

not called Departments of Justice, but are called Departments of the Attorney General. The idea of this bill is simply to bring Newfoundland in line with the other Provinces and refer to her legal officer as Attorney General and not as Minister of Justice. I do not think I need make any other explanation of this bill. There is no change involved except a change in name. I would move therefore that this bill be now read a second time.

Bill read second time. Committee of the Whole tomorrow.

MR. SMALLWOOD: Mr. Speaker, we might defer the next one, and go on to the Crown Lands Act.

Second reading of bill "An Act Further to Amend the Crown Lands Act, 1930."

MR. RUSSELL: Mr. Speaker, referring to this bill, it is not designed to change the shape of the world, or even to change the shape of the Province; it is designed merely to change somewhat the shape of two Departments, the Department of Public Works and the Department of Natural Resources. In the year 1938 the Commission of Government saw fit so to amend the Crown Lands Act of 1930 as to vest jurisdiction over mines and minerals and things of that nature in the Commissioner of Public Utilities. I think that the reason for the transfer of this jurisdiction was that 1938 was the year when Commissioner Gorvin was about to launch on that reconstruction scheme that never materialized, and the said Commissioner had altogether too much work; in any case, the transfer of jurisdiction was effected. Now the Government thinks it is about time that

the Mines Division came home to the Department of Natural Resources. I feel sure that all will agree that that is where it should be. After all, mines and minerals are part of Natural Resources. And I suppose every other province, and maybe every other Government of the world, if they have no distinct Department of Mines, an administrative mines division is under the jurisdiction of a Department of Natural Resources. The effect of this bill would be then simply to transfer the Mines Division from Public Works to Natural Resources, by a transfer of the powers vested in the ministers concerned. I do not imagine this bill is a contentious one, and I move that this bill be now read a second time.

Second reading passed. Committee of a Whole on tomorrow.

MR. SMALLWOOD: Mr. Speaker, I move that the remaining Orders of the Day be deferred.

Motion carried.

MR. SMALLWOOD: I move that the House at its rising do adjourn until three of the clock on tomorrow.

Adjourned accordingly.

Tuesday, July 26, 1949

Presenting Petitions.

MR. COURAGE: Mr. Speaker, I beg leave to present a petition from the people of St. Bernard's, Bay L'Argent, and Jacques Fontaine, requesting that a road be built connecting these places with the Terenceville-Marystown highway, now under construction. This petition is signed by four hundred and sixty-four people of these

places. I may add, Sir, that these settlements of St. Bernard's, Bay L'Argent and Jacques Fontaine are very important in the commercial life of Fortune Bay, and I feel that the linking up of these places with the Terenceville-Marystown Highway, which is only some seven miles away, will be very advantageous, and I am very glad to give my support to this petition, and to ask that it be referred to the Department of Public Works.

Referred to Department concerned.

HON. J. R. CHALKER (Minister of Health): Mr. Speaker, I beg to table answers to Question No. 42 asked by the honourable and gallant member for Ferryland:

The matters to which reference is made in this question have from time to time received considerable publicity, and I am happy to furnish the reply. I am aware that utterly reckless statements have been made and indecently malicious rumors circulated about the subject matter of the question, and that some persons have not hesitated by innuendo to hurt and assassinate the characters of public servants allegedly guilty of defalcation or negligence. These rumours have been to the effect that large sums of money were embezzled in the Department of Public Health and Welfare in recent years; or, alternately that great shortages of material and supplies have been experienced in the Department.

I am happy to say that these sweeping allegations, so widely whispered and spread, are almost

literally groundless. There is just barely enough factual foundation to have made the allegations possible, if not plausible.

In the early stages of the war, when almost overwhelming competition was offered the Government in the securing of personnel to staff various departments, the greatest possible difficulty was experienced in securing badly needed re-inforcements of departmental personnel, and, indeed, in retaining such trained staff as the departments had. The Government was not able to compete with the Government of the United States in the latter's pressing and overpowering need to recruit staff in Newfoundland.

At that very time the Newfoundland Government's need for additional staff was first making itself felt, and for some years thereafter the problem was an unceasing one. It was against that background that the Department of the Comptroller and Auditor General necessarily and logically exercised constant vigilance to prevent inefficiency, or worse, in the large spending departments of Government. In the pursuit of that vigilance the department discovered that the Stores Department of the General Hospital and of the Sanatorium were deficient in an adequate system of accounting for and checking against the receipt and issuance by them of supplies. The Auditor General reported, after his officers had looked into the system, that the store-keepers were not demanding receipts for the supplies which they issued to the various sub-divisions of the institutions they served. There was thus no means, when an inventory

was taken, of checking satisfactorily the quantity of supplies which ought properly to be on hand at any given moment.

The reports of the Comptroller and Auditor General which I now table, tell the whole story in detail. A fair and unbiased study of these reports substantiates my statement of what actually happened.

I trust that with this information and these reports, which I have great pleasure in tabling, an end will be had to all the wild, highly coloured, and exaggerated reports and rumours which have been circulated throughout the province.

MR. CASHIN: Mr. Speaker, might I ask at this time of the honourable the Acting Minister of Finance, about what time he anticipated bringing in Supply?

HON. H. W. QUINTON (Minister of Finance): I am afraid, Mr. Speaker, that I cannot give the answer to that question immediately.

MR. CASHIN: And also with respect to Ways and Means?

MR. QUINTON: The answer is the same.

MR. CASHIN: I mean, there will be Estimates, and there will be a Budget brought in?

MR. QUINTON: During this session.

MR. CASHIN: During this session?

MR. QUINTON: You mean Ways and Means in addition to—

MR. CASHIN: No, Ways and means is the Budget really.

MR. QUINTON: Well, it is proposed to bring in additional Estimates.

MR. CASHIN: Well, now, is it proposed to bring in a Budget to show the revenues and expenditures also, and from what source these moneys will come?

MR. QUINTON: It has not been decided in full yet.

MR. CASHIN: Why I brought that matter up, Mr. Speaker—I know I am a little out of order—but when the Estimates are brought in it has been the general custom, and it is right, that following the Estimates is what we knew as Ways and Means, or the Budget, would be introduced to show how these revenues to cover these Estimates of expenditure would be obtained. Consequently, that would necessitate a Budget for 1949-50. I feel that we should have some answer from the Government as to whether they intend to bring in a Budget or not, or whether they intend merely to bring in a revised Estimates based on the ones the Commission of Government prepared before they went out of office.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, if I may say so, it would be quite proper, on the side of the Estimates, for the Government to bring in revised estimates; it could be done in any one of these three ways. With regard to a Budget, the position is not quite so clear, as to whether it is constitutionally necessary in the circumstances, where a Budget is presented to us by an out-going government, for us to bring in one matter which perhaps is open to question, but at

all events it is very much under consideration, as the honourable member can appreciate, and I may say, apropos of that, that it is the hope of the Government, and a hope in which I would expect the whole House to concur, that we could split the session in two sections, adjourn early in August, reassemble for a few weeks in the fall—I do not mean such another—

MR. CASHIN: I know what you mean—

MR. SMALLWOOD: I mean, quite genuinely to reassemble in the fall a number of weeks, so as to give the Cabinet an opportunity to do what they have had no opportunity to do except at a time commencing after the end of the last General Election. We were all fairly busy electioneering, as the honourable gentleman knows, not merely in the Provincial, but as well in the Federal General Election. We thought that if we could adjourn the House until, say the latter part of September, or even the first of October; you would then still have October, November and December before Christmas, during which we could take three, four or five weeks, whatever might be necessary, and during that time bring before the House legislation which is not at this moment written, even. It is not the best policy to bring before the House legislation hastily drafted, and then do the revising here in the House; that is not the best policy. So, as it was not proposed in any case—the honourable member knows perhaps more than any other member in this Chamber, and will appreciate what a task it is to bring in even additional estimates, because what happens is, under Treasury

Control, that the Treasury sends word to the various departments; these departments then compile their additional or supplementary estimates, or revised estimates; they go back to the Treasury and from there they come before the Cabinet, where they have to be discussed, and it is not until that is done in any case that you can have the Budget. So that in fact, in actual, hard, down-to-earth fact, it will take weeks yet to get Estimates prepared — I mean to the point where they can be tabled and presented to the House.

The point is to have an adjournment, and after all is said and done, Mr. Speaker, it is one session; we do not get any additional pay for it; it is just one session, with a long adjournment in between. The Province's work would be more efficiently done in that way, by meeting in the cool of the fall with the Government having had enough time to prepare its Estimates and its legislation, and then in the cool of the fall, with all of us refreshed, and tempers restored, because for the past three years some of us here, including the honourable gentleman from Ferryland, and including myself and other members of this House, had a very strenuous time; if we could take a few weeks in a more leisurely fashion to prepare our legislation and our programme, I think we would all come back here, say, the first of October, far better equipped to do the business of the House than we would be if we were just staying here from day to day throughout the hot summer months of July and August. We realize that the only money we have to-day is what was voted to

us by the legislature that went out of office on March 31st; that we cannot spend on a programme anything except the money that is granted to us; if we have additional programmes we must come here. In the meanwhile there is the possibility of special warrants, but there is a limit to that; as the honourable gentleman knows, under section 33 (B), the famous section, which has been tightened up, and we have got to come before this House for authority to spend the money that we propose to spend over and above the money we already have, that is, the money that was given to us by the outgoing Government, the Commission of Government. That is the only money we have at the present time.

MR. CASHIN: I must thank the honourable the Premier for his explanation; and I take it, from the remarks of both the Premier and the Acting Minister of Finance that there will be some estimates brought in here, estimates of expenditure; that there will not be any Budget during this particular session.

MR. SMALLWOOD: This part of the session.

MR. CASHIN: This part of the session; that the House will adjourn in say a couple of weeks or three weeks' time, and it will reconvene, say, the end of September, or somewhere around there, and then the Budget would be produced. I realize, Mr. Speaker, after preparing three or four Budgets, I know what work it is to prepare a Budget. I had a lot to do with them in the past. But I want to point this out, Mr. Speaker, that under the present form of

Government, the preparation of a Budget is much simpler than it was under ordinary Responsible Government we had here, prior to Commission, or even under the Commission form of Government, because there are only certain sources which you have got to depend on for revenue, and that is what I was trying to get at; that you are going to bring in revised estimates of expenditure; that is so, is it not?

MR. SMALLWOOD: Revised, or supplementary.

MR. CASHIN: Yes, I mean the Estimates which I have here—

MR. SMALLWOOD: Let me put it this way. We are going to ask for more money than we have.

MR. CASHIN: That is pretty good business. The honourable member means this way, that you are going to ask for more money than is voted in the Estimates.

MR. SMALLWOOD: Yes.

MR. CASHIN: Yes, because if you ask for more money than you have, you cannot get it. There is no such a thing.

MR. SMALLWOOD: More money than we have voted.

MR. CASHIN: Yes, I understand what you mean. That means that we are going to have additional estimates brought in, and some changes in the present Estimates. That is true, is it not?

MR. SMALLWOOD: There may be some changes.

MR. CASHIN: Some changes in the present—

MR. SMALLWOOD: Also there may be additions.

MR. CASHIN: Yes. Well, that is quite all right so far as I am concerned, Mr. Speaker. I just wanted to find out because I hate to be hearing rumours. I would rather have it right from the horse's mouth.

MR. SMALLWOOD: If I may interrupt the honourable gentleman—

MR. CASHIN: We are both out of order—

MR. SMALLWOOD: If we were, for example, if we were to build a cottage hospital in Ferryland district—supposing we were to do that, we have no money for it. There is lots of money to do it with, but we have not got it. It is in our name, it is in our possession in the bank, but we have not the authority to spend it on a cottage hospital, or, say, a road in Ferryland district, or indeed, in any other district. To do so we must come before this House and seek authority. The most we could do while the House is adjourned, if we propose to proceed with the construction of a Hospital, during the long adjournment, we might take a chance in the hope that when we come back here the House would ratify what we had done.

MR. CASHIN: I would be your strongest supporter.

MR. SMALLWOOD: I would be surprised!

MR. CASHIN: Well, I take it, Mr. Speaker, that these estimates will be brought in some time next week, is that right—the end of next week?

MR. SMALLWOOD: I doubt that we can—

MR. CASHIN: That is, if we are going to adjourn the House quickly in August—

MR. SMALLWOOD: I doubt that we can get them in this part of the session. It is no use bringing them in piecemeal. In my own Department I can bring them in now; as far as the Premier's office is concerned, it is very simple. So far as the Department of Economic Development is concerned, it means a deputy; it means an economist; it means tourist development shifted over; it means a stenographer—you know, various items. But in the bigger departments, the big spending departments, it is not easy; Public Works, Public Health, Public Welfare, these are gigantic tasks to decide.

MR. CASHIN: What I am trying to bring the Premier down to, Mr. Speaker, is this: We are going to have additional estimates brought in shortly.

MR. SMALLWOOD: But we can not say how shortly.

MR. CASHIN: In other words, we are not going to have any Estimates?

MR. SMALLWOOD: I doubt it.

MR. CASHIN: I mean, all we are doing, I take it, is passing these bills on the Order Paper and she closes out. I mean, we are not handling any money matters at all?

MR. SMALLWOOD: Except the Tax Rental Agreement. We have got to pass that.

MR. CASHIN: I see. Therefore, we have to leave this House and we do not know where we stand.

MR. SMALLWOOD: At the time we adjourn.

MR. CASHIN: At the time of adjournment—

MR. SPEAKER: Order. If there are no further answers to questions, the next item on the Order Paper today is notice of motion by the honourable the Attorney General to ask leave to introduce a Bill "An Act to Amend Chapter 2 of the Consolidated Statutes (Third Series) entitled "Of the House of Assembly." Has the honourable member leave to introduce this bill?

Leave granted. Bill read a first time. Second reading tomorrow.

MR. SPEAKER: The Orders of the Day—first item, the adjourned debate on the Address in Reply.

MR. CANNING: Mr. Speaker, permit me at this time, Sir, to tender to you my humble but nevertheless very sincere congratulations on your election to the high office of Speaker of this House. I have confidence in your ability to sustain the high dignity and responsibilities of the position, and likewise am sure that you will handle the conduct of this assembly with impartiality and tact. It is my sincere belief that all the members of the House will co-operate with you in seeing that the deliberations of this assembly manifest the sincerity and intelligence of the new Province. I join with the previous honourable members in extending my felicitations.

With this word of congratulation, I should now like to avail of this opportunity to make a few observations on the very excellent *Speech from the Throne*.

The speech itself in my estimation, Sir, highlights the difficult problems which have long waited a solution. In the first instance I express my great satisfaction in learning that several new departments of government are being created, because of the fact that some departments of government will have an improved overall efficiency which, because ministers would now have a chance each in his own department to devote his time exclusively to specialized problems, at hand, whereas heretofore he had to spread his efforts over many opposite divisions of very large and composite departments. As a further observation I would include mention of the fisheries. I am highly confident that this Government will realize the necessity of giving the fishermen an even break, and I was extremely happy to realize that new and progressive legislation will be introduced to this end. In the past the hardships of this hazardous occupation owing, I should say, in part, to irresponsibility by the owners, and again on the failure of the Government to provide adequate measures for safety of crews, which often throughout the country, and especially on the south-west coast, has meant a long line of marine disasters, the consequence of which has been that families have been left inadequate sustenance.

Speaking of the fisheries, Sir, if I may be allowed to say so, I feel that I am no less than author-

ity on the same, because I have been brought up in a fishing village, a small island in the middle of Placentia Bay, where people are dependent, wholly and solely, on the fishery. And although now I refer principally to my district, I feel that I am speaking in common for all fishermen in Newfoundland. As I say, I feel I am speaking with authority. I was brought up in a fishing settlement; I have fished, and I have spent most of my life at sea, so I feel pretty confident in what I say. I do not think anybody here, either my colleagues or the honourable members of the Opposition—they may object to it, but I think I can defend myself in anything I say, about the lot of the fishermen in this country, the dangers of the sea, and the little remuneration they have gotten out of it, and so on.

And now I know that when these different departments are set up, we will not change everything overnight, but I hope in a period of a short time we will go a long way towards helping the fishing industry to solve the problems, a solution of which is long overdue. And I know our people are now waking up to the fact that we are behind the times in this respect. In short, what has happened down through the ages, the last two hundred years, we here in Newfoundland who are very near the Grand Banks—I suppose it is the greatest fishing grounds in the world—we who are very near them, we have lagged behind, and what has happened is this, the neighbouring countries of North America and Europe have modernized their equipment, and they have been repeating the benefits of it. So I know my

people of Placentia West, and the people of the south west coast, will be glad to hear that we are now going to do something about this.

At the present time our fishing gear is obsolete; some of our schooners are obsolete, because we have been going to the Grand Banks in schooners as small as 30 tons the past several years, especially during the trips some of our fishermen were sent there in schooners of 30 tons. Well, anybody who knows anything about the sea should realize how dangerous that was, to go one hundred and eighty miles out into the Atlantic in a vessel of thirty tons. But we have advanced a little; we have a few draggers to-day scattered around the coasts. And I knew a lot of people are watching those, and I think they are hoping for the day when there will be more of them around. But the present situation is this: I will take the Bank fishery first. Our men are leaving home in February to go to the Grand Banks in these schooners—perhaps I am a bit low there putting it at thirty tons—I do not think there are many now as small as that—but if they are not, they are very small and anybody who knows the sea, knows what the Grand Banks are like, and I think we know that they are pretty dangerous. They go out there to risk those violent storms and what not. Sometimes when they are finished in the fall, around September, some of them have made very good wages, and more of them have not. We have a situation to-day in this country—the papers during the past few days have been telling about some of our fishermen who have been leaving the Banks. I do not agree with the editorial at all,

but I think if one of us here or anybody else took the place of one of those fishermen, left home last January—and when I say “left home” on the south-west coast I mean this: they leave their homes—the men go to sea; the wife, four or five, six, seven or eight children, are left in that home in a wooden house without central heating, without running water, without electricity, and very often without coal for firing. Perhaps that man when he starts for the Banks, or rather before he starts for the Banks, has to go over the hills to get firewood; very likely he has a stack at the back of his house, and this is what it means for that woman when he goes to sea. A lady is a woman just now. She has to look after that home; she has to bring water from the well. Those of us who live in the outports understand that very well. Perhaps she has to cut the wood and perhaps she has not, but anyway he has to turn his back to his wife, who has to go through pretty bad hardships during the winter. When I say pretty bad, I mean for 1949. Well, that is the situation at home. If I were to go into further detail, I would remind the people that stormy nights that woman must lie there wondering what is happening on the Banks. And this is what happens. He is out there in a schooner of anywhere from forty to a hundred and twenty tons. His work during the day is this: At dawn in the morning he is put aboard a dory; most Newfoundlanders know what that means; he is almost in the water; he has to go out there to those trawls—I will not go into details of the hard work, some of us know it and more of us will understand it later. He has to slave all day, run a big risk of never getting

back to the schooner at night. So when he has spent the winter out there, and when the year rolls round till autumn and he has not made a cent, well I do not think anybody should blame him for getting ashore. That is it for the Bank fishery. It is a hard life. I know a lot of people do not understand it; they do not know what it means and perhaps if they did they would be more sympathetic with the situation. Then the shore fishery is even worse. Our shore fishermen are fishing to-day exactly the same, with a few exceptions of course, as the way they fished in this country several hundred years ago when they came over here; with the exception, I say, of an engine to take them in and out. They are in small open boats, and again with their families it is the same story over again. The man starts in April or May and he fishes till September; he comes in and lands his fish; he salts it and then it has to be dried. Anybody who knows about it knows that it is just slavery, the whole thing. And then the risk he runs, on our wild coasts, especially the wild Atlantic; and then if he is lucky, if the fish comes in he gets it; if it does not, he does not get it. Now we all know what happened in the past when he did not. We know what happened during the last days of the old Responsible Government. I am not going to say “good old days;” I am going to say “bad old days” when those bankers went out there all the year, they came back, and those shore fishermen fished all the summer and they came in, they had to go on six cents a day. Some of them turned around and worked for seven cents an hour barter. I do not know, Mr. Speaker, how many of those in the House know about bartering. Out

around the Bays we do. It meant that you went down on some premises and you worked for an hour for seven cents, but with regard to settlement it was marked on the note and he went up to the store, and he took it up in goods. In my estimation it was about three cents an hour. Well, that was the situation of our fishermen. It is not much better than that to-day, a little perhaps, but not very much. So I think the time has come when we should begin to modernize, and I am sure this Government will do all they can to do that. Ministers who come in to do that may be objected to; some people may try to obstruct it, but I hope, not only hope, I expect it will go through. Already we have had people objecting to this Economic Development.

Well, I cannot understand why any man would try to tear that apart or try to object to it, nor can I understand any man worrying about a few paltry dollars it would take to bring that about. I think we have lived in Newfoundland long enough hearing about our resources, hearing about our fish, the fish that swam around our shores. I think that we have lived long enough like that. I think it is about time we did something about it, and my opinion, Mr. Speaker, is this, and I expect it is the opinion of the people of Placentia West, and I expect the south-west coast and the east and the north coast, and what not, if that new Department sinks us twenty million in the hole during the next ten years, and our resources are worked, it will be worth it. I am not saying it is going to be so expensive; I hope not, but if it should. A few

paltry dollars to relieve the suffering of these people, as anybody who knows— I must apologize again for using the south-west coast, but I come from there—like I said at first. When I mention the south-west coast I am giving the opinion of fishermen on all the coasts. We have got to do something to modernize that, and get something from the Grand Banks before the outsiders take it away. I assure you I am not worried about what it costs because I know that in the long run it is going to turn us in more money. Our fishery has been sadly neglected. I am not as good as the honourable member for Ferryland on figures I am only young; I have studied up a few the past few weeks; we have quite a lot of work to do. I came into this new, but I came in with a resolution that I am going to do my work, and I hope to do it well, that those who put their confidence in me will not be disappointed. But as I was saying about figures, I really do not know exactly what was spent on the fishing industry in this country in the past, but I know the least; I would say twenty or thirty millions borrowed in this country before we went down in 1933, that less than a million was spent on the fishery, on the staple industry, the industry on which the economy of the country depended, there was less than a million. There is a big gap there—twenty or thirty million, but it does not matter, even if it was five million that came in, and they spent less than a million, I think it was bad enough, but I think it was the last thirty or forty millions perhaps—less than a million spent on the indus-

try. So it was not surprising that in 1933 we should end up one hundred million dollars in debt, six cents a day dole, and the barter which I referred to. But now I hope at last we have a chance to improve this and to develop our fishery. I know and my people know that we are not going to improve things overnight; it is going to take some time. I know that there are people going to shout out about it when they are not improved overnight, but that is not going to worry us. If our fishermen have lived in poverty and misery, which they have and no body I think can deny it, since they came to this shore, I think that if we put it on an upward grade the next five years and get it modernized, I think we will have done a good job. If I had a few more, not bankers, I hope they are druggers, in Placentia Bay the next five years, and if I see a few larger schooners there which they would get through loans, and what not, I would be quite satisfied we were on an upward grade. I would be quite satisfied to know that my children will not have to go through what my father went through—fishing in an open boat in the mouth of Placentia Bay or the mouth of Fortune Bay, or wherever it was.

When the Confederation issue came up some years ago, and the fishermen of the south-west coast had to decide whether they were going to take it or whether they were going to leave it, one day I heard a few old fishermen talking and I heard a few young fishermen talking; they were talking back and forth. One of them was a mechanic. One old man spoke up

and said, "Well, thirty years ago I saw a schooner come into Placentia Bay for bait." He said, "She was coming pretty fast, and it was calm, no sails on her; that was thirty years ago." He said he wondered what was up; he thought so-and-so was coming. Of course, he was referring to engines; we did not have them then; our boats were lying in the calm. He said, "Thirty years ago they had those big boats in Canada, and they had engines in them. Well, I think they are far ahead of us." That is one of the considerations he gave when he was trying to make up his mind. Of course, with us on the south-west coast you have several others. From Placentia Bay to Port aux Basques we have had men going up to Nova Scotia for years and years and years, and even in the worst times down here, when we were on the dole, this is what happened: they went up there in the spring of the year; they went to the fishery; they caught a certain amount of fish. And then we had others that stayed home and went in schooners and caught the same amount. And they came back in the fall independent, able to keep their families over the winter; they were better clothed than ours, so that is another instance why our fishermen wanted to throw in their lot with Canada.

The other day the honourable member for Ferryland—I notice he is absent just now—he patted his people on the back up in Ferryland. He said they were the only independent people we had today; then he turned around and in the same breath he insulted

every—practically every—fisherman on the south-west coast, and insulted a big majority of the country who asked for Confederation. He said they voted for the baby bonuses. No, Mr. Speaker, I do not think our fishermen up there were thinking about—well, they may have been thinking about what the honourable member called baby bonuses; I would call it Social Security; but at the same time we up there had a lot more to think about; we knew Canada; we were near it. For the past few years—I say “we” because I am one of them—we have wakened up to a lot. During the Convention we were lucky enough to have radios enough around the different ports to find out what was going on, and if the honourable member for Ferryland wants to know why Confederation was the choice this country I will tell him, because the people for the first time in their lives found out what was going on. They actually found out what was going on because they listened in and they heard the truth, and the man who told the truth was the honourable the Premier. Well, I think it was the first time they were told it, and very seldom he was contradicted. When he was contradicted they did not get far with it, and the people heard it. A lot of people did not like it, but the fishermen did.

And another remark I heard the other day is something about Communists in the outports. Someone said we had quite a few of them in the outports. Well, all I will tell the honourable member who accused us of having Communists out there is this: that

the road to Communism has been paved out there for a long time, a long time. It was paved out there and finished in 1933, when our people were down and out and given six cents a day. The road to Communism was paved, but it did not come. It is not going to come; there is something else coming. A great change has come over the people. They have wakened up and they realize what just and unjust means; what justice and injustice means. Of course, I am treading on dangerous ground there now, I know, because just as soon as anybody speaks up in this country, especially as I would say the last four or five years—I expect during the War, but I was out of the country then, and I do not know anything about it—just as anybody gets up and demands justice, the first thing, what will I call them, people with a bit of money, they are safe, they turn around and call them Communists. They hide behind that. We have not any Communists out around there. We have got people who are going to stick by their religious principles as well as anybody in this world; they are not having Communism; but they are going to have justice; but they are not Communists. I had a feeling the other day when that came across the House that—well, I don't know, perhaps they were going too far with it. I have been tolerant; I was tolerant during the course of my campaign, but I got up and asked the business men of this country to come down to earth, to come down to earth and make their profits if they wanted to, but give our people a chance to live. As I am not a fisherman, this

is all I say, they have never had a chance. Yes, we are not very short of slavery today, you know. You take a man who gets up at one o'clock in the morning; he works till five in the evening, six or seven or eight or nine—I have done it—and I know what I am talking about—get a few hours' rest, and go off again the next morning; he has four or five hours' sleep: he is lucky to get that. He goes weeks when he does not. And then when you have got women in the house or children up at five o'clock in the morning and down at the fish stages; as I say, we are far behind the times. Our machinery is so obsolete, that we are living not a hundred years but three hundred years behind the times. And they work all day long—I tell you we are not far off slavery. And that is why we all throw our lot together. That is why every member who went up my way went in with a big majority, and that is why the Opposition, most of them, did not save their nomination fees. That is, the people put their faith in the Liberal Party. They have taken on Confederation, and they trust in it, and I hope through this Government we will justify the trust they put in us.

Perhaps, Mr. Speaker, I am labouring the point of the fishery too long, but I think it is important; I think it touches most of the people in this country. Like the honourable the Premier said some time ago, if the fisheries go down, we sink. So I am sure we, the Government, will do everything we can to modernize that. Iceland has gone ahead of us. Norway, Spain, Britain, and all the other

countries, they have modernized, they have their draggers on the banks taking away our fish if you like to call it that; it is very near us anyway, the Newfoundland Grand Banks, and here we are; the profit is reaped and we have got none, and everybody knows why; I know I do. I know, because our business men have not been prepared to put anything back into the industry from which they made their money. We have had businesses that have gone ahead; they have not run any risks. They will tell you they cannot run risks. This is how I look at it, Mr. Speaker, when they say "risk" I think of a stormy night on the Grand Banks or a stormy morning, when a man or two men get into an open dory to go out on trawls; I think they are running the bigger risk, and I think that they deserve, as I said a while ago, a break. To modernize the fisheries would be a break at least. Our people, I assure you, in the outports, they realize how far they are behind, and I assure you they are watching us today pretty anxiously to see what we are going to do. And I tell you that they are not going to rush us; they do not want that. They know what we are taking over today, because it reminds me when we took over here of when the Labour Government took over in England, at the end of the War, or just before the War was over. I think we are coming in when we have some hard work to do, very hard. When we lost Responsible Government in 1933, we were in debt. I hate to remind anybody of those figures, but we were one hundred million dollars in debt, and I still hold my attitude, six cents a day, six cents barter, we went down pretty low. Then fol-

lowed the Commission of Government. To give them their due, they did help the fishermen; they did something, the first thing that ever was done; they controlled the price of fish. Today when a man goes out in the spring, and expects to get fifty quintals for the season, he knows what he is going to get for it. But not in the "good old days" but the "bad old days" he went in the spring and he asked for an outfit—that is what they call it, a "fit out"—he went up to some business fellow and he said "How much are you going to give me for it?" All right, he is gone, and I assure you he paid for it, or it was charged. He came back in the fall, after he had gone through what I have outlined here; he brought his fish back, and he said "How much are you going to give me for it?" That is the freedom they told us we were throwing away when we took on Confederation. That was our independence! Yes, how much was he going to get? How much was he going to give him the outfit for, and then what was he going to give him for his fish when he comes back. Then when the Confederation issue came up, we had people who came up around our coast and told us we were throwing away our independence; we were unpatriotic. Some of them who came to my Bay, and some of them who were talking up there during my campaign, when they had four or five sons, who were old enough to go overseas during the War, or three or four sons, and they did not go, and they came out there talking patriotism, talking patriotism when I was standing in my district, and to me it did not sound very sensible. But I did not say anything about it; I did not boast of it; I am just trying to bring out the point where it

sounded ridiculous to me. We did not have much freedom up there. When I came down to my district a few months ago there were a lot of men who should have been listening to me in Placentia West who were not there, and I will tell you where they were. They were in the graveyards; an awful lot of men my age during the depression who worked hard, or slaved hard I should say, caught diseases, T.B. mostly, very often beri-beri, and they died; they are in the grave, because they were not given a chance to live. And all I hope is that that day is over, and I feel that it is, because during the next five years we are going to prevent things more than in the past.

To sum it up, the situation in our fishery is this: We are behind the times. I know we have quite a few fish plants set up around the country now, and I know that some of the people who are leaving the bankers today perhaps are urged on by them; those who are in the draggers who are fresh fishing are making a fairly good wage, but those who are salt fishing are not. Of course, I do not mean to say that salt fishing is over. What I say is that I hope we will have more fresh fish plants around the country and enough draggers to supplement—to take those who have poor gear and poor schooners, and then the best schooners that we have might carry on. We need to modernize; the people realize it now, and they are asking for it. They are no longer satisfied with going to the Grand Banks in February and coming back in September with nothing coming to them. That is why our schooners are lying up today. The men have not made enough to keep them going, and only those who got to go there will realize that.

Mr. Speaker, I know; I have fished, and I do not want anybody to tell me how hard it is, except I am not exaggerating; as a matter of fact, perhaps I could go deeper than I have, and then in defence of my people against the accusation coming from the honourable member for Ferryland the other day they did not vote for the baby bonuses; they voted for a break, for a better chance, and anybody with any intelligence would know how we have lagged behind. Anybody who goes up our coasts and goes on these islands and sees the conditions the people live under. I remember a while before the War when there was, I think a Royal Commission sent over from England to investigate, and Morley Richardson came up our coast. He came back here and he wrote up a report, and a lot of people came out and condemned him; said it was not the truth—but we who live up there know that it was. We know it is true, but it was a case that the truth could not be taken.

But, as I have said, we are about to bring in legislation that will remedy these diseases. I know that the Fishermen's Loan Bank will provide an opportunity for more enterprise, and for our fishermen to forge ahead, and contribute to our national economy.

Another piece of legislation, Mr. Speaker, referred to in the Speech from the Throne which deserves special mention is that the members will be asked to consider passing legislation to give the Memorial University College a charter which will elevate it to the status of a fully fledged University. This, Sir, will undoubtedly be of special interest, close to all our hearts. For the purpose of bring-

ing this legislation into sharp focus I would ask to be allowed to just go briefly into the history of the College. The Memorial University was opened in 1925, and aimed to provide higher education for the youth of Newfoundland and Labrador. It was through the great efforts and foresight of Dr. V. P. Burke and his colleagues that the first president was one of the greatest educationalists of the century, or perhaps I should say of centuries, the late J. L. Paton. They elevated the college through funds presented by the Carnegie Corporation of New York to assist the local funds. Since that time, however, the college has struggled along on public funds, which unfortunately have been far too low to meet the demands which it should. When the college was opened in 1925 it had an enrollment of fifty-seven pupils, and it has grown since; in latter years it has enrollments of, I think, up to a thousand pupils a year, that is, including the navigation and evening classes. At present the College gives training in Arts and Science, including pre-medical, pre-dental, pre-agricultural, engineering and household science. It gives three years of professional course to our pupils. If we let our minds wander back a minute to the early twenties, we see a group of patriotic men, backed by the enthusiasm of such men as the late Dr. W. W. Blackall, and the Rev. Levi Curtis of revered memory, and Dr. V. P. Burke, who fortunately is still with us, they laid truly and well the foundation of higher learning, so that our country may in peace have a noble and living memorial to those who gave their lives, who fought and died

for King and Empire. I feel that we would all be only too glad even to work overtime to alleviate the difficulties which bar the way further to growth of that local institution and seat of learning.

In conclusion, Sir, I might state that while I have not commented on all the legislation referred to in the Speech from the Throne, this should not in any way be construed as an effort to minimize its importance. I fully realize the necessity for the introduction of such legislation, and in due course I shall be anxious to make constructive comments when I have made a further study of each proposal involved. Mr. Speaker, it may be well for us now, in the first flush of victory, to re-examine our positions as representatives and to rededicate ourselves to the service of our people, who generously gave us the opportunity to be here this afternoon.

MR. M. BUTTON: Mr. Speaker, I rise here to make a few remarks on the Speech from the Throne, and I know that you will hear me with patience, Sir, because this is my maiden speech. I should like to congratulate the Speaker on his election to such a position of importance, and I trust that your duties will be pleasant, but I know that whatever circumstances arise you will handle them with care and in a capable manner. I join with other honourable members in congratulating the mover and the seconder of the motion that a committee be appointed to draft a reply to the Honourable the Lieutenant-Governor. It is indeed a great honour to me to speak within these walls, because it was here that fa-

mous men have spoken and many great decisions have been made.

In spite of all that has been said about politics in the past, there have been some great statesmen in our history, and I hope that in all we say and do we shall be worthy of the great trust that our people have in us.

I am glad, Sir, that the Speech promises legislation that will better social security. It is not my intention to say much at present on the bills that will be introduced other than to promise my support of legislation which I believe to be in the interests of the people. I am glad that an effort will be made to encourage tourists to come to our country. We have many beauty spots, and our summer weather is healthy. Tourists can bring much money into our country and to our shores if we make a real effort to attract them. The people of Nova Scotia have done much to encourage them. From the United States they have been paid well for their efforts, and I believe that many will come here if we offer good accommodation. I heartily congratulate the honourable the Premier on the outstanding victory that he has won. The people of Newfoundland have great faith in him, and I know he will prove to be a great friend to the toiling masses along our shores. The voters of my district, in voting for me, voted for him as my leader, and I shall back him in all that he tries to do for this country of ours.

The Speech is one of great promise to our people at this particular time, when we have just become a part of the great Dominion

of Canada. We must try also to keep abreast with all the other provinces in legislation for the benefit of all, particularly the men and women who need a chance to make good.

I have pleasure also, Sir, in supporting my colleagues who have already spoken, and I shall close with a very sincere hope that my honourable friends in the Opposition will join us in a united effort to make this Session famous for the work which we shall accomplish for the country that we all love.

MR. SPRATT: I move that this Debate be adjourned until to-morrow.

Debate adjourned until to-morrow.

MR. SPEAKER: The next item on the order Paper, Third reading of Bill "An Act to amend the Co-operative Societies Act, 1949."

MR. SPEAKER: Committee of the Whole on a Bill "An Act Respecting the Department of Public Health."

Speaker leaves the Chair.

Section 1 read. Section 1 passed.

Section 2 read. Section 2 passed.

Section 3(1) read. Section 3 passed.

Section (2) read. Section passed.

Section 4(1) read. Section 4 passed.

Section (2) read.

Section 5 (1) read. Section 5 passed.

Section (2) read.

Section 6 read. Section 6 passed.

Section 7 read. Section 7 passed.

Section 8 read. Section 8 passed.

Section 9 read. Section 9 passed.

Section 10(1) read. Section 10 passed.

Section (2) read.

Section 11 read. Section 11 passed.

Section 12 read. Section 12 passed.

Section 13 read. Section 13 passed.

Preamble read. Preamble passed.

Committee rose, reported having passed the Bill with some amendments.

Mr. Speaker resumes the Chair.

MR. SPEAKER: Item No. 4, Committee of the Whole on Bill "An Act Respecting the Department of Public Welfare."

Speaker leaves the Chair.

Section 1 read. Section 1 passed.

Section 2 read. Section 2 passed.

Section 3 read. Section 3 passed.

Section 4 read. Section 4 passed.

Section 5 read. Section 5 passed.

Section 6 read. Section 6 passed.

Section 7 read. Section 7 passed.

Section 8 read. Section 8 passed.

Section 9 read. Section 9 passed.

Section 10 read. Section 10 passed.

Section 11 read. Section 11 passed.

Section 12 read. Section 12 passed.

Section 13 read. Section 13 passed.

Section 14 read. Section 14 passed.

Preamble read. Preamble passed—
Committee rose, reported having passed the Bill with some amendments.

Mr. Speaker resumes the Chair.

MR. SPEAKER: Committee of the Whole on a Bill “An Act Respecting the Department of the Attorney General.”

Speaker leaves the Chair.

Section 1 read. Section 1 passed.

Section 2 read. Section 2 passed.

Section 3 read. Section 3 passed.

Section 4 read. Section 4 passed.

Section 5 read. Section 5 passed.

Section 6 read. Section 6 passed.

Section 7 read. Section 7 passed.

Section 8 read. Section 8 passed.

Section 9 read. Section 9 passed.

Preamble read. Preamble passed.

Committee rose, reported having passed the bill.

Mr. Speaker resumes the Chair.

MR. SPEAKER: Committee of the Whole on Bill “An Act Further to Amend the Crown Lands Act, 1930.”

Speaker leaves the Chair.

Section 1 read. Section 1 passed.

Section 2 read. Section 2 passed.

Preamble read. Preamble passed.

Committee rose, having reported passing the bill.

MR. SMALLWOOD: Mr. Speaker, may I ask that the next two items on the Order Paper be deferred, “An Act Respecting the Depart-

ment of Fisheries and Co-operatives” and “An Act to Amend the Old Age and Blind Persons Pension Act, 1949,” that these two be deferred and that we move on now to the Municipal Acts.

MR. SPEAKER: Second reading of Bill “An Act Further to Amend the St. John’s Municipal Acts, 1921-1945 and Acts in Amendment thereof.”

MR. CURTIS: Mr. Speaker, I beg to move that this Bill “An Act Further to Amend the St. John’s Municipal Acts, 1921-1945 and Acts in Amendment thereof” be read a second time. I would like to deal in a little detail with the objects of the Bill. The first section is purely a title. The second section deals with the rebuilding, reconstruction, of Water Street from Hutchings Street to Cochrane Street. Under this section the costs—

MR. HIGGINS: Mr. Speaker, on the point regarding the rules, I do not know whether this matter should be brought up now. I feel that according to the rules and orders of this House that there should be no further reading of this Bill, because there has been a breach of orders. I claim, Mr. Speaker, that this is a private act, and as such it should be published. It is not a public act. Even a public act which causes taxation to a certain class of the public is supposed to have certain rules and regulations applied to it. I could speak on it now, or let the honourable the Attorney General continue and reply to it, whatever is the proper procedure.

MR. CURTIS: Well, if there is any question, Mr. Speaker, I would ask that the order be de-

ferred. The practice has been, as my learned friend knows, every year, perhaps twice a year for the last twenty years since we had the Municipal Charter, the legislature has been amending the City Council Act.

MR. HIGGINS: Yes, but when it comes to taxation of the whole Act, then it becomes a public Act; it may be because I do not know whether the Act pertaining to the Municipal Council is a Public Act; the Municipal Council may be only a corporation and as such come under the designation of an individual; they come in and ask for certain legislation to tax certain people, in opposition to the public generally, then the Act has to be advertised. You have the Standing Order No. 290 which reads,

“All applications for private Bills, whether for the erection of a bridge, the making of a railroad, turnpike road, or telegraph line; the construction or improvement of a harbor, canal, lock, dam or slide, or other like works; the granting of a right of ferry; the incorporation of any particular trade or calling, or of any banking or other joint stock company; or otherwise for granting to any individual or individuals any exclusive or peculiar rights or privileges whatever, or for doing any matter or thing which in its operation would affect the rights of other parties, or relate to any particular class of the community—”

and so on,

“That shall require a notice clearly and distinctly specifying the nature and object of the

application, and (except in the case of existing corporations), signed on behalf of the applicants to be published in the other newspapers. Such notice shall be continued in each case for a period of at least one month during the interval of time—”

Now the word “individual” I say, in that case, means corporation, and I claim that this is a private Bill. Now we come to what is a private Bill. Page 634—this is an old edition of May—

“Every Bill for the particular interest or benefit of any person or persons is treated, in Parliament, as a private Bill. Whether it be for the interest of an individual, or a public company or corporation, a parish, a city, a country, or other locality, it is equally distinguished from a measure of public policy, in which the whole community are interested; and this distinction is made by the solicitation of private Bills by the parties themselves whose interests are concerned. By the Standing Orders of both houses, all private Bills are required to be brought in upon petition; and the payment of fees, by the promoters is an indispensable to their progress.

But while the distinction between public and private Bills may be thus generally defined, considerable difficulties often arise in determining to what class particular Bills properly belong. Though a Bill relating to a city is generally held to be a private Bill, Bills concerning the metropolis have been dealt with as public Bills—the large area,

the number of parishes, the vast population, and the variety of interests concerned, constituting them measures of public policy rather than of local interest."

Now in this case this amendment to an Act which gives the Council a right to rebuild Water Street, and at the same time as to rebuild it they have the right to take half the taxation from the people which reside on each side of the street; that is, taxation to which a certain class, in contradistinction to the public, is liable. So, whether it is private Bill or whether it is a public Bill is immaterial; the rights of certain persons are affected, and notice should have been given. That is only natural without representation. The general public are represented by the members of the House here, but a certain class are not represented by the House, because they are especially taxed, and I hold that this matter should be left over until advertisement has been put in the paper in accordance with the Standing Orders. As I said, the Standing Orders mentioned about corporations and individuals; corporations and individuals comprise a council, a city, a borough; I think the matter is quite clear to me. People who are to be taxed specially have a right to be heard. The honourable the Attorney General will remember the time that Duckworth Street was paved. I am not doing this just to hold up matters. When we have any discussions, Mr. Speaker, in the matter of an Act, we do it conscientiously, and I trust that members will not think that when we get up, we do not speak, as was practically implied here a short while ago,

on a matter unless we thought there was merit in our objection. My argument here goes to the whole root of the matter, as to whether the Bill should be brought forward now. I was talking about Duckworth Street. The same law was brought in—tried to be brought in—here, and the people objected to it on the grounds that Duckworth Street was a public street used by the public more so than the people who occupied the street; and the same rule apply to Water Street, and I do not know whether the Act was passed, or whether—having been passed—

AN HON. MEMBER: Yes.

MR. HIGGINS: It was passed, was it? But the Council agreed not to collect taxation except as it applied to the sidewalk.

AN HON. MEMBER: We had an amendment for that.

MR. HIGGINS: I see. Well, the same applies here. Now if this Act passed and people came in and said "We object to this; we are specially taxed, and demand an amendment," as they may be able to do. Now there may be merit in the Council taxing them in the way as set out in the Act, but the people would have the right to be heard, and a right to be heard by counsel before the House, and the reason why notice is given is so that the people who would be affected by this would have a right to make a protest, either by a petition, or being heard by counsel, and I move that the further reading of this bill should be left over until this Standing Order has been carried out, Standing Order 290.

MR. CURTIS: In reply to my honourable friend, the Leader of

the Opposition, Mr. Speaker, I would like to say that the point that he has raised has occurred to us for the first time when he raised it. There have been so many amendments to the Municipal Act, as I have said, during the past twenty-eight years, that we just took it for granted that everything was all right, and we did not consider the matter, but the point he raised is a good point and the matter might stand until tomorrow and we can have it looked into. In the meantime, however, I would like to say that, even if we admit the point he raises, it would mean the deletion of paragraph 2, but may I just ask him if he thinks that his objections go to paragraph 3 and 4? Paragraph 3 does not enter into any new taxation; it deals purely with amending an agreement that has already been made between the City Council and the Newfoundland Light and Power Co., Ltd., who have concluded an agreement on the Mobile water powers. This bill does not authorize them to enter into such an agreement, but it does in certain respects amend the agreement that they already entered into, particularly as to taking over the water-power after they have been developed, which is a decided improvement and one which I do not think my learned friend can object to.

MR. HIGGINS: I have not gone into that matter. If, as you say, the Newfoundland Light and Power Co., Ltd., rights are not affected by this Act, it is quite right, but as to whether my consent can go to that whole thing I do not know, because the whole Act here has to be objected to, has it not?

MR. CURTIS: Well, I am under the impression, Mr. Speaker, that the objection was on the grounds that it was a Bill to tax a certain minority, but this has nothing to do with taxation.

MR. HIGGINS: No, the point that I am making is, can you read a part of an Act which should not have been produced, on the ground that it is not affected by the Standing Order, if the whole Act should have either been separately made into two Acts or should have received proper notice. Can consent cure that defect? That is the point I am making.

MR. CURTIS: No, but I was just wondering if we could withdraw the Bill and perhaps we would have to put through a new one, or perhaps leave out Section 2 altogether and treat it as if Section 3 were Section 2, and leave out the objectionable feature, which might be advertised in the regular way. You see, Mr. Speaker, the important clause is Clause 4. That really is the governing clause. We are very anxious to get this Section of the Bill through immediately; it is a matter of supreme public importance. My learned friend knows that there is a corporation known as the Central Mortgage and Housing Corporation, to the benefits of which we are now entitled by reason of being a province of Canada. This Central Housing Corporation employs private contractors and under agreement with Municipal authorities builds houses on a rental basis for war veterans and their families. Now, the general rules are that the Central Mortgage and Housing Corporation will not come into a community and build houses unless

land properly serviced is made available to the corporation free of charge. The Municipal Council of St. John's, the City of St. John's, did not have in its own right properties suitable for this purpose, properly serviced, so the Government and the City Council got together, and arranged that a section of the St. John's Housing Corporation, known as Berneau Ave., which has accommodation for fifty houses would be made immediately available, free of charge, to the Central Mortgage and Housing Corporation. Now the Government felt obliged to join with the Council in this scheme, because the Government felt that houses were necessary for our war veterans, and we thought it would be foolish to miss this opportunity of having further houses built in the town of St. John's. The Central Mortgage and Housing Corporation did not have sufficient land for that, but we did find that they had accommodation for fifty houses, and a contract has been met for the building of these houses, and arrangements have been made between the Council and the Housing Corporation for the purchase of the land, and between the Council and the Central Mortgage and Housing Corporation for the building of the houses; the contract has been met, but everything, Mr. Speaker, is conditional upon our passing this enabling Act which will enable the Council to get this land for this purpose. I might say that the plan is to build at the moment, immediately, fifty houses. The average cost of these houses will be in excess of seven thousand dollars; these houses will be rented to war veterans at a rental of less than fifty dollars a month. The whole arrangement is worked out scienti-

fically; the cost of the houses is ascertained; the land is provided free of charge, properly serviced; the Central Corporation, deducts from the cost a similar amount of \$600.00, which is the valuation upon the land, so that the houses are made available to veterans at \$1,200 less than their actual cost, that \$1,200 being made up, as I have said, by the contribution of land by the Council and a similar contribution by the corporation. The thing is worked out and capitalized; the net value is reduced by two and a half per cent every year, and as a result houses will be available to war veterans at a cost greatly less than could be if the thing were not a well-organized, small dividend return on investment. So I say, Mr. Speaker, it is very important that we get through Section 4 during the present session, so that this work may be continued during the present summer; otherwise we will lose the summer; we may lose the houses—

MR. HIGGINS: I suggest, Mr. Speaker, that the only way to do that would be to cut out Section 2 entirely from this; I do not think you can do it without notice. You can cut out Section 2, and then there would be only the three Sections there. I think that is about the only way to do it.

MR. CURTIS: Well, subject to that, Mr. Speaker, I think we might cut out Section 2. The Government, I may say, is not interested in Section 2. If the Council wants Section 2, they can do so in the proper course.

MR. SPEAKER: The question raised by the Leader of the Opposition is whether this is a private or a public Bill and as the Attorney General has pointed out,

there have been so many amendments to the Municipal Act during the past 28 years that some clarification is necessary. I recommend his suggestion that the matter rest until tomorrow.

Permit me however to quote from May's 14th Ed. of Parliamentary Practice regarding Private and Public Bills.

Page "Public bills relate to matters of public policy Private bills are bills for the particular interest or benefit of any person or persons, public company or corporation, or local authority . . ."

On page 823 in defining Private Bills he uses the words "parish, city, county or other locality."

However he goes on to say that in spite of this distinction it is sometimes difficult to determine to which category particular bills belong.

Sometimes a bill brought in as a private measure has its proceedings stopped on the grounds that its scope is so wide that it affects public policy.

It is, too, generally held that a bill relating to a city is a private bill but bills affecting the entire metropolis while not necessarily introduced as public were usually so introduced and proceeded with throughout as public bills or hybrid bills. This because a metropolis, a large population and a wide variety of interests.

I think the point has been well discussed by both sides and would ask the decision of the House unless the Attorney General—

MR. CURTIS: I think, Mr. Speaker, we might defer the Bill until tomorrow.

Deferred accordingly.

MR. SPEAKER: Second Reading of Bill "An Act to Provide for the internal Economy of the Legislature."

MR. CURTIS: Mr. Speaker, I beg, to move the second Reading of this Bill which is really a re-enactment of the present Chapter of the Consolidated Statutes dealing with the internal economy of this legislature. This Bill is necessary because when the former Chapter was written and passed, there were two Houses of Assembly; there was this House of Assembly, and the Legislative Council. The Internal Economy Commission in those days consisted of the President of the Legislative Council, two members of the Legislative Council, the Speaker of the House of Assembly, and three members of the House of Assembly, all the latter being members of the Ministry. Under this new Act the only change we have made is that we have omitted the President of the Legislative Council, we have omitted the two Legislative Councillors, and we have put in yourself, Mr. Speaker, the Chairman of Committees, and three members of the House of Assembly who are members of the Executive Council. The Bill provides that the appointment of the Commissioners shall be communicated by message from His Honour the Lieutenant Governor to the House of Assembly, during the first two weeks of each session of the Legislature, and that any

three of the said Commissioners may carry the provisions of this Chapter into execution. The rest of the Bill, Mr. Speaker, provides, as did the old Chapter, for the preparation of Estimates, the control of the vote for legislative expenditure, the payment of the vote for legislative expenditure, the disposition of surplus, the appointment subordinate officers, the reporting and publication of proceedings of the House, and the discipline of officers of the House. These sections are identical with the present action, with changes made necessary by the abolition of the Legislative Council. I would move, Mr. Speaker, that this bill be now read a second time. I would like to add that during the present session we have been greatly handicapped by having had no Internal Economy Commission. It is true that there was a communication addressed to you, Mr. Speaker, during this session, but while there was a Commission that Commission did not exist under the former Act, and therefore one of the first duties of the present Commission, the new Commission, will be to ratify what the Committee did approve.

Bill read a second time. To go into Committee of a Whole tomorrow.

MR. SMALLWOOD: Mr. Speaker, that being the end of the Order Paper for today, I move that the House at its rising do adjourn until three o'clock on tomorrow.

Adjourned accordingly.

Wednesday, July 27, 1949.

Presenting Petitions:

HON. L. R. CURTIS, (Attorney General): Mr. Speaker, I have been

asked to present to this honourable House a petition from the Maritime Hospital Service Association which reads as follows:

To the honourable the Speaker and the Legislature of Province of Newfoundland:

The petition of the Maritime Hospital Service Association—humbly sheweth as follows:

1. Your Petitioner is a Corporation incorporated by an Act of the Legislature of the Province of Nova Scotia, passed on the 14th day of April 1943, and having its Head Office at Amherst in the Province of Nova Scotia. It has subsequently been re-incorporated in New Brunswick and in Prince Edward Island, by special Acts of the Legislatures of those Provinces.

2. The Association is a non-profit making organization and is principally engaged in providing its Members with Hospital and Medical Services, in accordance with the scheme usually known as "The Blue Cross Plan," upon a non-profit basis.

3. Annexed hereto are copies of advertisements which your Petitioners have caused to be inserted in the "Newfoundland Gazette" and the "Daily News" a newspaper published in St. John's. These notices includes a number of notices were continued in each case for a period of at least one month before the opening of this Legislature.

4. Annexed hereto is a copy of the proposed Bill to incorporate this Association. The Bill is subject to legislation incorporating it in the Maritime Provinces.

Your petitioners therefore humbly pray that this Bill be submitted to

a Select Committee of the House, with a view to its enactment during the present Session of this legislature,

And as in duty bound your Petitioner will ever pray.

Dated at St. John's this 21st day of July A.D. 1949.

The Maritime Hospital Service Association,

(Sgd.) by their Solicitors,
Barron, Lewis & Hickman.

I would move, Mr. Speaker, that this petition be received, and that it be referred to a Select Committee of the House with a view to ascertaining if the requirements of the Rules have been complied with.

Petition was received and the following Select Committee appointed:

Mr. Speaker
Hon. Minister of Finance
Mr. Courage
Mr. Cashin
Mr. Miller.

Giving Notice of Motion and Questions:

HON. J. R. CHALKER (Minister of Health): I give notice that I will on to-morrow ask the honourable the Minister of Supply or the appropriate Minister to table a statement showing the cost of living index for the months of January, February, March, April, May and June of this year, and further, to table information as to how the cost of living index is compiled.

MR. SPEAKER: The other orders of the day—

MR. CASHIN: Mr. Speaker, before you go on to that, I have here

one question, among several, that remains unanswered, that is question No. 40. It was directed to the Minister of Natural Resources, who in turn, from my record here on the Order Paper, directed it to the Minister of Finance, with respect to the operations of the Clarenville vessels. I understood it came under the Department of Natural Resources, but he directed it to the Finance Department.

Answer not ready.

Address in Reply:

HON. JAMES J. SPRATT, (Minister of Provincial Affairs): Mr. Speaker, before undertaking the few remarks that I am about to make, I wish to join with the previous honourable speakers in congratulating you on your selection and election as Speaker of the House. The choice has been a popular one. You will, I know, in the performance of the duties of your dignified position, manifest wisdom and justice. I wish you, Sir, bon voyage on the governmental sea.

Mr. Speaker, honourable the Premier, honourable Leader of the Opposition, honourable member for Ferryland, and honourable members of the House of Assembly, I greet you all, and I congratulate you on your successes at the polls in the recent election. I tender a special word of congratulations to the Premier for his unprecedented victory, and I sincerely hope and trust he will live many years to make duplication of his victory during the recent election.

Mr. Speaker, since becoming a member of the House of Assembly, I have not as yet found my feet on solid ground, because of being

called a traitor, a turncoat, and all the other degrading titles that a dishonourable person is called. My position is hard, but I will try to clarify it to the public as I go along.

Many people are wondering why I am sitting in the House of Assembly to-day on the Liberal Government side. To dispel any doubts as to the reason why I am here, I will tell them that it is because I chose the party with the more sound, the more progressive, and more beneficial policy for the advancement of the country and its people.

I did not voluntarily undertake or seek to become a member of the Liberal Party. In response to a call from the Leader of the Liberal Party, whom I opposed energetically in the issues of Responsible Government versus Confederation, and in which I displayed the greatest spirit of patriotism, so-called patriotism, as any member of the Opposition. After all, I was pleased to grant the request of the Premier to support him, because the issue in which I was to take part was then the electing of a Responsible Government for my native land—Newfoundland—which will always be Newfoundland to me. No offers of reward or emolument were made to me, nor would I accept such things. I made my decision because I deemed it my duty to help continue a policy that had already been of benefit to the country and its people. That is why I am here. Members on the opposite side of the House, however, have a different opinion as to the policy of the Liberal Party, and they have taken more than advantage of

every opportunity to make little of the contents of the Speech from the Throne. The Speech from the Throne contains many very important references, such as Bills affecting Workmen's Compensation, Fishermen's Insurance, Old Age Pensions, Widows' and Mothers' Pensions, Fishermen's Loan Banks and Co-operative Development Loan Banks. This wonderfully constructive programme of legislation, coupled with the social benefits which have already been enjoyed by the people, in the way of Family Allowances, Unemployment Insurance, etc., constitutes the greatest public social service policy in the history of Responsible Government in Newfoundland, and it is not to be scoffed at. Fair and constructive criticism is welcomed by every member on this side of the House from the members of the Opposition, whose duty it is on behalf of the people whom they represent to give serious thought to governmental legislation instead of retarding legislation which is vital to the best interests of the country and its people, whereas if they co-operated they would materially aid by their co-operation in getting the best possible results. A more serious matter for consideration, such as the creation of a Public Utilities Commission, Research and Conservation Commission, Hydro-Electric Commission, the development of the tourist trade, and the giving of Newfoundland's Memorial College the status of a degree-conferring university, and the many other important matters for universal trade expansion and increased employment should obtain the unanimous support of the House.

During some remarks made in Committee of the Whole, the honourable the Premier remarked in reply to a member of the Opposition that the men who constituted his Party were not rubber stamps, and asking if the members of his Party looked like rubber stamps, the answer was in accord, "Yes." I want to make it clear that I am not a rubber stamp, nor would I be one in any circumstances, nor for any person, including the Premier. If I and my colleagues, in the eyes of the Opposition members, look like rubber stamps, then, in the words of the great Scottish bard, Bobbie Burns,

"O wad some power the giftie
gi'e us
To see oursel's as ithers see us."

The honourable Leader of the Opposition said in his speech that the farmers in this country were being forgotten, and that the farmers of Prince Edward Island would be permitted to dump bad products in Newfoundland to the detriment of the local farmers. I would here say in contradiction that the Government of which I am a member would not permit such a policy, and that we have as much kindness and sympathy, and even love, for the local farmers as the honourable the Leader of the Opposition, and we will see to it that the farmers are protected.

The honourable the Leader of the Opposition expressed himself also as being most solicitous for the care and safety of the poor fisherman, and stated that the fishermen were as much entitled to a road on which to haul up their boats, as well as the public were

to have a highroad. I agree with the honourable gentleman, however, but in this also he is a bit late, as the fishermen are being looked after, not alone by the Provincial Government but by the Federal Government also. I can assure the Leader of the Opposition that the fishermen will be made very happy.

I listened attentively and with all interest to all the speeches made by the honourable members of the opposite side of the House, and not one speech contained any forcible criticisms against the policy outlined in the Speech from the Throne. I congratulate members in Opposition for obtaining amendments made in accordance with their submitted views. Such acceptance of opinion from the minority is conclusive proof of the willingness of the Government to work in harmony and to have harmony instead of discord at this sitting of Parliament. I have respected very much the speech of the honourable member for Ferryland. Many of his references, in my opinion, were better left unsaid. Being a Catholic like the honourable member I have been put on the spot to a certain extent by his remarks, as it may be inferred that I have joined up with a Government that is opposed to the Catholic church. If such were a fact, I would not be here. I am not ashamed to accept my faith publicly any more than the member for Ferryland. "Christianus mehi nomen est; Catholicus vero cognomen." The definition of that is "Christian is my name; and Catholic my surname." I do not, however, have to shout it in the faces of people who differ in

religion from me, nor do I have to cause displeasure to any person or bring discord amongst the people of my native land. I can truthfully state that I observe the second greatest of God's Commandments by loving my neighbor as myself, and I do not say this in the voice of the Pharisee, for with the Publican I have reason to say "God be merciful to me a sinner." The world is hungry today for kindness, sympathy, friendship, brotherly love, and, above all, the love of God. Cannot we in this country do some thing to remind our people and make them kind and happy. Mr. Speaker, and honourable members of the House, I think so. Let us express our differences of opinion; let us have our debates, and when the discussions are over, let us continue our work united, with one end in view, and let that be the prosperity of our country and happiness of our people. If the call of the honourable member for Ferryland to the Premier and his Party is to do something to unite the people, it will be heard, and I believe it will, and then, Sir, by your appeal you will have accomplished something that will bring to you and to those who will bring about this unity the happiness of eternal life, but in the meantime you will have to manifest some unity yourself.

With the multitudinous shortcomings of the Liberal Party and of its incapacity to deal with the matters to us referred, as already stated by our opponents, we have drawn to our attention by the honourable the leader of the Opposition the fact that the great Newfoundland statesmen who had

gone before, great men who have lived in the past, and who by their outstanding ability in public affairs have left footprints on the sands of Time that cannot be duplicated, and that their loss is irreparable. I state such remarks are unworthy and unjust to the present administrators of public affairs, including the Leader of the Opposition himself. Looking back over a period of more than fifty years, and giving serious thought to the great political leaders previous to and during this period, and noting their individual qualities and accomplishments, our present Premier, the Leader of the Liberal Party, stands out most conspicuously above them all. The Premier is a great leader; that is why I want to help him. I have confidence in him, and I feel that if he is given the moral support and cooperation of every member of the House, including the members of the Opposition, he will go a long way to make Newfoundland take its place in the world's greatest industrial centres. We should always remember that, though being a Province of Canada, we are still Newfoundlanders, and want our country in the forefront. In conclusion, for the prosperity of Newfoundland, permit me to say: "Here's to the bridge that carried us over."

MR. J. G. HIGGINS (Leader of the Opposition): Mr. Speaker, just on a point of order, or privilege, whatever you wish, as I understand the honourable member who has just spoken to say that he wished you bon voyage on your governmental seat, or something to that effect—I think that is the

words he used, is it not? I mean it sort of implied that you represented the Government. Now as there are members of the public here I think the honourable member should have said, as a representative of this House, if you wish, because it is laid down that you are a representative of the House and not of any party. In other words, you are the Speaker; you are not the Speaker for the Government, but Speaker for the whole House, and I just wonder if I misunderstood what the honourable member said—

MR. SPRATT: Mr. Speaker, I think the honourable the Leader of the Opposition is a bit mistaken in his remarks. I did say, "I wish you bon voyage on the governmental sea."

MR. HIGGINS: I beg your pardon. I thought—

MR. SPRATT: Now is there anything wrong with that?

MR. HIGGINS: I deeply apologize, but I wanted the honourable member to say the words, because I must have misunderstood, or did not hear them very well, and my colleague did not hear them very well either.

MR. FAHEY: Mr. Speaker, the honourable member for St. John's West said he did "say"; in my opinion, he did not say, he read, and I understand that—

SOME HONOURABLE MEMBERS: Out of order!

HON. EDWARD RUSSELL (Minister of Natural Resources): Mr. Speaker, while we are in this very pleasant mood, it will give

me a very good opportunity to begin my remarks by referring to an aspersion which was cast on my district, the district I have the honour to represent, by the honourable the member for Ferryland last Thursday. In referring to the fact that he was an Independent member of the House, he reminded us that his district, the independent district of Ferryland, was in fact the only really independent district in the country.

MR. CASHIN: So it is.

MR. RUSSELL: No. I admit the right of the good people of Ferryland to elect an Independent member, but I cannot agree that there is any particular virtue in it. Let us suppose, for example, that all districts followed that example and sought after that virtue, if such it be, and we had twenty-eight members, or twenty-seven here, all Independents, all seated about five or six feet away from everybody else like school-boys working their examination on economics (interruption) we have to get a little whack on the head in order to draw our attention to the Orders of the Day, and when we want to know who is going to speak first we get up and say "eenie, meenie, miney, mo"—well, I do not think that would add to the dignity or the efficiency of the House; I still think there is something to be said for party politics, and I still think that a district such as Bonavista South, and in fact, all the others, are not to be frowned upon because they did not follow the example and—as the people of Ferryland had a perfect right to do—elect an Independent.

Now I shall refer to the honourable member again, but in the mean time, I would like, Sir, to say that my remarks on the Speech from the Throne will be very brief. They will be confined mainly to allaying certain fears which the Opposition undoubtedly entertain, probably, from their point of view, with good reason. The Opposition is small in number, and because of this it seems to me, Sir, that the great responsibility which always falls upon an Opposition is therefore putting a little more burden on the shoulders of each individual member. Also I know the responsibility is probably increasingly heavy this year, because of the absence of any Upper House to sort of share with them in keeping an eye on the Government and criticizing its proposals and its actions. There is a natural fear, Sir, in the minds of those gentlemen, the honourable gentlemen of the Opposition, first, because we on the Government side are young to politics, and with the exception of the doughty Minister of Finance we are inexperienced in actual participation in the affairs of the House; but I would remind the honourable members that after about seventeen years when our democratic institutions were, shall we say, suspended, it was bound to happen, that whichever party was elected, whichever Government was elected, was certain to contain a large number of members who would have no previous experience. They are concerned, and they have expressed their concern, on two or three points, points which appear to be evident as part of our programme from a perusal of the Speech from the

Throne. For example, the number of governmental departments.

Now, Mr. Speaker, I do not know whether the ideal number of departments is twelve, eleven, or thirteen. It has been said that you could get by with seven. I would go further; I would say we could get by with two or three. The number of departments surely must depend to some extent, to a great extent, on the amount of work the Government proposes to do. We have to remember that since the years of Responsible Government or self-government, the whole concept of government in other parts of the world, at least in the democratic countries, has changed a great deal. Whereas years ago, even though we knew that some old persons really needed old age pensions, I suspect sometimes that governments of the past were hoping that they would not apply for that pension or for their relief, or for their widow's mite, as the case might be, because that very application might almost embarrass a government that was short of funds, perennially, permanently short. Today we find people are actually going out visiting the outports, the smallest communities and the largest ones as well, inspecting the needs of people, finding out if people need social services, instead of waiting for people to come to them and hoping that they would not come at all. Within the last few years a man who was famous for his administrative ability undertook to give me some advice. He said, "My boy," and that flattered me, at my age, he said, "one lesson about administration you should learn.

Never take official notice of anything until it comes on your desk marked *Urgent*." Now that man was speaking of a philosophy that is dead and buried. May it never rise again.

The Speech from the Throne outlines the programme of the Government, a young one, a vigorous one—and when I say "young" I include the honourable member from St. John's West who has just spoken; in many respects he is probably the youngest of us all—we declare that we are going to find out first of all just what problems we have; we know we have some already; we had some before we were elected; we are determined to find out what these are; then we are determined to find out what we have in order to try to solve those problems; we are not going to solve them a hundred per cent, but we will know what they are, and we will know what we have to fight them with, and whether we solve them five per cent or ten or twenty or ninety-nine, we will at least have *done our best*.

Furthermore, Sir, the Speech from the Throne outlines the programme, the policy, of the Party that realizes very well that there are new problems coming. Two or three years ago it was a common thing for a public speaker to get up and say that the prosperity of the paper industry was assured for another ten years; we know all too well now that that optimism was not exactly justified. *There will be many new problems coming within the next four years.* The Speech from the Throne shows how we are preparing to meet them. I can assure

the Opposition that the other members on this side of the House feel as I do about the danger of any legislation that restricts the liberty of the individual. Personally I am opposed to any measures which restricts any individual's liberty. But all wise laws, even though they appear at first to restrict someone's rights or someone's liberty, when they are examined more closely, it will be seen that far from restricting liberty, they only serve to protect that individual's liberty and the liberty of others. Today, for example, we have a law against *catching lobsters*. That is not restricting an individual's right to catch a lobster; it is to preserve his right so that he and his children and grand-children may catch them for many, many years to come. And so we will ask the honourable members of the Opposition to remember, to always keep in mind, that in all proposed legislation there was never any thought, any intention, of restricting anyone's rights, of denying freedom of anything to anybody. Should there at any time be some reality we have over-looked in what they fear will be our dreaming, they will call our attention to it, and we will be grateful and take their advice as we have already done on one or two occasions.

It is to be expected, having had such close connection with the co-operative movement for years, to make some reference to the policy regarding co-operatives as mentioned in the Speech from the Throne. Now in the first place, there is no government that could have been elected that

would have opposed co-operatives. The presence of the honourable member for Bell Island in the ranks of the Opposition in itself proves to me that that party, if they had been elected to Government, would never have opposed the co-operative movement. Therefore there remains, either to ignore it, or to assist it. To ignore it is easy; that is always the easiest way out; close your eyes to a thing; sweep it under the mat. To assist it—there are two ways of assisting, an easy way and a hard way. The easy way is to kill it with kindness, smother it, bale out Government assistance to it, with the danger of killing it by stifling the initiative of the people who have built it up. The test surely is in any assistance to co-operatives or in any assistance to anybody else, (a great deal is said about government interference and government assistance and government doing things for people, instead of helping them to do it themselves), surely the test is this: Will that assistance sap the initiative of the individual, of the private corporations, of the co-operatives, or of anything else. If it does, it is wrong. If it does not, it is right. The difficult thing is to give assistance, and give encouragement, and give it right and wisely, so that far from sapping the initiative of co-operatives or of the fishermen or of anyone else, it will assist them materially and assist them spiritually, if you wish, that is, by increasing and intensifying their incentive, rather than decreasing it. We are choosing, Mr. Speaker, the hard way. We feel that we can do it. It is not going to be easy, but the

problem is there, and we are prepared to tackle it in the hardest, but the wisest way.

After listening for an hour or two a few days ago to a lesson on economics from the honourable member for Ferryland, I am sure, Mr. Speaker, that you and the House will permit me very briefly to give my reactions to the lesson. I am interested in economics; I have read almost every book in the library on the subject, and am always ready to listen to a lesson on it whenever anybody cares to give one, and I would remind the honourable member for Ferryland that in giving lessons of any kind in recent years, educators have discovered that the best way to give a lesson on anything is by proceeding—proceeding they call it—from the known to the unknown. You establish a certain fact, and when you do you use that fact as a sort of jigger and you go out on the great ocean of knowledge and jig up another little fact. For example, you start with “one and one make two,” and you use that fact as a sort of jigger, and you go out on the great ocean of knowledge and jig up another little fact—that two and one make three. Now the honourable member, in my opinion, proceeded from the unknown to the known when he tells me that the two greatest nations in the world, in the midst of the greatest conflict of all time, when millions and billions were being spent daily, stopped everything to try to plan how to gyp the people of Argentia out of their rightful prices for their land—that is the unknown! I do not think he knows anything about it, but I believe he knows

as much as I do, which is nothing, so I will give him credit for it.

MR. CASHIN: You will soon find out, and we will see if you will vote for a motion after.

MR. RUSSELL: Then when he moved on and said that the recent government had a definite policy of taking away our dollars, robbing us of all our dollars, he is getting on a little more familiar ground, a little nearer to the known, because if they really did that, it is a wonder that they did not take all our surplus and use it to reduce our debt. As a matter of fact, one of our leading newspapers pleaded with them for about a year to do that very thing—

MR. CASHIN: They had sold out to Canada in the meantime.

MR. RUSSELL: And criticized them for not doing it; they could have done it and had the great excuse that at least a great number of our people were persuading them. Then he moved on and referred to the Housing Corporation, which is something I know about, and when he suggests, jokingly of course, that the only way to get our money was to burn the houses down and collect the insurance, I know he was joking. But I really do not know when he is joking or when he is not. I know he was joking about that, so probably he was joking about the other things.

Now I am going to refer very briefly to sectarianism. The honourable member asked us to join him in a crusade against sectarianism. Now, Sir, I do not regard

sectarianism as being so very important. To me sectarianism is just one branch of a tree that has grown in our midst and is poisoning our social atmosphere. That tree is the tree of intolerance. It has got many branches. Sectarianism is one; merchant versus fisherman is another; labour versus capital; outports versus St. John's, and so on. Intolerance. I would join to help uproot that tree, the tree of intolerance, but cutting off one branch might be just pruning the tree and allowing more strength and vitality to get to the other branches. But I will join under one condition, that we start here, among ourselves. Let us see if we are intolerant. Before we go off on our lily-white steeds pulling splinters out of other people's eyes, let us get to work and pull out a piece of two-by-four or so out of our own. Intolerance, Mr. Speaker, is rooted in a lack of respect for another man's opinion, in the persistent doubting of the sincerity of another man's intentions. Now when a man takes this thing and says because I agree with this, it is perfect, and because I do not agree with that, it is absolutely wrong, that is intolerance. The intolerant man sees only two colours, black, the things he does not like, and white, the things that he agrees with. Now in certain matters, sacred matters, I agree with that, there are only two colours, black and white, sin and righteousness, good and evil, but in worldly affairs and politics, social issues, there is no black, no matter who says it, there is no black and no white; there are different shades of gray. We can

argue forever about which shade of gray is a little darker or a little lighter than another. Let us remember that, and for goodness sake, let us consign the souls of Judas Iscariot, Vidkund Quisling, yes, and Karl Marx, too, to whatever rest God might be pleased to give them. We have a few years ahead of us, and what we do to all the problems that we have on our hands and the ones that are coming, what we do to these will make part of the history of Newfoundland. Let it be said that we did our best. Let it be said of the Opposition, that they criticized us but that their criticism was constructive. Let it be said that when we disagreed we said so, but there were no wranglings. Let it be said of the Independent Party, that after getting off his chest, the things he felt so strongly about, he too joined in the common effort. In other words, Mr. Speaker, let this legislature be known in history as a legislature that had a co-operative spirit.

HON. WILLIAM J. KEOUGH (Minister of Fisheries and Cooperatives): I move that the debate on the Address in Reply to the Speech from the Throne be adjourned until tomorrow.

Debate adjourned accordingly.

MR. SPEAKER: Third Reading of Bill "An Act Respecting the Department of Health."

HON. H. W. QUINTON (Acting Minister of Health): Mr. Speaker, before the Third Reading takes place, I crave your indulgence, Sir, to ask a re-committal of the

Bill to make some minor corrections.

MR. SPEAKER: Third Reading of Bill "An Act Respecting the Department of Public Welfare."

Bill was read a third time and passed.

MR. SPEAKER: Third Reading of Bill "An Act Respecting the Department of the Attorney General."

Bill was read a third time and passed.

MR. SPEAKER: Third Reading of Bill "An Act Further to Amend the Crown Lands Act, 1930."

Bill was read a third time and passed.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Provide for the Internal Economy of the Legislature."

Speaker leaves the Chair.

A Bill "An Act to Provide for the Internal Economy of the Legislature."

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Section 6 read and passed.

Section 7 read and passed.

Section 8 read and passed.

Section 9 read and passed.

Section 10 read and passed.

Section 11 read and passed.

Section 12 read and passed.

Preamble read and passed.

Committee rose and reported having passed the Bill.

MR. SPEAKER: Committee of the Whole on Bill "An Act Respecting the Department of Health."

Speaker leaves the Chair.

Mr. Courage takes Chair of Committee.

MR. QUINTON: Mr. Chairman, I should like to draw the attention of members to Clause 10, subclause (1) on page 6 of the draft Bill, the second last and the last lines, you will see the words, "and every medical practitioner to answer promptly all communications from the Department," and so on. I wish to have the words "every medical practitioner" deleted. It is not the desire of the Department to impose any restrictions under penalty to any private medical—

MR. HIGGINS: I asked that question yesterday.

MR. QUINTON: I am sorry that that slipped by us yesterday, but I ask leave now to have it deleted. You see, as far as the Department will be concerned, we have control, through the medical health officers.

Mr. Chairman, I move that the three words "every medical practitioner" be deleted.

Passed.

MR. CASHIN: Mr. Chairman, before the Committee rises, I just want to express my appreciation to the Government and to the Minister of Public Health, because the other day whilst I was out of the House I understand that the Minister said, in introducing this Bill, that a Cottage Hospital was

to be erected in Ferryland District, and as the Independent member for Ferryland I want to express my appreciation on behalf of the people of Ferryland to the Minister and the Government for this concession. During the past fifteen or sixteen years, at any rate, this particular district, as the Minister knows, has been discriminated against very much in connection with medical assistance, and now the Government can see its way clear to give us that assistance to which we were entitled years ago, but did not receive, and as the Independent member for Ferryland I feel that it is my duty to express on behalf of the people of that constituency the appreciation of each and every one of us of the policy of the Government with respect to medical assistance in the future.

Committee rose and reported having passed the Bill as amended.

MR. SPEAKER: The next item on the Order Paper is second reading of Bill "An Act Further to Amend the St. John's Municipal Acts, 1921-1945, and Acts in Amendment thereof."

MR. CURTIS: Mr. Speaker, I beg to move that this Bill be referred to a Select Committee to ascertain whether or not the rules of the House have been conformed with in connection therewith. I would say that the effect of that Motion is that the item still remains on the Order Paper, but will not be dealt with until the Select Committee has reported.

MR. SPEAKER: A Select Committee appointed consisting of the following members:

Mr. Speaker.

Hon. L. R. Curtis.

Hon. O. L. Vardy.

Mr. J. G. Higgins.

MR. SPEAKER: Second reading of Bill "An Act to Amend the Old Age and Blind Persons Pension Act, 1949."

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Speaker, in moving the second reading of this Bill I should like to take advantage of this opportunity to go into the background with regard to the question of Old Age Pensions, and to comment upon the contents of the Bill in substance, which is straight-forward and should not be contentious. Old Age Pensions and Pensions for the Blind are non-contributory; they are subject to a means test, and are paid according to a Dominion-Provincial plan. That is to say, the provinces administer the payments within the framework of the Dominion statute and regulations, and before we can enter into an agreement with the Dominion this Province must have legislation authorizing it to pay pensions in accordance with the Federal conditions. Before the agreement itself comes into force, the administrative arrangements must have the approval of the Lieutenant-Governor in Council.

Now, Mr. Speaker, these steps have all been carried out with regard to our present plan of paying pensions where the limit of pension, under the Federal statute is \$30 a month. That law came into effect on the 1st of April, and we have been administering it ever since with the limited resources at our disposal, and by

"resources" I mean, actually, staff. when the Provincial Government came into being on April 1st, we were faced as a Department of Public Welfare with the situation of having the number of eligible pensioners very considerably increased under the new plan over the previous number of three thousand. That is to say, under the old law operating in Newfoundland up to March 31st, pensions were payable to people who had reached seventy-five years of age, but under the new law pensions are payable to qualified persons down to seventy years of age, and that new qualifications has raised the number of eligible people from three thousand, roughly, to possibly ten thousand or even more.

We have not, I should point out, the staff to enable us to administer the pensions scheme under the new law. To start with, we have not sufficient field staff to carry out the required investigations. In fact, we had not, as my colleague at my immediate right knows, adequate staff to administer the old pensions.

In order to visualize adequately the administration at work, it is necessary to appreciate the nature of the details involved. We were faced, for instance, with such important details as the application forms to be constructed under the new law. Now we had to compose, we had to create a new form, and, if I may so, that work devolved upon the Minister himself. We took a form that was used in Manitoba and a form used in Ontario, and we tried to adapt a composite form from these two, but we found that the one we eventually

evolved we had to scrap and start all over again to get something that was practicable, and yet that would meet the Federal regulations. We eventually did that, but the time consumed in preparing that form and in getting printers to meet our specifications was considerable. Now the specifications that are important with regard to Old Age Pensions are four or five. First, in regard to age: we have to be sure that we have a formal document certifying age, and this is where we have been having difficulty, because in Newfoundland we have certification not of birth, but of baptism, and if the person performing the baptism did not send a certificate to headquarters there is no registration at headquarters. The Dominion will not accept an affidavit; the certification has to be a formal document. There are variations of that document, however, which are acceptable, such as a marriage certificate, if the marriage certificate shows the age of the person at the time of marriage, and we make our calculations from that point. Or the Federal Government may accept the birth certificate of a child of a pensioner; that is, if the certificate can be related to the application and corroborate that he is at least seventy years of age, the applicant qualifies. Or an entry in a family Bible, if it is recorded and reasonably well established, that also is authentic. Now under Newfoundland conditions you can understand, Mr. Speaker, and honourable members—under Newfoundland conditions, with our paucity of records, you can appreciate the difficulty we are up against in establishing proof of

age in every case. We may be able to get over the difficulty provincially, but we cannot get over the difficulty federally; that is to say, we cannot claim seventy-five per cent. of the pension when we take the thing into our own hands. We can accept an affidavit ourselves and we can allocate a pension, but before we can get the seventy-five per cent from the Federal Government we have to comply with the Federal regulations. I can go into further details with regard to the question of registration of birth. A great many of our pensioners are penalized or would be penalized if we do not pay it ourselves. They are penalized at the present time unless we do so, because of the lack of a formal birth certificate. Now there is another condition. That is the condition of residence. The law requires that the individual applying for pension shall have lived in Canada, including Newfoundland, of course, for the twenty years immediately preceding the time when he applies for his pension. That creates no difficulty in Newfoundland, because most of our people have lived actually in Newfoundland itself for the last twenty years. The question of income might later on create a difficulty, but so far we have not encountered any trouble in this respect.

The regulations lay down how much property and income a person may have in order that his property and income may not disqualify him for pension.

Now on the question of property, there has been some difficulty, and our pensioners have been put to some embarrassment by unfound-

ed reports regarding the fate of their property. For one thing, a great many of them, probably generally throughout the country, have been advised that by signing the application forms for the Old Age Pension they thereby surrender the right to their property, and that the State may come along at any time without notice and take away their property. Now that ill-founded advice was given at a time, mainly in the month of May, when we were engaged in a national concern, and some of us in this House have had the personal experience of trying to allay the fears of these people. I am very happy to advise the House that as far as the Department of Public Welfare knows, only a very small and inconsiderable fraction of qualifying pensioners have refrained from sending their forms to the Department because of such fears. They are now sending their pension application forms along, and taking a chance. The fact is, as I have been advised by Federal and Provincial authorities, that the amount of property taken by the State from individuals who qualify for pensions is so small in proportion to the whole outlay of the Federal Government on Old Age Pensions as to be negligible. I quote from a statement put out by the Department of National Health and Welfare even as late as December 31, 1948:

"After pension is granted a provincial pension authority may, if authorized by provincial legislation, encumber any real property owned by the pensioner. No province requires an applicant to turn over his property either before or after granting pension."

May I refer again to the practical circumstances regarding the pension law which obtained when we came into being as a provincial cabinet on April 1st. We then had our provincial law relating to Old Age Pensions. Immediately we became a province, the Old Age Act of the Dominion became applicable here too, and I am now going to state another condition in regard to the application, as such, namely, that every pension shall commence on the first day of the month following the month in which the application is approved. That is to say, a pensioner might send in his application in May, and the Old Age Pension Board might not approve it until June. Ordinarily he would not receive his pension until July. That situation faced the provisional government, and we interceded with the Dominion Government, and as a result of that intercession we were enabled to have an amendment to the regulations made applicable to Newfoundland. By order of the Privy Council, dated May 4th of this year, it was agreed that any pension application form which came to the Department completed in May, up to May 31st—if that pension were approved—the application would begin from May 1st. That applies only to May; that is, only to the application forms that came in during May. Thereafter, beginning the first of June, the normal law applies. Incidentally, we are very gratified to know that five thousand applications came in in May, and although there have been considerable delays for various reasons in getting all the steps carried through—in spite of these delays,

I say, the payment of their pensions will begin from May. We have been trying, since we came into being as a Government, to speed up the paying of these pensions, and the Department of Public Welfare feels no more satisfied than any other Department, or any private individual for that matter, regarding the speed with which they are being paid.

We have a very considerable number of investigators in the field, and to date we have received about eight thousand applications. Our staff are putting them into payment now at the rate of about five hundred a week. These investigators, I ought to say, were almost without exception quite inexperienced in work of this kind. They are young men going out into the Province representing us and the Dominion Government, if you will, to see that the law and the regulations relating to the applications for pensions are properly observed. These young men are without training, most of them; well, they are all untrained, but when I say they are trained at all, the best that I can think of is just a few formal words from the Chairman of our Old Age Pensions Board. He has instructed the young men here in St. John's and has given them some little insight into what it is all about. But, by and large, these men have investigated the application forms without any special training. Sometimes, as you can appreciate, the application forms come in to us inaccurately filled out, and consequently we have to send it back again, so that the approval of the application is delayed. But, in

spite of this, during this present month, the number of applications that will be approved by the Old Age Pensions Board will be very considerably stepped up. I do wish at this stage, Sir, to pay a tribute to the services given us freely and generously by the Canadian Government and by the Government of Nova Scotia. For many weeks when we came into being as a Provisional Government, the services of Mr. Swettenham, of Ottawa, who is the Senior Investigator of Old Age Pensions for the Dominion Government, were given to us freely in setting up the administration, and we are grateful too to Mr. MacFarlane, the Senior Administrator of Old Age Pensions for the Dominion. I wish to commend also the assistance of Mr. Farquhar, Chairman of the Old Age Pensions Board for Nova Scotia. The services of these officials have been most helpful, and I believe our system now, for the length of its life, is comparable to the system operating in the other Provinces. Our present legislation, Sir, applies to a maximum of thirty dollars a month, seventy-five per cent of which is returned to us by the Dominion, but since our first Provincial law was framed the Federal law has raised its maximum to 40. Now the amendment that is proposed here contains two points: one, it makes provision for modification of an agreement between the Dominion and the Province. Our present Act merely provides for a maximum of 30 but the amendment provides that any the Federal law has raised its maximum might be modified. That is point No. 1. Point No. 2 is one of substance, in that it raises the \$30

a month to \$40, and thus enables us, provided we enter into an agreement, to claim seventy-five per cent of the maximum of \$40. Now we come to the question of the cost involved in stopping up the maximum from \$30 to \$40, and that will be in the neighbourhood of \$475,000 a year. The added income from the Federal Government will be in the neighbourhood of \$800,000 to \$900,000 a year. Now I would point out to the House that the enactment of this Bill will not commit us to enter forthwith into a forty-dollar agreement. We have now a thirty-dollar agreement, and I think it would create administrative difficulties indeed for us to try to superimpose now a forty-dollar scheme upon a thirty-dollar scheme which itself has not been worked out. But the point we have in mind is that as soon as we can we shall sign a forty-dollar agreement on the basis of this proposed Bill. I have already said all that I think it is necessary to be said about the specifics of the Bill, and upon the background of the Bill. One could rhapsodize upon the meaning and impact of a Bill of this kind on our aged people.

The introduction of the Bill is, I feel, Sir, of the utmost significance for the social welfare of our people which is at the heart of our considerations. This Bill is another element in the whole structure, if you like, of social security. It is only one element, but it is an important one. I think it is not untrue to say that one criterion of a civilized people is the serious degree of its intention to meet the needs of its dependent people, and here is one of such serious ges-

tures. There are many of us who have gone up and down the land, who will know with what anguish and fear our people have looked forward to their aging years. In their spiritual and social isolation they have known very great suffering. Science has now added years to their life, and I think it is the duty of the modern state to see that that added span of time can be made useful and creative, and I think a Bill of this kind is designed to answer and does answer considerations of that kind. We have added years to their lives; it is up to us now, as a recent writer has said, to add life to their years. So, Sir, I have much pleasure in moving the second reading of this Bill.

Bill read a second time and referred to Committee of Whole House on tomorrow.

MR. J. R. SMALLWOOD: (Prime Minister): Mr. Speaker, we might move on to the next second reading on the Order Paper, a Bill "An Act Respecting the Department of Fisheries and Co-operatives" and it falls to me to move the second reading of the Bill, and I do so with the utmost pleasure.

This is a Bill enabling the creation of another of these much-discussed new Departments, one to be known as "Fisheries and Co-operatives." At the present time we have and have had for some years a Department of Natural Resources. That Department replaced two Departments which had existed for many years in Newfoundland; one was the Department of Marine and Fisheries, the other the Department of Agriculture and Mines. When the system of Government by Commission came to Newfound-

land they, at the suggestion of the Amulree Royal Commission, compressed the functions of Government into 6 Departments of State, and the functions exercised up to then by the Department of Marine and Fisheries and the Department of Agriculture and Mines were put over to a new Department called Natural Resources; and some new activities initiated by the Commission of Government during their term were put under that new Department. At the same time at least one function of these two old Departments, now amalgamated into one, was removed and put into still another Department. I refer to the matter of mines and geology, which belong clearly to Natural Resources, which were taken out and put under Public Utilities. We had here the other day a Bill restoring Mines and Geology to the Department of Natural Resources.

That is one function which was removed from the Department of Natural Resources during the lifetime of the Commission. Another function that was created and put under that Department was Co-operatives. There was created a Co-operative Division under the Department Natural Resources. What other new functions were created and put under that Department I am not able to say at the moment—indeed, I am not able to say if there were any.

Now we propose to leave the Department of Natural Resources there, and it will deal with lands, with agriculture, forests, game and inland fisheries, forest fire prevention, mines and geology, and that Department will continue. This new Department may, as to fisher-

ies, be thought by some to be unnecessary because it is generally known that in the Commission system Fisheries were put under the Newfoundland Fisheries Board, which in turn has recently become a branch of the Department of Fisheries of the Government of Canada; the argument might be that as Fisheries have become Federal, where is the need of a Fisheries Department in the Province? And the answer in the first place is that all the Governments of the other nine Provinces of Canada, with the possible exception of Prince Edward Island—and about that case I am not too sure—but certainly in the cases of Nova and British Columbia, the maritime provinces of Canada, there is in each of these groups a Department of Fisheries of the Provincial Government, they being fishing provinces. We in Newfoundland are much more a fishing province than any one of those others. Fishing still means to Newfoundland more than half her whole economy, and in the view of this Government it is not enough to have fisheries handled by the Federal Department of Fisheries through the Newfoundland Fisheries Board. Now it is known that the fate of the Newfoundland Fisheries Board is in the hands of the Government, not of the Legislature, but the Government. The Terms of Union provide that the Fisheries Board and those other creations under it such as Nafel, will be so for five years after union, unless the Government of the Province otherwise determines, which means that the fate of the Fisheries Board is in the hands of the Government of the day. But this Government may be replaced; we do not think so; we

do not intend that we shall be replaced, but it may be replaced some day in the far and dim and hazy future, and if it should be the pleasure of this Government not to abolish or seriously to amend the Fisheries Board, and it should continue in force throughout the length of this Government, we have no assurance that those who replace us, if we should ever be replaced, will not seek the abolition of the Fisheries Board. So we cannot regard the Fisheries Board as a permanent institution, for the Fisheries go on permanently, and in the view of this Government it is important, and it is vitally important, that the fisheries, insofar as our jurisdiction extends, should be cared for by a separate Department of Newfoundland. It is a very technical and complicated question, the question of the division of jurisdiction between the Federal and Provincial governments in fishery matters. I do not propose to go into that. But whatever authority the Federal Government has in fishery matters, the fact remains that the Provincial Government has the power, and responsibility, to a very considerable extent, in matters of the fisheries; and it is to deal with these, to meet our responsibilities as a government in fishery matters that we are setting up a Department of Fisheries with its own Minister and with its own Deputy Minister, and with its own staff such as the occasion may require from time to time.

Now I do not suppose there is much need to defend, or even to explain, the creation of a Department of Co-operatives. One of the really creative things done by the Commission of Government was the setting up of a Division

of Co-operatives, or a Co-operative Division. I listened with a great deal of interest to the honourable and learned Leader of the Opposition, when he touched on the question of ideologists, and pointed to the danger of Communism's over-spreading the face of the earth. I think he would be the first to agree, and indeed every member of the Opposition—because, if I may say so, Mr. Speaker, I know virtually no member of the Opposition who ought not to be here on this side; they belong on this side. They are all good Liberal members; certainly two of them, three of them, are Trade Union men, and presumably they are co-op. men, committed completely in their hearts and in their minds, and in their ideologies, to supporting the co-operative movement. The honourable and learned gentleman who leads that party in this House, being the gentleman on the spot, must also share the views of his colleagues in their support of the co-operative movement. I was going to say something else—

MR. HIGGINS: Confederation.

MR. SMALLWOOD: I beg your pardon—

MR. HIGGINS: You were going to say Confederation.

MR. SMALLWOOD: I was indeed, and if I did it would not have been the first time that I used the words. But seriously, Sir, and I do not intend to launch on a speech on the subject of Communism or ideologies or even the co-operative movement, but I think we can all agree that the day is gone, gone, not going—the

day is gone, even in backward Newfoundland, which is virtually a peaceful back-water of the world, where the clashing nuances of conflicting ideologies are still to be heard, and where, contrary to the Leader of the Opposition, I do not think even one Communist exists. If there be a Communist in Newfoundland I have never met him; I have never heard of him; and I seriously doubt that there is even one. But even in this quiet, peaceful backwater of the world, the day is gone when men are satisfied with what did them in the past, and did their fathers and grandfathers; the day is gone when the old mercantile system is good enough. That day is gone. A lot of people do not realize it. A lot of people will not realize it, but none so blind as those who will not see.

We are going to have a co-operative movement in Newfoundland or we are going to have Communism. We are going to have a co-operative movement in North America, or we are going to have Communism. It is as simple as that, just as simple as that! You cannot pawn off people any more. You cannot pawn them off with platitude or double talk about their glorious heritage, and their sacred traditions. Within the memory of most mature men living today, even in Newfoundland, we have seen incalculable amounts of wealth—and I say “incalculable” because while we can picture seventy-eight dollars and twenty-seven cents, it is just about useless to mention thousands of millions, and even hundreds of billions and even thousands of billions of dollars, incalculable and inconceiv-

able, poured down the drains in two world wars. Our men, our Newfoundlanders, who worked at Gander, and at the other bases constructed in Newfoundland in this late war, who saw colossal waste, who saw five million dollars spent before an architect or someone discovered there was a mistake in the blueprints, and so the whole thing was scrapped and begun again; and all that we have read and heard of the inconceivable amount of money spent on sheer destruction—these people are not going to be pawned off with platitudes or any double talk. They want results, and they are going to have them. Some results they are going to have; and if we imagine that we can go on after what has happened, the oceans of bluff and as though nothing had happened, as though we consider the merchant to be God's agent on earth, as though we consider that the old mercantile system was ordained by God and that it is outrageously sacrilegious to question the right of the merchant to have the sole and exclusive monopoly of trade or industry. If we persist in that belief, we must, as said yesterday, remember that the road to Communism was paved in 1933. We invite Communism to Newfoundland. This Government, and all of us have great faith in the co-operative movement, and I say here and now that if the moment should ever come when this Government or this legislature is unwilling to support a co-operative movement energetically, sympathetically, I will cease, not perhaps to be a member of the legislature, but to occupy the position I do today.

Now, I do not overlook the very wise words of the honourable member of Bonavista South. There is such a thing as killing it with kindness; there is such a thing as throttling initiative; and after all is said and done, although, the Gorvin plan was so stupidly, with such incredible stupidity, denounced by merchants and business men who had, if they ever read at all, got half-way through Eaton's catalogue, they described as Communism! Although so many don't know it, the co-operative movement is the very essence of capitalism, the very essence of it. The only difference is that instead of there being two or three dozen capitalists, there may become several thousands, and if all Newfoundlanders should ever become co-operators, you would then have three hundred and thirty thousand capitalists. It is not for nothing that I would remind the honourable gentleman, the Leader of the Opposition, that Gilbert K. Chesterton and Hilaire Belloc were such powerful advocates of the co-operative movement under the name, as you recall, of distributism, the idea being to distribute ownership widely, which is exactly what the co-operative movement does. Lloyd George said in his Limehouse speech, debating the budget of that year, in which they proposed to break up the landed estates of England, "Show me the law which we have that ordained that a few dozen people should own the land of England, and the people of England go landless in the land of their birth;" and in much the same spirit I ask, show me the law that ordained that the supplying of

fishermen to catch the fish, or farmers to produce, or the marketing of the products when they were produced is automatically the right of a fish merchant or anyone else. Now, in this Chamber of intelligent men, no one, no one will construe what I have said as an attack upon merchants. Until the mercantile system is replaced the mercantile system is the only thing we've got, and will be; but it's got to be replaced, and it won't be done by this time tomorrow, and it won't be done in this time ten years hence, and it won't be done by this time fifty years hence, in all probability, unless we insure that it will be swept out of the way by the march of Communism; and I for one, anti-communist though I am, can hardly guarantee, do not guarantee, that Communism will not sweep across the face of the earth. That will depend upon the intelligence of those who oppose it, and the extent to which they bring something forward as an acceptable and workable alternative to it. But that is the purpose of this bill. There is the purpose of this department. I have spoken boldly, I have spoken frankly. We intend as a government to set up a Department of Fisheries and a Department of Co-operatives as one Department, under one minister, but with a Deputy Minister for Fisheries, and a Deputy Minister for Co-operatives; and we mean business! This is not something to give a man a job; this is a department that means business. We are going to put behind it a respectable slice of our accumulated surplus. Someone said to me: "Try to slip this bill in quietly. Don't let

the Opposition see it. Don't let anyone see it, what's behind it." Not a member of this House, may I say, who said that. But I am proud to have this chance to advocate this philosophy publically in this House. Here we've had words from the honourable Minister of Public Health, a speech describing the social security angle of our province. We will hear more of that and from the same gentleman, as the months and years go by. However, social security is not enough. We are setting out boldly, we hope wisely, to do something about our fisheries and to do something about the co-operative movement. And that's what this Bill is for—to create a department to do these things. And I move the second reading.

MR. HIGGINS: I may say, Mr. Speaker, pardon me for saying so, that in the bad days of Responsible Government, to use the expression of the member for Placentia West, when he was talking about world-wide crisis, the financial crisis which at that time struck me, that I would advise him to read the report published in 1932, to realize the terrible position of the fish in that period to show that they were not very advanced, in fact, they were less advanced, than the Newfoundland fishermen.

As I was going to say, Mr. Speaker, in those days, I understand it is the custom for certain representative people, like the judge of the Supreme Court, heads of the Churches, and others, to receive copies of the Bills which were being brought forward. Now, we have in many cases received a Bill which has to pass its sec-

ond reading, consequently, which will be passed in principle, just as we come in the House. I got more vicious today, because after the Prime Minister spoke we were handed the copy of the Act. I am not suggesting for the moment that he was carrying out the suggestion of the gentlemen who told him to try to hide it, but we were asked to vote on a Bill of which we know nothing, except what he has told us. Now, we may be like himself, a Liberal, but even Liberals have discussions on various matters and I presume those always agree, even in the Cabinet and it is quite possible, that even though we may be Liberals like themselves, we may not altogether agree with certain terms of this Act. Having heard the citation on it I promise nothing controversial, but it may be possible in the future some Bill of great controversial qualities in sections which might have to be opposed will be handed to us just before the vote is being taken on a second reading, and then owing to the fact that on principle we cannot object to except as to certain sections, we find ourselves in a very awkward position. I would suggest, Mr. Speaker, that the Bills be handed to us the day before, so that we shall be able to see what is going on, what is in the Act. Now, as a matter of fact, I cannot understand why Acts are not handed to us before they are gone into at all. Take, for instance, the Municipal Council Act, it was moved here that there be permission given to have this Bill brought forward; that is the time to raise any technical objections to bringing the Bill in the House; that is the proper time, really. It should be discussed then. It has

very often happened in the British House of Commons that a Bill has been stifled at the very moment it has been brought forward; in other words, permission has not been granted. Now I do not know whether it was a vicious thing in the olden days to hand along the Acts, but I think it would be a good thing to hand along the Acts to certain leading men, because after all we may make a mistake; even all of us together might be in unison, and then after it has been tried out it is found that this Act should not have been passed at all; I mean, certain sections should not have been passed. We are not supposed to be a reservoir of all the intelligence of Newfoundland, and I am sure that often I would like to get the opinion of others outside to find out what their interpretation of an Act is, what the reaction to the Act is; and I would suggest to the Premier henceforth that we should be given a Bill in time so as to be able to understand what is the purport of the Bill, so that possibly we might object to it or agree to it in principle, and we might have a chance to understand each section so that if the possibility arises that we might not agree with certain sections, we will be able to vote against it; but I do not see how we can vote intelligently on a matter—and I presume it is a matter of very great vital importance, and we are asked to vote on these without having a chance to read them; in other words, we are asked to vote unintelligently.

In this Act, I do not know what my colleagues think about it; they saw it only after the honourable the Premier, started to speak, so

I do not know if any of them have anything to say about it, but I would like to have the opportunity of asking them what their opinion is, after hearing the remarks of the honourable the Premier; it seems necessary that we must have some sort of an Act of this kind. At the same time, I would like to thank him for the very kind remarks he made about me; it is good to be called "learned" outside of the Law Courts; it is not very often even in the Law Courts that we are called "learned", but nobody calls us that or thinks us that outside the Law Courts; it is good that in the House of Assembly the word is used not in the technical sense that it is in the court of law.

MR. SPEAKER: I appreciate the point brought forward by the Honourable the Leader of the Opposition. Standing Order 205 states "A Bill having been read a first time, shall be ordered to be read the second time on a future day, and shall forthwith be printed." I do not see personally how the time allotted would be sufficient for the Bill to be considered.

MR. SMALLWOOD: Mr. Speaker, while I agree completely with the honourable gentleman, it is more than a little unreasonable to expect gentlemen to vote on a Bill which they have not seen, or at least which they have just seen before they are asked to vote on it. That is more than a little unreasonable. There is the difficulty that is obvious, as pointed out, that the Rules provide for the Bill being printed, put in printed form, after first reading. It appears in printed form for the first time at second reading. Now we did

succeed in getting a number of Bills printed after first reading, and the other day I think three or four or five at one time; that is what we want to be able to do all the time, but what we are up against is the fact that, for example, the next item of business on the Order Paper here has not arrived yet from the printer. We were hoping to have them here at three o'clock, but it is not here yet. We shall have to ask to have it deferred, if it does not arrive soon. And then again, we are up against the fact that we have a factory at work down there grinding out the legislation: a number of legal gentlemen busily at work writing the Acts for us at our request and in accordance with our suggestions. These keep coming up to us, coming before the Cabinet, and so on, and there is a whole shelf of them to come yet. But it is really too precipitous; that is why we were suggesting this adjournment to which I referred yesterday so that the thing would be thoroughly ready before being brought up later; and we pledge ourselves to this; that when the House resumes after the long adjournment there will be ample time given to the honourable gentlemen on the other side to study the Bills before second reading.

Another point I may make, Mr. Speaker, while I am meeting the gentlemen on the other side on the point here, it is not because a Bill received first reading yesterday and was this morning printed, and is on the Order Paper today for second reading, that it must necessarily get its second reading, that it must necessarily get its second reading today. If they have not had a chance to study it, the

gentlemen on the other side of the House may ask to have it deferred on the ground that they have not had an opportunity to study it. Now the same could be done in connection with this very Act; we rather hope that tomorrow we are going to move the adjournment to Monday, not the following Monday, but a week later; we are going to Ottawa, and other Ministers are due in Ottawa for most important conferences with various Ministers on matters affecting the welfare of Newfoundland, and we have simply got to go, so that with the consent of the House we will adjourn to Monday the week following.

This Bill is the last of the departmental Bills, the Bills creating departments, and we want to get to work; we want our Ministers to get to work, and therefore we would like this Bill to go through. If the gentlemen on the other side would prefer it, we could defer the second reading until tomorrow, and then the gentlemen on the other side might be prepared, if they agreed generally with the Bill, to put it through the remaining stages tomorrow, and then we would be just as far ahead as if we had the second reading here now.

MR. HIGGINS: Yes.

MR. SMALLWOOD: In that case, Mr. Speaker, I would move that the second reading of this Bill—I have made the motion; suppose I withdraw the motion, with the assent of the whole House?

MR. SPEAKER: Has the honourable the Premier leave to with-

draw his motion that this Bill be read a second time.

MR. FOGWILL: He has moved that the debate be continued on tomorrow on the second reading.

MR. SMALLWOOD: That could be done, yes.

MR. HIGGINS: My colleague is afraid that the Premier is going to make a second speech on the Bill.

MR. FOGWILL: No—

MR. HIGGINS: But before you put the motion, there are two selections here which are a bit contradictory. "A Bill having been read a first time, shall be ordered to be read the second time on a future day, and shall forthwith be printed." I presume that means a Bill having been read a first time shall forthwith be printed, and then on the second day—

AN HON. MEMBER: But then—

MR. HIGGINS: It says here, "All Bills shall be printed before the second reading."

AN HON. MEMBER: That is the same thing.

MR. HIGGINS: No, because "shall forthwith be printed" might be printed before the first reading.

MR. HIGGINS: I know, yes, "shall be printed before the second reading," but according to this part they may be printed before the first reading even. I mean it is not later than the second reading, but at any time before the second reading.

MR. SPEAKER: No, that contradicts Rule 205.

MR. HIGGINS: That is what I am saying. Are you going to read the two? Why put in 268 at all? I mean, what is the effect of 268?

MR. SPEAKER: 268. "All Bills shall be printed before the second reading."

MR. HIGGINS: Why put in this "All Bills shall be printed before second reading" if between the first and second readings—it must be printed before the second reading. What is the reason for 286, I wonder? Bills obviously must be printed before second reading.

MR. CURTIS: That is the same thing "All Bills shall be printed before the second reading."

MR. SMALLWOOD: That is exactly the same thing.

MR. HIGGINS: The section is not going to be put in which is the same as another section. There must be some reason for it.

AN HON. MEMBER: The Rules are badly drawn.

MR. HIGGINS: No, not so badly done at all. These Rules are fairly good; fairly good, say what you like. I think that in the good old days of Responsible Government all these people knew the Standing Orders. After all, they only brought the baby bonus in Canada by a Standing Order in 1945; they had an advance there in an extraordinary sense.

MR. SMALLWOOD: There was a revision in 1894, I think, and another revision in 1920, but not afterwards—

MR. CURTIS: There was another amendment in 1931.

MR. SPEAKER: The motion is that this Bill be read a second time on tomorrow.

Motion carried.

MR. SPEAKER: Second reading of Bill "An Act to Amend Chapter 2 of the Consolidated Statutes (Third Series) Entitled "Of the House of Assembly."

MR. SMALLWOOD: Mr. Speaker, I move that the second reading of this Bill be deferred until tomorrow.

Deferred accordingly.

MR. SMALLWOOD: Mr. Speaker, I was going to suggest that since the Public Health Act has received but third reading, which is a very minor—is that right? Were you in Committee?

AN HON. MEMBER: Yes.

MR. SMALLWOOD: Then we might have third reading now

Bill passed third reading.

MR. SMALLWOOD: Since that concludes the Order Paper for today, Mr. Speaker, I move that the House at its rising do adjourn until three o'clock tomorrow.

MR. SPEAKER: I would ask that the Select Committee to consider the Municipal Bill:

Mr. Speaker

Hon. L. R. Curtis

Hon. O. L. Vardy

Mr. J. G. Higgins

meet in my office.

House adjourned accordingly.

Thursday, July 28, 1949.

House opened at three of the clock.

MR. SPEAKER: No. 1 on the Order Paper, Presenting of Petitions.

MR. MORGAN (Green Bay): Mr. Speaker, I beg leave to present to this honourable House a petition signed by 415 residents of the town of Springdale, praying that a road connection be built between Springdale road and the South Deer Lake Road, presently under construction. It gives me great pleasure to associate myself with the petitioners, and to ask that the petition be laid on the table for forwarding to the department concerned.

Petition received and referred to proper department.

MR. FAHEY, (Harbour Main-Bell Island): I beg leave to present to this honourable House and Assembly a petition of the residents of Marysvale, C. B., regarding the wharf and bridges in that section of the district. I beg, Sir, that this petition be passed to the Minister of Public Works or the Department concerned.

Petition received.

Presenting Reports of Standing and Select Committees

The Select Committee appointed to consider the Bill "An Act Further to Amend the St. John's Municipal Acts 1921-1945 and Acts in Amendment thereof" has considered the matter to it referred and begs to report as follows:

Your Committee recommends as follows:

- (1) That Your Committee has not found itself under the necessity of deciding whether this

Bill is a Public or a Private one because the Bill provides a tax on certain people namely those owning buildings having frontages on Water Street and consequently advertising the Bill is necessary.

- (2) That as it is felt the Bill should come before the Legislature for discussion in the present Session, the Rules of a Private Bill should be carried out as far as possible and for that reason Section 2 of the Bill should be advertised in the next issue of the "Royal Gazette" and four consecutive issues of the "Evening Telegram" and the "Daily News", namely, on the 29th and 30th of July and 1st and 2nd. of August and that the Bill should be presented on Monday, August 8th.
- (3) That the advertisements should give notice that objections to the Bill shall be forwarded in writing on or before August 6th., 1949 to the Clerk of the House of Assembly.
- (4) That your Committee shall meet again after August 6th to consider any objections to the Bill and to cause a further report to be made in the matter.

(Sgd.) R. F. SPARKES
LESLIE R. CURTIS
OLIVER L. VARDY
JOHN G. HIGGINS.

Report received.

MR. SPEAKER: Notice of Motions and Questions.

HON. JAMES R. CHALKER (Minster of Health): Mr. Speaker, I am a bit embarrassed because the material—the answers to these questions were to be delivered to me in the House a few minutes ago. The material has not come to hand yet, to be honest, Mr. Speaker.

MR. SPEAKER: Notice of Motion, the Hon. the Minister of Health to ask leave to introduce a Bill entitled "A Bill An Act to Provide for the Establishment and Administration of Local Government."

MR. CHALKER: Mr. Speaker, I move the Bill be now read a first time.

Carried. To be read a second time on tomorrow.

MR. SPEAKER: Notice of questions. Are there any answers to questions?

HON. JAMES J. SPRATT (Minister of Provincial Affairs): I have the final answer in part to question No. 28 asked by Major Cashin on the Order Paper of July 14th, 1949. These questions were directed to the honourable Minister of Finance, but related to the Department of Home Affairs.

It should be pointed out that:—

1. There is no provision in these figures for Municipal Taxation which is paid half yearly and averages approximately \$1,200.00 per month.

2. There is no provision in these figures for the Maintenance Fund which is transferred Quarterly from this Account to the owner's individual Accounts in

St. John's Housing Corporation
Real Estate
 (Canadian Bank of Commerce)

Receipts and Payments for the month of June, 1949

Receipts

Gross Receipts from Houses and Apartments (Including Taxes Maintenance and Insurance) ..	\$18,908.80
Deposits on Houses	1,500.00
Land Rentals	294.46
Legal Fees	162.50

Total Receipts	\$20,865.76

Payments

Apartments Expenses

Janitors' Wages—May—June	\$1,768.55	
Heating—May	1,932.98	
Light and Power—May	120.05	
Repainting No. 84	100.00	
Operating Material	17.27	\$ 3,938.85
Ballance Repairs No. 28 for re-sale		109.40
Repairs No. 115 for re-sale		49.53
Fire Insurance (two months)		2,295.01
Management and Office Salaries (Real Estate only)		1,256.56

Total Payments		\$ 7,649.35
Net		\$13,216.41

the Newfoundland Savings Bank and averages approximately \$700 per month.

3. There is no Revenue included in these figures from the unfinished houses.

4. When these houses are completed and occupied there will be some reduction in Overhead.

5. These figures vary from month to month according to deposits for sales of houses and land.

MR. SPEAKER: Question 64 by Mr. Fogwill to the honourable the Minister of Supply or the appropriate Minister.

HON. P. S. FORSEY (Minister of Supply): Mr. Speaker, the answer to that question is in the course of completion.

The Address in Reply

HON. H. W. QUINTON (Minister of Finance): Mr. Speaker, I should like to have a few brief observations on the Motion now

before the House, that a committee be appointed to prepare an address in reply to the Speech from the Throne.

I have, Sir, already expressed my congratulations to you upon your election to the office of Speaker in this Assembly. I would now extend hearty congratulations to the honourable member for Green Bay District, and also to the honourable member for Fogo, on the able speeches they both delivered in this House when moving and seconding the motion now before the chair.

We, Sir, who occupy seats in this First Provincial Assembly, are privileged indeed. It is a great honour to have shared in the steps that have been taken to improve the lot of our people in a political as well as in an economic way of life. For the most part members of this House are experiencing their first entry into political life. There are, as has been said by the honourable member for Ferryland, only two members in this Assembly who had been members of a former House of Assembly, nevertheless I believe all members have taken up their responsibilities in a spirit of devotion to the cause of the the governing of this province in capable hands.

The honourable member for Ferryland has said, quite correctly, that he is the "father" of this House. I recall the occasion very vividly, when I was a very junior member of the House of Assembly. That was in 1928, twenty-one years ago. It was for me a most important event, and it always is a challenging occasion for a young

man, to rise in a legislative chamber and speak for the first time. For four years, I too sat where honourable members of the Opposition now sit, and later had the honour to occupy a seat on this, the Government side of the Chamber, from whence, with other members who have since passed to their eternal rest, we resigned to make way for a new form of Government in 1934. I refer to the Commission of Government which governed this land for the past 15 years.

I had not any intention, Sir, to engage in retrospection this afternoon, and I would not have referred to the past at all, except that the honourable member for Ferryland in this case has left me no alternative. The honourable member has gone into a review of history, and I feel it is only proper that I should try and balance the record, for there are two sides to the cause which the honourable member has sponsored.

Let us be honest with ourselves. In the year nineteen hundred and thirty-three the Government of Newfoundland was bankrupt. It was forced to the undignified position, in this Chamber, as an Assembly of public representatives, where it was obliged to seek financial assistance in the form of a loan from a local joint stock company, in exchange for a monopoly in certain consumer commodities, so that funds could be provided to pay the staff of the Government departments, to help to service the insufferable burden of the National Debt, and to carry out certain relief projects to avert distress among the people.

there was then a public debt of close to one hundred million dollars and the interest charges upon that debt approximated five millions of dollars annually, while the revenue from all sources was not more than eleven million dollars.

A crushing National Debt. An insufferable burden upon the people. It arose out of economic and political isolation down through the years. There were other burdens. One of these was broken down transport system, sapping the life of the country and superimposing a heavy additional annual charge upon the restricted finances of Government. The honourable member for Ferryland will recall, even as I do, the various speeches which he and others delivered in this House on the same broken-down transport system of that day.

Social Security was not even a dream in those days. Economic Security for the people was a myth. There was no such thing. In its place was jeopardy and despair.

Tax evasions were rampant. The country, through its government, year after year, government after government, passed out concession after concession in valuable natural assets, without even a vague conception of the value of these assets, in return for certain industrial ventures to promote labour giving opportunities.

My first experience in the Department of Public Works, when I took over that ministry in 1932, was to meet a horde of collectors demanding payments of accounts owed by the department to the

trade. It was indeed an embarrassing experience and a poor political inheritance for an incoming Government. There were occasions in those days of unhappy memory, when Ministers of the Crown were required to seek the approval of the newly appointed controller of the Treasury to find out if a cheque to pay the wages of a humble civil servant could issue, and if not, when would the money be in the account to meet the cheque. I can also regretfully recall the time, in that same period, when some of us, war veterans, members of the House, had to go down to a public meeting of our comrades of World War I and ask these disabled men to accept a reduction in the pensions that they were receiving for battle wounds and other disabilities because there were insufficient public funds to pay the pensions. Public services were cut to the bone. Political liberty and freedom, these much used words, were then buried deep under a mountain of national debt, and liberty became slavery, and freedom became a name instead of a fact.

Mr. Speaker, it is my considered opinion, and my firm and humble belief, that had the question of Confederation been the subject of a ballot in those days, there would have been no doubt whatsoever of the answer of our people. But no such step was taken.

The Royal Commission, called by my friend the honourable member for Ferryland, the Amulree Commission, had presented their report—a report which was made up of the evidence of our own

people throughout this Island, and the product of their own political and economic sorrow—and recommended a suspension of our constitution and a political holiday, for party politics, ensued. We who were then the government brought legislation into this Chapter and voted ourselves out of office, after serving only half our term, in order to usher in a new form of Government—Commission of Government—to bring about some semblance of law and order and political stability in this land. I am sure that the honourable member for Ferryland does not need to be reminded of these truths. They are recorded in our history for all men to see. I am, Sir, one of those who sat on this side of the House and, in the words of the honourable member, spoken on many occasions, voted away those so-called rights and privileges as a public representative, in order that the public themselves might have an approach to a better standard of living and of administration in public affairs. I unhesitatingly state that in the light of my duty as I then saw it, and in the light of circumstances as they now appear, I am proud of the part that I played at that time. Commission of Government was with us for fifteen years. It is well known to us all. There is no need to dwell upon it here, except to set the record straight. But out of the chaos and distress that pre-existed Commission of Government there was a re-birth of administration in Newfoundland. There was a reorganization of public services; the public debt was refunded and interest charges were reduced by fifty per cent.

A sinking fund was established which substantially reduced the public debt. Financial help was sent from the United Kingdom, but best of all, Sir, stability and public confidence were restored in the minds and hearts of the people, in business centres and in trade and industry. Progressive phases of public policy were instituted and developed. Aides to industry were forthcoming. Educational services, health services were inaugurated. There was security for primary producers. Labour organizations were encouraged on a country-wide basis. Collection of revenue was properly enforced. Larger revenues were received. Long neglected public services were provided out of current revenues and in addition a surplus of over thirty million dollars was accumulated. Again, Sir, I repeat that I am proud of the part I played in bringing about a political vacation.

I have mentioned these facts to provide the necessary background for a reply to the charge made a few minutes ago by the honourable member for Ferryland when he said that certain members of the Commission of Government from January 1st 1947, to the close of the life of the Commission, at March 31st 1949, I am sorry that the honourable member has now left the House. I hesitate to speak in his absence, nevertheless, I am bound to say that insofar as my duty as a Newfoundlander is concerned, apart altogether from my office as a commissioner, the time came when the decision had to be made on the constitutional issue. I felt it my duty, insofar as lay in my power to assist my

countrymen in arriving at a sound decision. I defy any man alive to say that I had no right to take a part in helping to shape the future of my country's affairs, once the Commission of Government had been rejected by the people, as a form of Government for the future, in the first stage of the referendum. It was my privilege, and sometimes not a pleasant one, during twelve years previous to the referendum, to have travelled extensively in Newfoundland, and to have carried out the duties of people who elected them, and that Chief Magistrate in no less than five of the largest districts in the Island. I had visited thousands of homes, and met many thousands of my countrymen over all the Island. Some of these visits were made during the darkest days of our people's distress. I unhesitatingly state, Sir, that arising out of these contacts and fortified by that knowledge obtained of the country and the conditions under which our people subsisted immediately following the depression, and through the latter stages of it, those conditions were such that I could not, and would not stand by and see my fellow men duped, and driven in common grief to return to starvation and economic slavery such as they had known through all those years of degradation and depression.

Mr. Speaker, I am also bound to say, and I think that I can speak for the honourable gentleman on my immediate left, who was also a member of the Commission, that we were both subsequently pilloried and persecuted for the stand which we took as personal members of the community to bring

about the Union of this land with Canada.

During my incumbency of the Department of Home Affairs and Education, it was my duty to administer the work of the Re-establishment Division of that Department, dealing with the problems of the veterans of World War II. A great many young veterans consulted me in person for advice and assistance in the solving of their difficulties.

It would have been a hard-hearted man indeed who would have turned a deaf ear to their pleas. It simply became a double duty when in the hands of a war-veteran himself, and it called for every ounce of effort and skill to do the best possible for these men.

The benefits we could then afford for our war veterans were relatively inadequate by comparison with those that were available to their comrades in the Canadian Forces. There is one phase of the Confederation issue that I cannot forget, nor will it be easily forgiven, and that is the shameful attitude of certain men in this country who for purely selfish political reasons stood across the path of the veteran and said in effect, "you shall not pass" to greater benefits.

Let me say, Sir, that if the so-called abuse of a trust was to enable my countrymen far and wide to obtain a greater measure of political and economic security, to reach out to a larger share of social benefits and a broader measure of development, then such a trust deserved to be set aside and forgotten. I rejoice, Sir, in the

part that I was able to play in helping my country men to set their feet on a new way of life, to economic welfare and social benefits.

The speech from the Throne proclaims a safe and progressive policy of Government for the next two decades. The policy of deeds not words bespeaks the confidence of the people in the recent election. These deeds include social security underwritten by economic security through development of resources. A lead for capital and investments in industry, Primary Producer Co-operatives for greater co-ordination and quality of products. Financial aid to promote primary production. A sound policy of local government services, for better living conditions and political education in the local communities. Technical training and practical education for our youth. Technical aid for private enterprise. Modernized communications. Health services extension. Welfare services, heretofore unknown in this province. All these matters are the measure of government policy that could never have been tackled while we remained alone, an isolated and tiny political fragment in the picture of world trade and politics.

I feel that I can here repeat the famous words of a famous statesman and leader spoken to the people of Britain in a moment of supreme admiration, and applicable at this time in relation to the decision of the people of this Island to launch upon a new phrase of democratic government, 'this was their finest hour.'

And for us as a people, who have made this decision, the words

of a famous poet has a special meaning. Let me offer them in conclusion:

"These things shall be, a loftier
race
Than e'er the world hath known
shall rise.
With flame of freedom in their
souls
And light of knowledge in their
eyes."

HON. J. R. SMALLWOOD
(Prime Minister): Mr. Speaker, it is my privilege to close the Debate on the Address in Reply. I will try to be brief, though I cannot guarantee to do so.

Since the Debate has gone on I have been exceedingly proud of the men with whom I find myself associated, for I doubt whether any leader of this House since it was established in 1832 has ever been associated with men as his colleagues of such high calibre, such ability, and such informed and civilized outlook as it is my fortune, my great fortune, to be. I am quite familiar with every House beginning with the General Election of 1913. I sat in the Press Gallery here for at least part of every session beginning with the year 1914 at the age of 14. I agree with the honourable gentleman, the Leader of the Opposition when he reminds us of the great men who have occupied places here, and during these years I saw and heard many of them, but the general standard of this present House is, I am quite sure, very considerably higher than that of any House in my time. I think perhaps that that is possible primarily because of the events of the past twenty-five years. And the type of men in this House to-

day is justification for the stand I took myself when the Commission system of Government was first proposed, that it would mean that we were to have a political armistice, a political holiday, to give our people a chance to wean themselves away from the type of politics that had developed for some years before, and give some of the corrupt public men of Newfoundland a chance to die; the best thing some of them ever did for Newfoundland was to die, and the pity of it is that they did not die long before they did.

Arising out of something I said here on opening day, some members on the opposite side have accused me of running down the politicians of the past, but even if I did run down some of the public men of the past, because we had a fair share of crooks and scoundrels, nincompoops and imbeciles, irresponsible ignoramuses—we had a fair share, we had our fair share, our generous share, of public men who would grace any deliberative assembly anywhere in the world, and in that respect I have only to mention the names of men such as Sir William White-way, Sir Robert Bond, Sir Edward (afterwards Lord) Morris, Sir Richard Squires, Sir William Coaker, Mr. Alderdice, all of them gone to their reward, and our only living ex-Premier, the Honourable Walter Monroe, and all of them good men. I think that what has happened has happened to produce to a considerable extent such an Assembly, and, as I have already said, such a House would have been quite impossible had those days not transpired.

Now, if I may say, without sounding insincere or patronising,

I would like to pay tribute to the gentlemen on the opposite side. I do not know if they had a change of heart, or whether they too like us are products of the events of the last quarter of a century, or whether it is because there is futility and they see the futility of attempting to do so. Whatever the case, the gentlemen opposite, all of them, seem not even to be interested in the prospects of reaching this side of the House, in the next General Election.

Now there is another aspect of this too. An election was no sooner over than the Opposition set out actively to get out of that place into this. They were never satisfied to wait 'till the next election; they set about the job of smashing the Government even before the first sitting of the first session, and I have seen it, as recently at 1919, a general election which was followed, before the House met at all, by an active open attempt, a planned attempt, on the part of the Opposition to smash the Government before the opening of the House at all. And I have seen that attempt partially successful through the resignation of one member of the House who had been elected on the Government side who, when the House opened, was seen sitting on the opposite side of the Chamber.

I pay tribute to this Opposition for being—just as this Government is the best in many years past—the best Opposition in many years past. Being generous, civilized, if I may use the word—I have already used it for the Government—gentlemanly, generous, and above all differences, genuinely anxious to perform the

functions which it is their duty to perform as His Majesty's Loyal Opposition, to play their part in the Government of Newfoundland, and to play their part with an actively confident realization of its importance, of its fundamental importance in the whole British system of government.

Now here are the main points made by the gentlemen opposite in the debate that I thought required a reply. As a matter of fact, Mr. Speaker, they agreed so much with us that I am left with very little to which to reply because there is precious little difference, actually, in their speeches and those made on this side, at least from the standpoint of their reaction to the Speech from the Throne, but there were one or two points that I thought did require a reply, for I can realize that the points made were made in the kindest spirit, and not at all in malicious or ill-tempered spirit to attack the Government. My honourable friend from Placentia-St. Mary's made the point that the examination of our economic resources will cost an immense sum of money. I am inclined to agree it will, more's the pity, because that examination ought, in fact, to have been carried out over many years past, and the cost, so spread, would not have seemed, at least, to be so great. But it is our duty to make up for lost time and to concentrate, to compress, within a relatively short period, work that ought to have spread out over the last half century; but when we find that even the Commission of Government, with all the good they did, failed until a matter of

two years ago to engage the first hydro-electrical engineer ever engaged by the Government of Newfoundland to make a survey of the hydro-electric resources of Newfoundland. It is easy to see, a tremendous backlog of unfinished business, that still lies before us in that regard. However, the full cost, I am glad to say, will not fall on this Government or on this Province, because as I have stated before, one of the terms in the Terms of Union of which I am especially proud, as I happen to be the particular author of it, is a term to the effect that the Government of Canada, the Federal Government, will place its resources of men and material behind an economic survey of Newfoundland, designed to discover, and measure, and publicize, the natural resources of the country, of the Province, with a view to creating new industries, and expanding some of those that already exist. I think the honourable gentleman is right, I think it will cost many, many millions of dollars to make that economic survey, and I am happy that that term is in the Terms of Union, to push the main bulk of the cost of the job on the shoulders, not of the Province of Newfoundland, or of the Government of Newfoundland, but of the great Canadian nation itself.

One other point only of the honourable gentlemen requires comment, and that is the fear here expressed that we are in for a period of state banks. I don't know what gave rise to that fear, unless by some strange chance it should be the reference in the Speech from the Throne to the creation by this Government, after

this legislature had so enacted, of the Fishermen's Loan Bank and of a co-operative development loan bank. Now, perhaps the use of the word "bank" in these two connections is not altogether fortunate; perhaps, if we had used the word "board" rather than "bank" the honourable gentlemen from Placentia-St. Mary's would not have had those fears aroused in his friends, that, as I sometimes think, he is not alone on his side of the House, and that they sometimes wake up in the dead of night with an uneasy feeling. Mr. Speaker, I am quite sure they frequently wake with an uneasy feeling, and indeed I imagine that they have that uneasy feeling even while they are awake but they particularly wake up some nights with an uneasy feeling that they are now in a Newfoundland which, if it isn't an adjunct of Moscow, if it isn't exactly a branch of the Third Internationale, if it isn't exactly one of the orders of the Comintern, is, at least, a dangerously irrational government. And so therefore with such fears I can well understand the foreboding of the honourable gentleman when he sees a picture of state banks cropping up in Newfoundland. Well, I have often heard men in this country advocate the nationalization of banks; in fact, I think I have heard the honourable gentleman, the senior member for Harbour Main-Bell Island who sits beside the honourable gentleman from Placentia-St. Mary's, advocate on the public platform the nationalization of the banks of Newfoundland, and I don't refer to the bank on which the fish are caught, but rather to the commercial institutions that go by that

name. And I think the honourable gentleman nods in agreement, so that the quarrel of my honourable friend from Placentia-St. Mary's with regard to state banks, is not a quarrel with this Government but rather one with his own colleague who sits at his immediate left. I would suggest that the two of them map out an agreement and decide what step the Opposition is going to take on the question of state banks; it is not a question with the Government on this side of the House at all. My honourable friend the junior member, and I use the word senior and junior where we have two members representing the one district, only in the sense of age. Again, I would let them decide for themselves which is the senior and which the junior in any other respect, but my honourable friend who lives at Bell Island bemoans the fact, and incidentally I pay tribute to him in particular for his very kindly speech, very generous sentiment expressed toward this Government, and I may say to him, incidentally, Mr. Speaker, that while the light holds out to burn, so long the sinner may return, because I know he would rather be over here with us, I know he'd love to be on this side advocating these very things that are in the Speech from the Throne.

MR. JACKMAN, (Harbour Main-Bell Island): I beg to differ, Mr. Speaker, I say no, no, no.

MR. SMALLWOOD: No. Well, I admire the honourable gentleman's kindly loyalty whatever he says, sitting where he is, but that he is happy where he is. But I

know the honourable gentleman, I know his heart, I know his mind, I know where his sentiment really lies. He referred to the fact that the Speech contains no mention of the Trade Union Act; let me put his mind at rest by telling him now that before 1949 is done, we will, please God, have a Trade Union Act. It will be a modern, a progressive, a reasonable and a civilized act, and that great omission will have been repaired. Now I pass on. The honourable member for Placentia-St. Mary's and the honourable the junior member for Harbour Main-Bell Island, made these remarks—I took no particular note of the remarks of the senior member for Harbour Main-Bell Island, they seemed to be very largely, indeed, in agreement with our view, and I do not think they call for any comment, and the honourable gentleman, the junior member for St. John's East was very much in the same boat; but the honourable and learned Leader of the Opposition made two remarks that call for some comment. He said in the first place, and I took down his exact words: "Even the Premier himself tells us now that we must develop or perish. This is the first note of pessimism." These, I believe, are his exact words. "Even the Premier himself tells us now that we must develop or perish. This is the first note of pessimism." But to begin with, it is not a note of pessimism. To say that we must develop or perish is surely not pessimism but simple, ordinary, realism. It happens to be the truth; it happens to be a simple statement of fact; there is no pessimism or optimism in it; it is the simple truth, simple

realism. And in the second place, it is not the first time I have said it; I have said it in the National Convention that was held here in this very Chamber, not once but many times; I said it throughout the whole period of the Referendum campaign; I said it throughout the period of the Liberal Convention; you will find it written into the Liberal Party's platform for the Province, and I said it indeed throughout the period of the provincial and federal general elections—not a new viewpoint; it is far from being a new viewpoint with me; I have held that view and have stated it more times than I like to count. Newfoundland must develop or perish. There is nothing new, nothing extravagant about that statement, nothing novel about it, nothing unheard of; any banker would say it; the fact is, that the richest merchant in Newfoundland would say it very absolutely to be a true view; the Trade Union leaders would say it; the honourable gentleman himself, when he repeated it, did not deny it; he would say it is common sense; Newfoundland must develop or perish; we cannot stand still; we go ahead or we go back, and that will depend upon the degree to which we develop the resources that God gave us to support our people.

Now he said one other thing that calls for comment, when he said "Let us retain the flavour of our Newfoundland life." Now the honourable and learned gentleman, as is a very well-known fact, is a student of Newfoundland history, and I recall with great pleasure some of his talks at meetings of the Newfoundland Historical

Society. He has been always one of the first to rush to the defence of the historic mementos and landmarks of Newfoundland, and with that I have always found myself in complete agreement. I think, Mr. Speaker, that now that we are Canadians, now that we are citizens of a great nation, a great British nation, stretching from St. John's to Victoria, with a population of over thirteen millions; now that we are members of that great nation, there is no need to be ashamed of the fact, and on the other hand there is no need to be ashamed of the fact that we are Newfoundlanders, with a very distinctive Newfoundland culture of our own; we need not be ashamed of that; we can glory in the fact, because there is that again, that is the characteristic of people everywhere; you will find it in Nova Scotia, while they are proud that they are British subjects, while they are proud that they are citizens of the great Canadian nation, are in a very particular way proud of the fact that they're Nova Scotians; they retain their own provincial pride; they build up their own provincial traditions; they take great pride in their Nova Scotia history, their Nova Scotia landmarks, their Nova Scotia mementos. The same thing applies in New Brunswick, in Quebec, in Prince Edward Island, and, indeed, in every province of Canada, and every State of the United States of America; and, indeed, in the United Kingdom. Although they are all proud to be citizens of the United Kingdom, the Englishman is intensely proud that he is an Englishman; and your Welshman that he is a Welshman; and your Scot that he is a

Scot, and so on, and so on. And within these great broad divisions you will find sections of Englishmen who in addition to being proud that they are British subjects, that they are citizens of the United Kingdom, that they are citizens of England, are particularly proud that they come from Lincolnshire, or Devonshire, or Yorkshire, or some other particular part of England. So it is in Newfoundland, that everything should be done to encourage, to maintain, our proud Newfoundland heritage; and indeed now that we are united with the great Dominion federation, there is all the more reason, I am sure the honourable and learned gentleman will agree, all the more reason why we should preserve our especial identity, and retain in full the flavour of our Newfoundland life. He, I know, will be very happy to know that our Newfoundland museum is to be restored. God knows he fought enough for its restoration. He resisted strenuously enough its dismantlement, if that is the word. I am sure he will be happy to know that we are to have our own Newfoundland university. I hope that the Newfoundland Historical Society will get a new birth, and it needs a new birth, as I happen to know, having been its secretary for one period of time. I agree completely that we must now more than ever preserve the full flavour of our Newfoundland life.

Now the honourable gentleman from Ferryland, who happens to be absent from the House, spoke on the subject of sectarianism in the National Referendum. Frankly I fail to see what the honourable member hopes to accomplish

by his remarks. Most people know that there was sectarianism in the Referendum, but I doubt whether the honourable member will ever succeed in showing that it was one-sided, or that the blame for its beginning lies where he tried to place it. Now, so far as I am concerned, as an advocate of Confederation, I had more than anyone to gain by having Confederation considered on its merits by all the people, without prejudice, without bigotry, without selfishness, and without sectarianism. I went to great extremes long before the Referendum campaign began to keep sectarianism out of it. My faith in Confederation was great enough to justify my anxiety that the whole question be judged by our people, all our people, on its merits. If Confederation resulted from sectarianism, then the blame most emphatically does not lie with the Confederates. I regret that the subject has been dragged up at all into our deliberations here; I do not think that it can do Newfoundland any good at all. Now the honourable gentleman—I am sorry that he is not here, sorry that he is not present, because I would not have him or anyone think that what I would say in his absence is more than I would say if he were present; I do not think I am built that way; I would not have anyone think for a moment that I would say that which I would not say if he were here himself—he has treated us, I think, to a most delightful and most entertaining speech. It never grows stale; I love to hear him. I am a little unlike the honourable gentleman, the member for Bonavista South, who said that the trouble was that he had never

knew when the honourable gentleman from Ferryland was joking. I doubt if the honourable gentleman ever jokes. I think he means every word he says, which to me makes the most priceless entertainment, that a man could actually say what he says, and really believe it. It is worthy of Gilbert and Sullivan! Plots! Conspiracies! What a picture to paint for us! With Britain's back to the wall, with bombs raining all around her, eighteen hundred and seventy-one fires raging in one moment in London, and Churchill over in Quebec, dickering with MacKenzie King, to have Newfoundland thrown into Confederation. The whole world wondering if Britain could last another week, or perhaps even, with incredible fortitude, another fortnight—in the midst of that, with the nations of Europe falling like ninepins before the German masses, with the whole civilized world wondering when Germany would make the great advance across the Atlantic—Churchill, and Roosevelt, and King, gathering together, according to the honourable gentleman, gathering together to make a deal about Newfoundland to bring her into Confederation! And then he advanced the magnificent and peculiarly Cashinite argument when he said, "There is my statement; now disprove it." Disprove it! Well, that reminds me, Sir, of the classical political meeting that was held on the eve of a polling day, when the custom was for opposing candidates to meet in some place in the district the night before polling day in a joint meeting. It was held in the largest place in the district, and at that place the sentiment was about

even, and about fifty-fifty in the whole district, and how that settlement was going to decide who would win the district, and so they met that night, the two gladiators, the sitting member for the district and the challenger, and they tossed for who would be first. It fell to the lot of the sitting member to speak first, and he got up and made a magnificent speech by the way of defending his government's record for the four years before; and he sat down and got fine applause. And the contending candidate, the new man, got up and said, "This, Mr. Chairman, has been a wonderful speech from the honourable gentleman, and," he said, "I congratulate him for it, but before I go on with my speech I have one simple question to ask, and if he is not prepared to answer it, then I will know what to do; if he tries to dodge it, if he tries to turn away from it, or to evade it in any way, I will know what to do, and these people here will know what to do. If he tries to get out of it, we will all know what the answer is. And here is my question: "What happened to the forty thousand dollars?" "What forty thousand dollars?" "Never mind, what \$40,000.00. Answer me. What happened to that forty thousand dollars?" "What forty thousand are you talking about?" "There you are, ladies and gentleman, he won't deal with it," and the sitting member lost the election. And that reminds me of the honourable gentleman from Ferryland. He says Winston Churchill, Franklin Roosevelt, MacKenzie King, met in Quebec in 1943, and cooked up a deal to put Newfoundland into Confederation. That's my state-

ment and I will stick by it. Now you disprove it, says the honourable gentleman. Disprove it! Well, the honourable gentleman from Bonavista South said that the honourable member for Ferryland had reversed the usual method of teaching, the sound method of teaching, which is to proceed from the known to the unknown. One and one make two; that is known, and from there you go on to discover the additional fact that two and one make three, four and one make five, but that he had reversed it. Well, he has not only reversed that, but he reversed a lot of other things. He did not prove his case and then say to us, "Now here is my case, disprove it," He says, "There is my statement; now you prove me wrong." I think he is mixed up somehow with the old British system that every man is innocent until he is proved guilty, and somehow he has confused that with this stand he takes: "There is my statement; it may sound strange; it may sound illogical; it may sound crazy even, but there it is; that is my statement; now you can prove me wrong."

Now, Mr. Speaker, let me say this, that I doubt very much if there has ever been a time in the history of the Canadian nation when the public men of that nation did not hope strongly that Newfoundland would some day join up with them; I doubt it. I should imagine that every public man in Canadian history since the federation was launched in 1867 always hoped that Newfoundland would some time join up and make the additional final province. But that the Canadian statesmen

conspired to drag Newfoundland in—oh, the honourable gentleman can laugh—and that is one of the things that I like most about him, his laugh; it is the most infectious laugh, Mr. Speaker, in this whole House of Assembly. Politically, that laugh, Sir, is worth a thousand votes anytime, in any district, but the laugh doesn't laugh away the truth. The truth remains, that the Canadian nation, the Canadian Government, statesmen, the public men of Canada conspired, plotted, to bring Newfoundland in. There were times, I may say, in the Referendum, and leading up to the Referendum, when I almost hoped they would, or wish they would. If the Canadian Government had had any influence with the British Government, I'll tell you right now they didn't use it to the advantage of Confederation. Do you recall our recommendations as a Convention? They were that Responsible Government be put on the ballot paper. All over on this side and that side, who didn't believe in Responsible Government, nevertheless voted to have it put on the ballot paper, with the feeling that the people ought to have the right to vote for or against it. It was up to the people. So it was put on. We also recommended, unanimously, even though the people who had no use for it, even though, I believe, the honourable gentleman from Ferryland, voted to put Commission on the ballot paper, little as he believed in Commission. Well, I voted to put it on, little as I believed in it, although I did prefer it to Responsible Government all by herself. Well, now, what did they do? The British Government put on Commission.

No. 1, I suppose they had to put it on, but having decided to put it on, here is how they could have helped Confederation. They could have put a footnote, or a white paper, or a dispatch to His Excellency the Governor and said this: "We have put Commission on the ballot paper, but we want you good people of Newfoundland to know this. You can vote for it, you can have Commission in this coming Referendum now, you can give a big majority to it if you like, but we want you to know this, that you are on your own, the minute you do. We can't help it; we haven't got the right; we haven't got the dollars, and if you vote for Commission you can do it knowing you are on your own just as much as though you had voted for Responsible Government instead. But whether it be Commission Government or Responsible Government, you are on your own, we cut clear of you, there is no help from us, because we can't give you that help." They could have done that, and what would have been the result? We would have won Confederation in the first Referendum. The twenty-two thousand votes that went for Commission would have gone for Confederation and we would have won in the first Referendum. The British Government could have done that; the Canadian Government, if they had that wonderful influence on the British Government, or if it were an international plot between His Excellency the Governor and the Commission of Government and the Canadian Government and the British Government; if this were a plot, then they could easily have done it.

Oh, no. Fair as fair could be they were, and I know.

Now, let me say this, that a lot of things could happen in Newfoundland but nothing ever happened more democratically than the bringing about of Confederation. Nothing! I challenge any man in this House, or out of it, to show me the difference, and I know as much about the history of Newfoundland, politically or otherwise, as any man in it. Why, Mr. Speaker, I spent seven years earning my living, and the only man in Newfoundland history who ever earned his living studying and telling Newfoundland history. For seven years I did that, and I challenge any of my colleagues, I challenge any man, to name for me, any event of any importance whatever in our public history which was more democratically done than bringing about Confederation. Suppose the honourable gentleman is right; let us suppose that His Excellency the Governor, now the present Lord MacDonald, was all that he said he was, let us assume that. Moreover, let us assume that the six Commissioners, whoever they were from time to time, were just a pack of crooks. Let us assume that. Let us assume that the Canadian Government were scallywags and crooks—they were all crooks—let's assume that. So what? All their crookedness, all their poor government amounted to only one thing, and that is, that Confederation was placed on the ballot paper. That's all it amounted to, for three months later to put us into Confederation; and after their gigantic piece of chicanery, they produced what? That of the things

on the ballot paper, Confederation was one of them. The big talk of 1943, that the honourable gentleman tells us about, about which he knows so much—as the honourable gentleman here said, he knows as much as he does, and he knows nothing at all about it. After that plot, after all the conniving, years and years of it, they brought high commissioners here; and living in the house—the honourable gentleman himself lived in the same houses—what a house! What a house! If that house could only talk and tell us of plots and Confederation plotting, how the high commissioners down there plotted. Why it was one gigantic plot right in the depth and the midst of the war, and it all produced what? Getting Confederation on the ballot paper. Now, how far had they got when they got that far. How far had they got? They had got to the point where Confederation was competing for the Newfoundland people's favour with two other forms of Government. What was left? What was left was this: That the Newfoundland people still had to vote. Now! Now! If the honourable gentleman went so far as to say that even if in the Referendum the Newfoundland people had voted Confederation down we would still be put in. If he had said that; had there been at least consistency to his argument, if not proof, it would be a consistent story. It would not go along so far in the one direction and suddenly start into another direction, to continue the same part. But he doesn't do that. All their plots, all their plans, all their skulduggery, would have come to nothing if the Newfound-

land people had given them a majority for Responsible Government. That international skulduggery; if that's all the great British nation and the great Canadian nation, and His Excellency the Governor in Commission could produce, if that's all it amounted to, why I would do better myself, all by myself.

AN. HON. MEMBER: You had a party.

MR. SMALLWOOD: A party? I hope I had rather a large party, but I am credited, at least, with having had a very large party that confirmed—getting Confederation put on the ballot paper, we even had to fight for that, in spite of all the plots with Churchill, and Roosevelt, and King in Quebec, in spite of everything else, I had to go out and fight like a dog in this Convention, in the National Convention, sitting right where I am now, above this, for a year and a half, with the roof falling over me, atomic bombs dropping out, the worst hound that ever lived; hounding was too good for me; shooting would be a respectable death for me, the hangman's rope was really—I wasn't fit even to be hanged. Why? What had I done? Because I wanted the people to vote for Confederation. Why did I have to fight to get Confederation on the ballot paper, if it was all cut and dried by Roosevelt, and Churchill, and Mackenzie King at Quebec in 1943? Now I may say of the honourable gentleman—God bless him, I wouldn't have him out of this House if all the members here except myself and he had to go and there was a choice between all of my colleagues and the honourable gentle-

man, I would say "gentlemen, I have to see you go, but between you and the honourable gentleman from Ferryland—the two of us alone in the House will make a House of Assembly all by ourselves."

SOME HON. MEMBERS: Sure. Sure.

MR. SMALLWOOD: Sure, I wouldn't have the honourable gentleman out of it by any means. Entertainment? Why, he is as good as a dozen at any time, and I hope he will never drop it, his story. "This is my story; this is my song; talking of plots all the day long." As I told the honourable gentleman, I hope he will be long spared to sit over there where he is, on the other side, a little bit removed from the official Opposition, and we shall have a glorious time here for the next fifteen or twenty years, they sitting there and we sitting here.

Report of Committee appointed to draft Address in Reply adopted.

MR. SPEAKER: Third reading of Bill "An Act Respecting the Department of Health."

Bill read a third time.

MR. SPEAKER: Third reading of Bill "An Act to Provide for the Internal Economy of the Legislature."

Bill read a third time.

MR. SMALLWOOD: Mr. Speaker, perhaps the House would consent to our passing by the Old Age and Blind Persons Pension Bill, and the second reading of the Municipal Act, and go on to the second reading of the Fisheries and Co-operatives Bill.

MR. SPEAKER: Second reading of Bill "An Act Respecting the Department of Fisheries and Co-operatives."

MR. HIGGINS: On the Bill itself, Mr. Speaker, and gentlemen, I have no objection at all. It appears to me that such a department would probably perform a good function in the country, but nevertheless there are some aspects of the bill itself and function of the Minister who is head of the department on which I would like to make a little comment. I do know that during the past few years there was a considerable amount of money expended on fisheries and on co-operatives; in fact, the year ending 1946-45, the fiscal year, including that year and the year preceding the total amount spent on co-operatives and on assistance to the fisheries amount to eight and a half million dollars. It seems to me that this Department now, when the Bill becomes concluded, considerable amounts will be expended on that section of the Department co-operatively. Now that may be all to the good, but there are some things in the remarks of the honourable the Premier yesterday, when he spoke on this Bill, introducing it, when he said, without the co-operatives or without co-operation, we may have in Newfoundland, Communism. And I think he went further and said that without the co-operatives and co-operation we would have Communism.

Now co-operation itself, the co-operative movement itself, is not very old, so far as the movement is concerned, but the word itself

"co-operation," that in itself is as old as the world; in fact, it began in the family many thousands of years ago, when people had to support themselves; without co-operation in the family or in the village or in the town or city in which they lived, there would have been no progress. Now, the co-operative movement perhaps came to the fore not very many years ago, perhaps in the lifetime of some of the people here, perhaps a little longer. I know it is very far advanced in Norway and Sweden, and perhaps in Scotland, with perhaps indifferent success in some places, and been very successful in other places. But nevertheless it appears to me now that this Government of Newfoundland, this new Government, the first provincial government of Newfoundland, notwithstanding all that happens to the co-operative movement and co-operation throughout the world, they are going to set alight again the flame of co-operation in the western world. I do not say that they can possibly through their efforts set the world on fire, so far as co-operation is concerned; they may and they may not; I hope they do, and perhaps if they do that we may be able to stave off the things that we do not want.

There is one thing of which I want to warn them, and of which they should be careful, the very thing they advocate themselves—after all, they advocate perhaps education itself in the co-operative movement, educating people to do the things in the same way, the problems that confront everybody, a single person or group of persons, the co-operative movement

does teach them to solve the problem co-operatively. Then that in itself is a danger, because when you begin to regiment people into the one thought, when they are in one group, seeking the one thing, solving the common problems in only the one way in which they are taught to solve them, you have got regimentation, and that in itself is a danger, because, after all, in the co-operative movement I think that the people on the other side of the House, the honourable members, should realize one thing, and that is, that every one is a single individual unto themselves; they have got their own individual ideas, and they bring forth their own individual ideas to solve a single problem or an individual problem. But when you have got what I envisage here in this co-operative movement in Newfoundland, we may be bringing upon this country something which no doubt will be a benefit in some ways and perhaps may not be a benefit in other ways, because if everyone here in Newfoundland does the same thing in the same way, at the same time, and try to solve all their problems by the one method, my goodness gracious, it will come to the point where perhaps by doing that in itself, may God forbid it, we people, all of us, may look alike some time, and I do not think that would be right at all. But, in any case, Sir, I do support the Bill in principle; I think it has a lot of merit in it, and I believe it can do a lot of good, but nevertheless to the Minister who will head this Department, I would say to him: Make haste slowly, and do not bring upon the people of this

country regulations perhaps which may be distasteful to them.

I notice in the Bill itself you still have these penalties with which we disagreed in another Bill a few days ago, and that is something which we want to watch. We have had many movements in the world—National Socialism in Germany, that was going to change the whole universe for the working people, and you all know where it ended. You had another similar movement in Italy; that ended up in the same way. Now the co-operative movement is only young in Newfoundland. Do not let us do anything to it in this country of ours which would discredit it. I know the merchants of this country; some of them have fleeced the people; I know it just as well as the people on the other side of this House; but I do know this, too: That there are many people, the workers themselves, people in industry, fishermen and tradesmen, people of all kinds; they have fleeced the merchants. That is a fact; that is the truth.

Now, when you look back over all the years, you will find that the firm that had the greatest number of ships ever recorded as being registered in Lloyds, it was a Newfoundland firm, way back in the 1880's, and I ask you this: where are they today? They are not in existence at all; they are gone out of existence because of the fact that they supplied the people of this country with sufficient to keep them going during the season in which they worked, and because of economic difficulties and because, perhaps, the fishery was bad for one or two years or three

years, that firm is no longer here. I know that the merchants are not God's agents on this earth any more than I am, but the employer and the merchants, or a part of them they employ many thousands of people in this country, and to put them in a separate place altogether, to put the merchants into a group unto themselves, separate and apart from me and you, I believe is entirely wrong. The merchants in Newfoundland have taken their part in the progress and development of Newfoundland, just as well as the working man. I know there were mean ones, and I know there were mean people and that is what I want to say to the honourable member who is going to head this Department: Always remember that in the things that he will have to do in the next four years, he will have to take into consideration the individual, the people who make up this land of ours. Don't think for one minute, because of regulations, or because of his enthusiasm, or the enthusiasm of the Government itself, that you are going to do things in Newfoundland that has taken years and years in other countries and failed in the end.

I would say to you, make haste slowly; take lots of consideration of what you are going to do; take into consideration every feature of the economic life of our country; take into consideration the individual, the tradesman, logger, fisherman, and everybody, including the members of this House, and perhaps in the end you may be able to make some progress in your term of office. But if you do not do that I would say to you,

Sir, whoever you may be on the other side of this House who is going to be Minister of this Department, at the end of your term and the end of the term of this Government, what you do will be recorded, and perhaps in the history of our land it may be said that the Smallwood Government did great things; or perhaps it may be termed in another way, that the drift-wood government did something else that would be a detriment to our country.

All of us must agree, Mr. Speaker, on the value of co-operation; there is no doubt that there must be co-operation in every phase of life—co-operation in the family, co-operation in the athletic field; co-operation in the House of Assembly; it is only natural that there should be co-operation in business; and I think that co-operation is a necessity in this modern day.

Now we have had co-operation in this country for some years, and I am wondering what difference this co-operative Bill will make with the old co-operative societies which are in existence now. Co-operation in the final analysis is a matter of education and study. We must start at the beginning. If we start high, it means that Government money will finance the whole situation, and then we will have totalitarianism, which will be as bad as Communism.

I understand that the Nova Scotia co-operative movement, which is assisted by the fact that every university has made a study of it, and they know what should be discarded and what should be carried on. I do not know, I have

no information about it. If you have it, well that is fine. Now we should also have some information regarding the work of the co-operative societies in Newfoundland, which I understand started in the year 1936, and has been carried on continuously in many places. When Mr. Beverage was brought here the year before the war by the Commission of Government, I understand that he formed and instituted three different clubs, one in Ferryland, one in Pouch Cove, and one in Grate's Cove. I just think of the one in Ferryland; I understand that property has been sold; the two schemes in Pouch Cove and Grate's Cove were only by means of various compromises whereby large amounts of money were lost, if not by the shareholders at least by the merchant who supplied them. Now, we should have some information on that.

There were consumers societies formed in St. John's, which for a time by careful management became a success, but then the first dogma of co-operation was broken, that is by giving credit, somewhat failed. I am informed that there is a wholesale company formed here for the purpose of buying wholesale for various schemes, of which St. John's Consumers was one, and that was the time when this St. John's Consumers did somewhat fail. I understand they were going to wind up, but refused to do so until all their bills were paid, and they are still carrying on. That wholesale company was instituted, I understand, carried on by the member for Bonavista South, and I think he should give us some information if that is so, and of the reasons

for the failure, if there was a failure.

Now if it is the intention of the present Government to carry on all the business in the country by co-operation, I think it is doomed from the very start, because I do not think co-operation under any circumstances can take the place of business. Mr. Smith, who was here from England a couple of years ago, and was an expert on economics, and particularly on co-operation, said that the most that could be expected from co-operation was to take charge and control one-third of the business of the country and no more. I doubt whether it is possible to take the pressure of it in the outports, which for years has been borne by the merchant class, and it has done good work; at times prices charged may be high, but we must be certain that their class has been going under. If you look at the history of this country, the commercial history of this country, you do not find the same merchants here now as existed in the past; there are a few merchants on Water Street who were there a few years ago, but many of the big merchants have disappeared, through the bankruptcy courts, and the same has applied to the various men of that class in the outports. Now I would dislike indeed to see some businesses in this country wiped out, particularly those small businesses; these businesses are absolutely necessary in a sense for the country and create a spirit of independence. I read an article yesterday and in it was this:

"In the economic sphere it is therefore the most important task of government to encour-

age that type of economic organization in which the family and the home may prosper. The normal economic order—that order which is best adapted to the real needs of mankind—is one in which the majority of men are working proprietors; that is to say, where they earn a living for themselves and their families by working their own property, whether that property is a farm, a shop, a workshop, or a factory. This is best economic order precisely because the institution of the family is strongest while this system prevails.

“This type of economic order may be adapted to enterprises which require more capital than one family can contribute. Where the amount of capital actually needed for the conduct of a business is greater than one man can supply, the necessary capital is best made up in the form of a partnership in which each of the partners has an effective share of control.”

Now that article might have been written about the miners at Bell Island about whom the Premier spoke the other day when he talked about the _____ distributing, and it particularly brings to our mind the class of fisherman-farmer, because I think there is no independence in the fishing class unless there is a farm to carry on other allocations of life, and I think that the man of property, whether it is a small piece of land or a large piece of land, is a man who is independent, and that class will have to be catered to. I think that is the most important class of all. Now it is a pity indeed that the little busi-

nesses of this country, little men, have been pushed aside; the lower middle-class people of a country form the backbone of a country; that has been long recognized. They are the people who by thrift have acquired a little bit of property, a little shop, and have carried on their business in a thrifty way; they have succeeded because they knew what thrift was. But that is the class, although they are thrifty, this is the class which contributes to their church, which contributes to charity, because they have learnt duties; their hard work and insight into things and into other people's lives, and have taught them to be both charitable and decent and honest. Now I am afraid that in St. John's that class has been wiped out, for various reason. One was because of the Rent Control Board; it just shows what laws can do to people. These people had probably three or four little houses; in the slump taxes accumulated and they had to meet the taxes without collecting the rent, and then all the rents were ceilinged in 1940 at a time when the price of commodities had not gone up. People were getting rents of ten dollars a month in July, 1940, and by decree of the following year they were not allowed to raise the rent. The rent went back to August, and those who were receiving ten dollars a month could not meet the heavy costs of living which went up, I think, in September or October, 1940, and they were wiped out.

I would hate to see the Co-operative Act being an Act which would bring about the breaking up of that great institution in this country, the lower middle class who carry on their little shops and

their little businesses. As an example to show how you can put little people out of business. In this city—and you have been to some of the outports—a lot of people used to sell spruce beer and hop beer, and they may have made a little living out of it, and brought up their families, but the Commission of Government put a tax of \$55 on them, and this is quite a lot of money for these poor people. Now, under Confederation, these people who make hop beer will find themselves in the position of having to pay a license fee of \$50, put a bond of \$5,000 and pay 45c. a gallon duty, when all they get from the hop beer is about 5c. a pint, which is about 40c. a gallon. Now, these people are wiped out, but unfortunately, other people have taken the business; the breweries have bigger places where they are making the beer, and you have a monopoly. You have a pure monopoly; and that is a serious thing in any country.

How easy it is to make monopolies can be seen at the time when they passed a law that nobody could carry on the tobacco business unless they had at least 10 employees. The result was the monopoly was placed in the hands of the Imperial Tobacco Company, and a lot of small people who were making cigarettes with tobacco which was brought in here from outside were entirely put out of business.

Now, Sir, we have to devise some scheme of preventing monopolists doing away with some poor people carrying on small businesses. Now we talk about the merchant class and they should be wiped out, and all that.

But if they were wiped out the place would only be taken by other merchants, coming from the mainland, and then you have Simpson's and others here, and they would be carrying on the same sort of business as the merchant class, giving credit; and how the fishermen are going to carry on without credit I don't know, unless this Co-operative Act will give them some help.

Unless this co-operative business is going to be carried on with a proper, decent spirit it will not be a successful undertaking, and if it is the intention to make it a tyrannical act whereby everybody who interferes with it would be put out of business, well, I have heard cases of co-operative men, of co-operative officers going into a place and telling the merchant there if he didn't sell out his business to the co-operative business, he would be fired out. There will be cases like that.

AN HON. MEMBER: Not in Newfoundland?

MR. HIGGINS: Yes, it happened in Newfoundland, yes. I have heard cases. Yes. They've been told, if you don't pull in the proposition you'll be wiped out.

MR. SMALLWOOD:

MR. HIGGINS: Well, I wouldn't deny that. I wouldn't blame the co-operative people for it. But you often find that, you often find the under-agent is the one who will very often pick on himself full authority. Well, that has to be avoided. But I think that we should have some information here regarding the history of the economic movement in Newfoundland from 1936, to show the failures and successes, to show the schemes that have failed, and

those which have succeeded, and in order to find out the reason why they have failed and we can learn there is no way of judging by the past except by the future. There is no way except by guiding ourselves by the events of the past—and we have the history of the economic movement since 1936 to show this for us. We don't know what they are, but I understand now that all its history is tabled in certain books and I would like to see these books before I discuss this Act.

MR. CASHIN: Mr. Speaker, I do not propose to make any lengthy speech in connection with this Bill, but there are just one or two things I would like to draw to the attention of the Premier, and I might take this opportunity of doing it because under this Bill, I notice that

Well, there's just one thing, Mr. Speaker, and that is, NAFEL is an organization, will this affect NAFEL in any way? For this reason I want to point this out to you that at the present time in Newfoundland—perhaps this will be the only opportunity I will have to bring it up, that last year, and previous years, there was a firm in Newfoundland exporting from 50,000 to 70,000 quintals of especially prepared fish for the United States. Under new regulations made by the Fisheries Board and NAFEL, these people are not permitted to export that quantity, but have got to be distributed evenly amongst the other exporters, in some kind of way. Now the people who buy this fish in the United States, they are not prepared to take it from these other people, for the simple reason that these other people are

not accustomed to putting the fish up as required. Now even at the present time up on the south west coast, I understand, they are buying the fish at \$10 a draft, which is roughly \$10 a quintal, when fish is dried. And I understand from these people, they called on me this morning, and asked me if at some opportune moment I would bring the matter up—I understand that these people are prepared to pay \$14 a draft for it, and because NAFEL says "No" they can't do anything: so I avail of this opportunity, particularly in connection with these co-operatives, they are going to butt in everywhere, that I bring this matter up, and point out to the Government that we may lose, not alone American dollars, but future business with the United States of America, if something is not done to curb or stop this NAFEL organization from taking over the work. They've distributed equally, and I understand it is controlled by three of four individuals; well, there is a combine, if there ever was one, and I think it is up to the Government today to do something about it, and I just draw the attention of the Premier to the matter.

MR. SMALLWOOD: What happens is that the firm in Newfoundland which represents that American firm gets this fish required by having so many men, I think there is one right in the capital of your district, in Ferryland, there is one agent there who arranges with a number of fishermen to put up the fish in a certain way. Now the difficulty that has arisen is this, that this year they've made some sort of change in the nature of the fish, in the cure and that's what brought the

difficulty, of course this Bill has nothing to do with that.

MR. CASHIN: I know that.

MR. SMALLWOOD: You use the Bill as an opportunity to ask question. It has nothing to do with this Bill, it doesn't touch NAFEL, it doesn't touch the Fisheries Board, it is merely setting a department to regulate and control co-operatives, in much the same way that the division does not, and I don't know that there is any more problem in the Bill now than exists already, in the co-operative division, the only difference being that this is a department, a full-fledged department with Fisheries added to it, whereas the other is merely a division under a department. This Bill makes a department, and all that I said yesterday is not reflected in this Bill at all—it is merely a Bill to set up a department.

HON. EDWARD RUSSELL, (Minister of Natural Resources): Mr. Speaker, I don't intend to debate the Bill, but did the honourable the Leader of the Opposition ask me a question? I almost believe he did. In connection with my association with that Wholesale. The Co-operative Wholesale? Did he intimate that I was a member or in charge of it or something?

MR. HIGGINS: I understood you were in charge of it, yes.

MR. RUSSELL: I was in charge of a division of the Government called the Co-operative education among as many people in Newfoundland as were interested in hearing about it. Some of them, af-

ter they had acquired some co-operative education or a substitute for it, enthusiastically started societies. Once they started a society they were free, absolutely free, to run that society as they saw fit, just as long as they obeyed an Act called the Co-operative Act. They obeyed it sometimes, some of them did; when they did not, they got away with it sometimes before it got to the Registrar. I was never in charge of a society; I had no control of authority over any society to tell them what to do or what not to do; they ran their own society with their own Board of Directors elected from their own members. I had no more, as an educational director of the Division, I had no more authority, no more responsibility for their success or failure, than the teacher of a school, or Secretary for Education, has whether after people pass examinations they go out in life and make good. I was never in charge in any way of that society or of any other society. You know, these societies are corporate bodies that have to obey certain provisions of the Act, make returns, certain returns to the Registrar, and have their books audited once a year; but that's all I was, educational director. Mr. Speaker, I could spend years telling about the story; I spent four or five years on the radio, one day a week, and I could spend four or five years more, but that is hardly the point.

Bill read a second time, and refers to Committee of Whole House on tomorrow.

MR. SMALLWOOD: Could I have the forbearance of the House,

I wonder? I may say that His Honour the Lieutenant Governor is due to arrive about six o'clock to assent to the Bills which have been passed, and yesterday. I thought I understood, a sort of good-natured consent on the part of the gentleman opposite, in return for deferring the Bill yesterday, that it might be put through its various stages today. We are going to adjourn at six-thirty or not later than six-thirty, for a week or more, to Monday week and we are going to have a Cabinet tonight, and complete the appointment of the vacancies in the Cabinet. This we cannot do until all the Bills have been enacted, and I am leaving, with the Attorney General at six o'clock tomorrow morning on quite an important visit to Ottawa and I was hoping that the Ministers could get their Departments organized, so if the House would agree I would move this House into Committee of the Whole on this Bill.

Speaker left the Chair.

Committee of a whole on the Bill "An Act Respecting the Department of Fisheries and Cooperatives."

MR. SMALLWOOD: Mr. Speaker, since the gentlemen opposite have been so generous I am taking a chance on asking their consent that this Bill be given a third reading, and I would, with the consent of the whole House, move the third reading.

Bill read a third time.

MR. SMALLWOOD: We have a quarter of an hour. I thought, Mr. Speaker, that it may be possible

to put the Act, "An Act to Amend the Old Age and Blind Persons Pension Act, 1949" through—we might have committee stage and see how far we can get.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Amend the Old Age and Blind Persons Pension Act, 1949."

Speaker left the chair.

Mr. Courage took chair of committee

Section 8 read.

HON. LESLIE R. CURTIS: (Attorney General): Mr. Chairman, the reason for this amendment was this. We are very anxious to get as many as possible applications under the Old Age Pensions and Blind Persons Pension Act ment, but we find here in Newfoundland there is a great absence of persons authorized to take affidavits. We would therefore suggest that we adopt the same practice as is in force with respect to Relieving Officers, and we propose giving the members of the Department authority to take statutory declarations. We have appointed fifty J. P.'s, all on a temporary basis; we can re-appoint them again in six months, and we are not sure that we are getting the right men as J.P.'s, so for that reason we suggest that this less contentious work be done by officials of the Department, the same as is at present done under the Public Health and Welfare Act.

Section 8 passed.

Committee rose, having reported passing the Act as amended.

MR. CURTIS: I wonder, Mr. Speaker, since the Lieutenant

Governor is coming in a few minutes, I wonder if we could have the unanimous consent of the House that this Bill be now read a third time. As the main section in which I am interested as Attorney General is that last section we put in—it is only this morning I had a request to have eleven Rangers appointed J. P.'s; that is a terrific job; it means that they have got to be entered on the books of Magistrates throughout the whole country, so if we could have that Bill put through, it would simplify the working of the Government, and assist the people of the country. So with the unanimous consent of the House I would move that the Bill be now read a third time.

MR. HIGGINS: I have no objection.

Bill read a third time.

MR. SPEAKER: Second reading of Bill "An Act to Amend Chapter 2 of the Consolidated Statutes (Third Series) Entitled "Of the House of Assembly."

MR. CURTIS: This item, Mr. Speaker, will of necessity have to be deferred because of the lack of time.

Second reading deferred.

MR. SMALLWOOD: Mr. Speaker, while we are waiting a moment, I would like to read to the House a cablegram I received this afternoon. It is from Toronto, Ontario, addressed to me in care of the Parliament Building, St. John's, and it says:

Here Mr. Smallwood read a cablegram from Premier Frost of Toronto in which the Legislation

Assembly of Ontario offered a gift of a Speaker's Chair to the Legislative Assembly of Newfoundland.

MR. SMALLWOOD: Well, Mr. Speaker, I have to add that I am sure that I voice the feeling of the House and of the people of Newfoundland when I say that we appreciate deeply the generosity and good neighbourly feeling of the Government and Province of Ontario in making this offer through their Premier; we have in Toronto many thousands of our Newfoundland people, many thousands indeed, who have made their homes there and who have been made exceedingly welcome by the people of Ontario; and I feel that we ought to express to the Prime Minister of Ontario our deep appreciation of the generosity of his Province.

At 6 o'clock the Lieutenant-Governor arrived and assented to the following Bills:

"An Act Respecting the Department of Economic Development."

"An Act Further to Amend Chapter 1 of the Consolidated Statutes (Third Series) 'Of the Statutes (Third Series) 'Of the Promulgation and Construction of Statutes.'"

"An Act Respecting the Department of Provincial Affairs."

"An Act to Amend the Gas Tax Act 1949."

"An Act Further to Amend the Co-operative Societies Act 1939".

"An Act Further to Amend the Crown Lands Acts 1939."

"An Act Respecting the Department of the Attorney General."

"An Act Respecting the Department of Public Welfare."

"An Act to Provide for the Internal Economy of the Legislature."

"An Act Respecting the Department of Health."

"An Act Respecting the Department of Fisheries and Cooperatives."

"An Act to Amend the Old Age and Blind Persons Pensions Act 1949."

The Lieutenant-Governor then left the House.

MR. SMALLWOOD: Mr. Speaker, I move that the House at its rising do adjourn until tomorrow, Monday August 8th, at three o'clock.

Adjourned accordingly.

Monday, August 8, 1949.

House opened at three of the clock.

Presenting Petitions

MR. FAHEY: Mr. Speaker, I beg leave to present a petition to the Honourable House of Assembly, the petition of the undersigned, residents of the settlement of Colliers, Conception Bay, in the electoral district of Harbour Main-Bell Island, re road repairs and wharf extension. I would move that this petition be tabled and passed to the Department concerned.

Petition received and referred to Department concerned.

MR. FAHEY: Mr. Speaker, I beg leave to present another petition, from the residents of Avondale. It is similar to the first petition; it asks for repairs to roads and wharf extension at that place, and I would move that this petition be tabled and forwarded to the Department concerned:

Petition received and referred to Department concerned.

MR. FAHEY: I beg to present a petition for and on behalf of the residents of Harbour Main. It is similar to the other petitions asking for repairs to roads and wharves, signed, by 122 residents of the settlement. I would move that this petition be tabled and forwarded to the Department concerned.

Petition received and reprovod to Department concerned.

MR. FAHEY: Mr. Speaker, I beg leave to present a petition for and on behalf of the residents of Chapel's Cove in the district of Harbour Main-Bell Island. It is similiar, asking for roads, repairs to local roads and wharves which are essential to the fishermen and otherwise, and it is signed by the residents of that particular settlement, Chapel's Cove. I would move that this petition would be tabled and forwarded to the Department concerned.

Petition received and referred to Department concerned.

HON. L. R. CURTIS: Mr. Speaker, I have been asked to present to the House a petition from Jonathan R. Parsons, Walter P. Miller, William S. Rowe, Sylvester I. Mulcahey, Harvey C. Jones,

Frank H. Moores, Lloyd C. Moores, and W. Barrett, members of the Certified Public Accountants; and Allan T. Sparkes, K. Gordon Bearnas, Mathew F. Murphy, Robert T. Dyer, James E. Austin, accountants; engaged in carrying on the profession of public accountants in the Province of Newfoundland. The petitioners, Mr. Speaker, ask that a private bill be passed incorporating them under the Certified Public Accountants Association of Newfoundland. I would move, Mr. Speaker, that this petition be received and that it be referred to a select committee of this House, to ascertain if the rules have been compiled with, and if not, what course should be taken.

Petition received and referred to Department concerned.

The following members were named to form the select committee on the aforementioned petition to discover if the rules of the House had been adhered to:

Hon. the Attorney General.

Hon. the Minister of Fisheries and Co-operatives

Mr. Morgan

Mr. Fahey

Presenting Reports of Standing and Select Committees

HON. H. W. QUINTON, (Acting Minister of Health): For and on behalf of the Select Committee appointed to consider the Bill on the Maritime Hospital Service Association. The Report of the Committee is as follows:

"The Honourable, the House of Assembly.

The Select Committee appointed to consider the proposed Bill of the Maritime Hospital Services Association beg to report that the rules of the House respecting private bills have been compiled with and recommends the Bill to the House.

(Signed) Reg. F. Sparkes
John R. Courage
H. W. Quinton
Peter J. Cashin
L. J. Miller

Report received.

MR. QUINTON: I move that the Bill be read the first time now, Mr. Speaker.

Bill read a first time.

HON. L. R. CURTIS, (Attorney General): Mr. Speaker, the select committee appointed to consider the Bill entitled "An Act Further to Amend the St. John's Municipal Acts, 1921-1945 and Acts in Amendment thereof" has further considered the matter to it referred and reports that the orders of this Honourable House made at its last sitting have been complied with. The committee recommends that the second reading of this Bill be considered today, and that, if and when read a second time, the Bill be referred to a select committee.

(Signed) R. F. Sparkes,
L. R. Curtis,
O. L. Vardy,
J. G. Higgins.

Report received.

MR. QUINTON: I ask leave to table the replies to several questions asked by honourable member for Ferryland, some time ago. Question No. 40 on the Clarenville

1. Statements of earnings and expenditures for 1948-49 are not available in full; the final statement for the year (March, 1949), is in process of compilation, and audit, by the Railway. The statements for the eleven months ended 28th February, 1949, have been summarized as follows:

Vessel	Earnings	Expenses	Surplus (Deficit)
Bonne Bay (a)		\$ 40.43	\$ (40.43)
Burin	\$ 96,488.35	88,379.41	8,108.94
Clarenville	45,244.28	77,568.58	(32,324.30)
Codroy	58,516.21	70,077.26	(21 561.05)
Exploits	74,082.03	97,328.44	(23,246.41)
Ferryland	63,760.88	78,903.54	(15,142.66)
Glenwood	64,195.12	84,576.24	(20,381.12)
Placentia	66,368.71	65,087.33	(1,281.12)
Trepassey	72,669.37	93,426.09	(20,756.72)
Twillingate	54,084.69	67,310.06	(13,225.37)
Total for eleven months	\$585,409.64	\$722,697.38	\$ 137,287.74

(a) Residual charge, vessel wrecked (total loss) on 26 | 1 | 47.

(b) Total includes payments under heading of "Repairs" amounting to \$149,032, all vessels.

2. Earning and Expenditures, 1 April-30 June, 1949. Only one statement that relating to April operations, has been received to date. It shows:

Vessel	Earnings	Expenses
Burin	5,836	6,700
Clarenville		4,174
Codroy	4,484	1,348
Exploits	5,778	5,750
Ferryland	5,904	12,736
Glenwood	10,677	6,354
Placentia	9,000	5,937
Trepassey	9,260	7,410
Twillingate	2,980	4,685
	\$53,919	\$55,094

Net Loss—\$1,176.

Question 27.

Capital Expenditure, April 1st, 1949, to June 30th, 1949.

(i) Public Works:	
(a) Public Buildings	\$302,543.82
(b) Roads and Bridges	210,898.03
(ii) Education:	
(a) Erection and Equipment of School Buildings ..	30,000.00
(b) Erection of Library buildings	82.37
	<u>\$543,524.22</u>

The answer to Question Number 19 by the honourable member for Ferryland.

Surplus Account

The honourable member for Ferryland will appreciate that, until such time as the Accounts for 1948-49 have been completed, following final audit, any figures given in reply to Question Number 19 must be regarded as approximations only. The following figures are given subject to the above reservations:

Accumulated revenue surplus to 31:3:48 from Budget Speech, 1948	\$28,182,000
ADD (i) Adjustments in light of fiscal out-turn, 1947-48, as per Public Accounts of that year	164,200
(ii) Surplus of revenue over expenditure, interim figure, 1948-49—See Answer to Question No. 25.	1,126,000
(iii) Proceeds sale of savings certificates, on loan to the United Kingdom, not included in \$28,182,- 000 figure, above	1,800,000
	<hr/>
	\$31,272,200
(iv) Taxes on 1948 incomes—\$9,006,000. Less cost of collecting \$97,800	8,908,200
(v) Arrears 1948-49 revenue (Finance \$80,000, N. Res. \$40,000)	120,000
(vi) Recoveries of pre 1949-50 advances:	
Finance	\$ 6,406,500
Public Works	200,000
Liquor Control	1,700,000
	<hr/>
	8,306,500
Less: Account payable at date of Union	1,112,400
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	\$ 7,194,100
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	\$47,494,500
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Deduct: Reserve for redemption of Sterling Debt in 1950 and 1952	\$ 3,351,400
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Adjusted Surplus as of 31:3:49	\$44,143,100
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No portion of the surplus has as yet, been placed on deposit with the Government of Canada.

Question Number 35 by the honourable member for Ferryland. This, Sir, is a supplementary reply augmenting information already given which was not available at the time when the first answer was rendered.

Supplementary Reply

The sterling equivalent (£800,000) of a partial repayment of \$3,232,000 on account of the non-interested bearing loan for War Purposes, received from H M. Government in the United Kingdom, was embarked for the redemption, in 1950 and 1952, of the two 3 ½% Trustee issues aggregating £872,528. This was invested in United Kingdom 2 ½% National War Bonds. Interest accruals on this investment have been used to make additional investments. It is calculated that the *principle sum, plus interest* accruals, will be almost sufficient to retire the 3 ½% Trustee securities at their final maturity date.

MR. CASHIN: (Ferryland); Mr. Speaker, as I asked the honourable Minister that question in connection with that surplus question. Does that surplus include the loan granted for the purpose of expanding the fisheries?

MR. SMALLWOOD: (Prime Minister): What surplus do you mean?

MR. CASHIN: The \$28,000,000 at March 31st 1949.

MR. SMALLWOOD: No, I should think not. It is a cash surplus.

MR. CASHIN: I know the cash surplus is \$28,000,000, but—we are getting out of order again,—but that is a debt owed to the Government, it is assets, and it really should be included in the surplus.

MR. SMALLWOOD: It depends on what surplus you are talking about.

MR. CASHIN: I mean the gross surplus as of March 31st 1949.

MR. SMALLWOOD: Gross! Of course. Not in the cash surplus.

MR. CASHIN: It is surplus.

MR. SMALLWOOD: It is surplus.

MR. CASHIN: It is owed to the Government, in other words the surplus is six million more.

MR. SMALLWOOD: Mr. Speak-before,—I think that perhaps concludes the order paper up to but not including the orders of the day, does it?

MR. SPEAKER: Question 64 asked by Mr. Fogwill addressed to the Hon. Minister of Supply or the appropriate Minister.

MR. SPENCER: (Minister of Public Works): I beg leave to table the answer to the question No. 64 showing the total decrease in the cost of living from January 1st 1949 to June 4th 1949 and includes full information of how the cost of living index compiled.

Cost of Living Index

January 1, 1948	186.7
February 5, 1949	186.3
March 5, 1949	184.9
April 2, 1949	179.0

May 7, 1949 176.3
 June 4, 1949 175.7

From March 5 to June 4, the total decrease was 9.0, and from January 1 to June 4, the total decrease was 11.

MR. CURTIS: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill entitled, "An Act Respecting District Courts." I further give notice that I will on tomorrow ask leave to introduce a Bill entitled "An Act to Amend Chapter 91 of the Consolidated Statutes of Newfoundland (Third Series) Entitled, 'Of Evidence.'" I further give notice that I will on tomorrow ask leave to introduce a Bill entitled "An Act Further to Amend Chapter 41 of the Consolidated Statutes (Third Series) Entitled 'Of the Newfoundland Medical Board.'"

HON. S. J. HEFFERTON, (Minister of Education): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill entitled, "An Act to raise the status of the Memorial University."

MR. SMALLWOOD: Mr. Speaker, before we pass to orders of the day, I think I owe it as a duty to the House to announce certain changes in the Cabinet, in the Executive Government, which have occurred since the Legislature last met. Under these changes the honourable and gallant member for Burgeo-LaPoile ceases to be Minister of Health, and becomes Minister of Finance. The honourable member for Burin ceases to be Minister for Provincial Affairs, and becomes Minister of Supply. The honourable mem-

ber for St. George's-Port au Port ceases to be Minister for Natural Resources, and becomes Minister for Fisheries and Co-operatives. The honourable the senior member for St. John's West becomes Minister of Provincial Affairs, and the honourable member for Harbour Grace becomes Minister of Health, and the honourable member for Bonavista South, become Minister of Natural Resources. That, Sir, completes the organization of the Executive Government following the enactment by this House of the various Statutes, whose enactment was necessary to enable the organization of the Cabinet to take place.

MR. SPEAKER: The Orders of the Day, the first reading of the Bill "An Act to Reincorporate in Newfoundland 'The Maritime Hospital Service Association.'"

Bill read a first time. To be read a second time on tomorrow.

MR. SPEAKER: Second reading of Bill "An Act Further to Amend the St. John's Municipal Acts, 1921-1945 and Acts in Amendment thereof."

MR. CURTIS: Mr. Speaker, this is the Bill that was reported on this afternoon by a select committee. The Bill is a three-barrel Bill, the first section of it deals with the paving of Water Street from Hutchings Street to Cochran Street and provides that one-half of the cost of such building, and construction and paving shall be borne by the Council and one-half by the owners of the buildings on either side of the street. This is not a Government measure and after the second reading, if the House agrees to

read it a second time, I will be moving that the Bill be referred to a select committee to consider whether or not it is advisable to proceed with it further. The second section of the Bill deals with the waters, that Mobile River. These water powers were passed some time ago to the St. John's Municipal Council and by them assigned, I think, Mr. Speaker, to the Newfoundland Light & Power Company, Ltd. The object of this amendment is to provide for the terms under which the property can be reacquired by the City should it be desired at any time to do this. The last section and third deals with the provision by the Council of land for Veterans' homes. As I intimated to the House at the last sitting, the Veterans' Board of Canada is prepared to extend its operations to Newfoundland and has offered to build here, immediately 100 homes to be rented to veterans. The rules of the Board are that the land, properly serviced, must be provided by the Municipality. In St. John's, the Municipality owns no such land that was acceptable, but in co-operation with the Government it was agreed to make available to the Council, certain land, known as Berteau estate, which was owned by the St. John's Housing Corporation. The Government and the Council between them, agreed to take over this land from the Housing Corporation and to credit the Housing Corporation with its value, and to treat it as a joint purchase, each side giving credit for 50% of the improved value. This land has been made available to the Board which is now proceeding to build 50 houses thereupon, and I may say, Mr. Speaker that just as

soon as further land is available the Board intends to proceed with a further 50 houses. This Bill enables the Council to carry out its share of the bargain and I might say in anticipation of its passing work is already under way. I am sure that the Bill will commend itself to the House, at least particularly this section of it, and I would move its second reading.

Bill read a second time and referred to a select committee to deal with its provisions.

The following members were selected:

Hon. Attorney General

Hon. Minister of Provincial Affairs

Mr. Vardy

Hon. Leader of the Opposition
Mr. Fogwill

MR. SPEAKER: Second reading of the Bill, "An Act to Amend Chapter 2 of the Consolidated Statutes (Third Series) Entitled 'Of the House of Assembly'."

MR. SMALLWOOD: Mr. Speaker, this Bill, copies of which, I believe, have been distributed to the members, is a bill designed to bring the province of Newfoundland into conformity, or should I say uniformity, with the other provinces of Canada in respect of the life of Parliament, as we say. In Newfoundland, for I think all the period during which we had Representative and subsequently Responsible Government, the life Parliament was four years. I think that in the earlier stages of the legislatures of the Canadian provinces, the same rule prevailed. But we find that today, in all

of the provinces of Canada—perhaps I am going a little too far there—certainly in eight of them; up to this moment we have not been able to ascertain the length of the life of the legislature of one of the nine provinces, namely, Prince Edward Island, but certainly in eight of the nine provinces, and I believe in all nine of them, the life of Parliament, the Parliament of Canada, the House of Commons; that also is for five years. Five years indeed is the common period of the life of the legislatures throughout the British Commonwealth and Empire, beginning at Westminster itself. Now it does not follow that because Parliament has a life, a maximum life, of five years, that it uses its maximum, and indeed the contrary is the common case. For example, as is known, there was a General Election on the 27th of June of a General Assembly, or, as we would call it, of the House of Commons rather, at Ottawa. Actually, that General Election need not have taken place until the spring of next year; the life of Parliament ended not later than the spring of 1950, but actually the General Election was held in the spring of early summer of 1949, a year earlier than it could have been. Similarly in the provinces of Canada, it is not because the maximum of their life is five years, that they avail themselves of that fact, and have their general elections every five years; however, when they find good reasons for so doing they do prolong the active life of the legislature that additional year. It sometimes happens, but for the most part it does not happen. And so similarly

here; in bringing Newfoundland in this respect into conformity with the general practice throughout this great Canadian nation, of which now we so proudly form a part, it does not follow that the intention is on the part of this government—indeed, this government at this moment intends to stay in office for the next twenty-five years, and although there may be a few elections between now and then, that would be a democratic incident which we will be very glad and proud to follow, we cannot look forward so far as to be able to say that the election will indeed be held exactly four years afterwards, and for that matter, Sir, there is nothing to prevent the government of the day in the British Parliamentary system, if it finds that some issue has arisen, far short of the normal span of life, that requires to be submitted to the people generally, there is nothing to prevent it having an election a year or two years from now; if an issue of sufficient magnitude, requiring a fresh mandate from the people, were to arise, we could go to His Honour the Lieutenant Governor and recommend the dissolution of the legislature with a view to having an election next year or the year after, provided always the issues were of sufficient importance and size to require a fresh mandate from the people.

So that the purpose is, in the first instance, to bring Newfoundland into conformity with the other provinces of Canada. Then there are two other purposes; one is again, following the idea of bringing this provinces into conformity with the practices of the

other provinces, to insert into the Act a new clause giving the members of the legislature, or the House of Assembly of Newfoundland and its members, the same privileges, immunities and powers held by the members of parliament itself at Ottawa, and these of course, as my honourable friend the Attorney General reminds me, are the same as those enjoyed by the Parliament at Westminster. And then, thirdly, there is a further purpose in this amending bill, a purpose which frankly is this: to enable this House to adopt a closure. It does not say that here; what it does say is that the original Act be amended by striking out certain words the striking out of which would then, if the legislature so desired, give it the right to adopt closure, or, in other words, to shorten on occasions the period of debate. Now, Sir, members of the House present, who were members of the National Convention, may recall the incident that occurred here when one member of the Convention gave notice of a motion—the member incidentally was the gentleman who is now Member of Parliament for St. John's East Riding, and his motion was a closure motion aimed at giving the guillotine to the debate then before the Convention; the debate incidentally led by me and largely at that time opposed by him. The proposal was that at any given moment he would move that motion, once he had given notice of it and it stood on the order paper—at any moment that he selected he could put the motion—have it put by the Chairman, and if it carried that ended the debate. Now I put

a question to the Chairman of the Convention at that time, asking him if that motion were debatable or would be debatable if put, and his answer was, "Yes," it would be debatable. Subsequently that answer was withdrawn privately, and the real answer therefore was that it was not debatable; a closure motion is not debatable, because if it is it defeats the very purpose of closure. The idea back of closure is this:—there are two ideas; there are two ways of carrying out the one idea; one is to put a time limit on speeches as we had in the National Convention, except in committee of the whole. The time limit, as I recall it, was forty minutes. I think the honourable member for Ferryland will bear me out there—

MR. CASHIN: The time limit, Mr. Speaker, in the National Convention—

MR. SMALLWOOD: Was forty minutes, I think, except in committee of the whole. That is the first point, and the other is the government time-table. Now by a certain amount of tradition in our own legislature, largely more by tradition than by anything else, the time-table of the House was set by the government. Now, admittedly, the right to set a time-table, the right of the government to set a time-table, is a right that means far more to be enjoyed by a large Parliament, or House of a relatively small one; it depends upon the amount of business; it depends upon the amount of legislation; it depends upon the extent to which it is felt widely that sessions ought to be reasonably short. Now in Newfoundland we have

had the tradition of long sessions. My honourable and gallant friend will remember some of these long sessions in this Chamber, opening in, say, February, and closing when the sun was blasting the backs of the members, especially on that side, as it poured in through the windows in the month of August, to do work which at most ought not to have taken two months. Now the legislatures throughout the provinces of Canada take three or four or five weeks a year to transact the public business, and yet if one looks at the Journals of the provinces of Canada he is astonished to see the enormous number of statutes enacted within a short period of time. The legislature of Nova Scotia, for example, with a House of, I think, thirty* members, two more than we have usually lasts four or five weeks a year. In New Brunswick, where the House is one of fifty-two members, the session lasts three or four weeks, or probably five, a year, and yet, when you look at the journals of that House, you are greatly surprised to see seventy, eighty, ninety, a hundred, and more than a hundred separate Acts entered there as having passed the session in that short period of time. We, of course have got to be very much on guard to defend, and maintain, the democratic rights of the legislature; on the other hand, there is a case we believe to be made for the improvement, improving the status or efficiency and the smooth running operation of the legislature, not just this legislature, but the legislature for many years to come.

Now I have only one thing more to say in moving the second reading of this Bill, and it is this; the House of Assembly, which began in 1832, and went out in 1932—or was it 1933—one hundred and one years—began and continued for some eighty odd years of that period as a parliamentary institution which would and did compare favourably with legislative assemblies throughout the British Commonwealth and Empire, and during that period of time it produced some parliamentary giants of whom we have heard so frequently that there is no need to repeat their names today. In the other fifteen or eighteen years of its life, toward the end of its life, it still produced parliamentary giants, but during that latter part of its career the tone and the quality of parliamentary life in Newfoundland sank to the depths never on the average, never I think on the average equalled by any parliamentary or legislative assembly in the British Commonwealth and Empire and indeed in most other democratic countries of the world.

MR. CASHIN: You mean the last twenty years?

MR. SMALLWOOD: Well say ten, fifteen, twenty years, I would say there was a progressive decline, and not only a progressive decline, but a decline that occurred in geometrical progression; it got worse daily until—a decline I should say in the quality, the tone, in the efficiency, in smooth running operation; that decline set in and got visibly worse, and it reached its lowest point when these windows were left without a square inch of glass in them,

when even the bars of the window frames were smashed out, and this floor was covered with glass and rocks and bricks, and there was not a pane of glass left in this entire building; when the building was surrounded for hours by thousands of men, some of whom flung rocks and bricks in through. Now that admittedly was about the lowest point reached in the—if I may use the word which my honourable and gallant friend had so much fun about in his speech here recently—in the “dignity” of the Assembly. That was about the lowest point, when men came and danced on the Treasury table; when others took turns sitting. Sir, where you are sitting to-day; to see what it looked like; and in the meanwhile members of this Assembly were barred in a room next to the lower public gallery to your right, barred there, Sir, for hours, and the Premier of this country got out only under an escort headed by a clergyman, and got out, but not safely, and ended by spending that night in three different houses in the city and the suburbs of St. John's, and other members managed to get out through the rear door and the window at the bottom here, and generally parliamentary life, parliamentary democracy in Newfoundland, fell to a depth that we hope will never be reached again in the history of this Newfoundland of ours.

Now we start a new lease of life. We are in here with a splendid government, I hope, splendid Opposition, and an independent member who—

MR. CASHIN: Who is one of the illiterates of twenty years ago—

MR. SMALLWOOD: Who follows a tradition established by the late Judge Warren, who sat here in this House as an Independent, and who I feel sure, will exemplify that tradition in no mean fashion in the next fifteen or twenty years, if he sits that long as an Independent in this Chamber.

But we can ask what will happen six, eight, ten, fifteen years from now, and it is with a view to taking time by the forelock that we bring these proposals today we warn these proposals today aimed at bringing about, not a complete absence of heat—God forbid that the House of Assembly of Newfoundland will never descend to another depth where no feeling exists, where no heat is generated, where no convictions are held by members leading to warm and sometimes ferocious debate. Preserve us from that, from a House where order and decorum and this much decried dignity—against which incidentally, Mr. Speaker, I may myself some time, if I lose my temper, be one of the first to offend, in which case I should hope that His Honour the Speaker, with the impartiality for which we will feel he is noted, will mete out to me the punishment I shall have earned, should I err in that respect.

Mr. Speaker, these are the purposes of the Bill, thus brought in the early stages of the first part of the first sitting of the first legislature after the break of twelve or fifteen years in parliamentary democracy in Newfoundland.

MR. HIGGINS, (Leader of the Opposition): Mr. Speaker, I looked around to see if there was

some slight blush on the faces of the honourable the Minister of Finance and the honourable the member for Ferryland, when the Premier spoke of that terrible period of the last days of Responsible Government, when this place was turned into a riot. The only representatives of those so-called dark period, dark ages, of our democracy in Newfoundland, the sole representatives in this House at the present moment, are the two members whom I have just mentioned. I cannot say that I thought ten thousand swords would leap from their scabbards, because theirs would be only two swords, but I thought both those would have made a charge. Sir against the Premier to defend themselves. They are the sole representatives. Now with regard to the so-called riot, I know more about that than any of them. I was one of the hundred men who went out to protect this City, to protect the city on that night when the House of Commons was attacked. And the city, Sir, that had to be defended, that consisted only of the three places where alcoholic liquor was stored, and thirty men at each place stayed around while a few ragamuffins just laughed and talked and no damage was done; there was not a single house hurt. And if we had proper resistance here—I think the police force never had any idea of riot, and they did not know how to handle it; they could have charged; twenty or thirty boys who were out in the park there crowded close to the windows. Now that is the so-called riot which has been spread all over the world—the terrible riot.

MR. SMALLWOOD: Were you in the building?

MR. HIGGINS: No, I was not. I was out of town and did not get in till eight o'clock that night, but there was a crowd of eight or ten or fifteen thousand people here, see, ten thousand people, nine thousand nine hundred and fifty of whom were all of them decent citizens who came down out of curiosity, and fifty ragamuffins, and they were the ones who did the damage, and when everybody fled and left the place alone, a number of people came in here. Now I did not see it, but that is evidence which has been given. They came in here, so and so. Fifty men would do the same thing in St. John's at the present moment unless they are curtailed by the police or by some other authority. Twenty men can do it. Twenty ragamuffins can come around this city and break up any house at all, and I do not think it reflects any discredit on the member for Ferryland or the honourable Minister of Finance that they were part and parcel of the last days of Responsible Government in this country. I think it is time now that that should be knocked on the head, Sir.

MR. CASHIN: Mr. Speaker, in connection with this Bill, I do not know what the riot of 1933 has to do with this Bill at all, or why the Premier saw fit to bring it in. However, I am supporting this Bill, and with respect to 1933 and before that, I am sorry to have to take issue with the Premier. I was not in the House for the entire speech which the Premier made in connection with the Address in Reply to the Speech from the Throne. He put down, and then he

kind of niggled at it again today, he referred to the members of this House twenty years ago as being illiterates, and so on, and he classified his own part—and I agree with him—he has every right to do that, what wonderful individuals they are. But now let us go back twenty years prior to 1933 and lets have a look. In 1913 the leader of the Opposition, I think, was Sir Robert Bond, and he resigned and the late Judge Kent became leader of the Opposition; that is, if my memory serves me right. Judge Kent went on the Bench afterwards; he acted as Minister of Justice in the Bond Government. Was not Judge Kent a good Minister of Justice? Was he not just as good as the present Minister of Justice? Everyone must admit that Judge Kent was one of the outstanding men in this country.

AN HON. MEMBER: Hear! Hear!

MR. CASHIN: Hear! Hear! But that is not what the Premier said here the other day. In 1913 Judge Higgins was here. Was he not a good man? Did he not do his job as Minister of Justice all right? But his name was included in the ragmuffins the other day. There was one Minister of Finance, who happened to be my father who occupied a seat in this House longer than any other man living in this country. Elected nine times, I don't know what the Premier might think of this, but I remember when he died, the length of the obituary about it. The late Sir Edward Morris was a member of this house for over 30 years, elected eight times in St. John's West—his name was

left out, he was one of the ragmuffins in those days. Who, so to speak, with those of us who may be getting along in years, are now classified, so to speak, and who happened to be members of this House 20 or 25 years ago, were told by the Premier that we weren't fit to carry on our job. That Judge Kent wasn't fit, that Sir Michael Cashin wasn't fit to be Minister of Finance of this country for 8 or 10 years.

MR. SMALLWOOD: Not at all.

MR. CASHIN: Well, that is what it amounted to.

MR. SMALLWOOD: not at all.

MR. CASHIN: Oh I beg your pardon. I am sorry I ever got—I don't believe you meant it, but you inadvertently said it, and you conveyed it. I did not mean to bring it up here this afternoon. But it was brought to my attention by a widow of one of those people. Wasn't Mr. Fox, the late Justice Fox, a good speaker in this House? Is he one of these individuals too?

MR. SMALLWOOD: You are getting off the footwalk.

MR. CASHIN: I am not getting off anything.

MR. SMALLWOOD: Footwalk.

MR. CASHIN: Certainly I am. What if I am; you didn't think about it the other day—you mentioned Bond, Whiteway, Squires and Alderdice.

MR. SMALLWOOD: Morris.

MR. CASHIN: You never mentioned Morris, it wasn't in the Daily News.

MR. SMALLWOOD: Yes it was.

MR. CASHIN: Well, bring out that recording machine of July reports and lets see what you said.

MR. SMALLWOOD: Want to make a bet?

MR. CASHIN: I do not want to make any bet, but I do know the Daily News did not quote it.

MR. SMALLWOOD: Well, so what? What is it to us whether the Daily News quotes it or not?

MR. CASHIN: I do not care about the Daily News either.

MR. SMALLWOOD: You think it is.

MR. CASHIN: I beg your pardon?

MR. SMALLWOOD: You think it is.

MR. CASHIN: Well, I am using the Daily News as a public press.

MR. SMALLWOOD: You use it as a fact-finding press.

MR. CASHIN: Well as far as I am concerned, bring out the machine, and let us hear it, Mr. Speaker. Bring out the copy of the Hansard. Is there any Hansard in the House? We did have them in the old days. Now we are paying \$50 or \$60 a day and we haven't got any Hansard.

Now I do not understand any statements like this, but I take issue of the Premier or any other member on the other side that are going to come in here and kick these old people about who did their best in this country. It is

quite obvious what was meant that day by the Premier; and I wasn't here—I would have put him on. This Bill, what it means is to make a fixture a job of the House of Assembly for five years—in other words, every member who stays here for five years will get an extra sessional pay, that is what it will mean.

MR. SPEAKER: Moved and seconded that this Bill be read a second time. Carried.

Bill read a second time and referred to the Committee of the Whole on tomorrow.

MR. SPEAKER: Second Reading of the Bill "An act to Provide for the Establishment and Administration of Local Government."

MR. QUINTON: Mr. Speaker, the Honourable Minister of Health who is to see the problems of the Bill cared for, has unfortunately been unable to remain here this afternoon to move the second reading and to give an explanation of the Bill in principle. Therefore, it falls to my lot to move the second reading and to explain the Bill.

The local government as is contemplated in this legislation is relatively a new departure from policy in this country. Prior to, and up to, 1916 local affairs were looked after by bodies which were then known as local roadboards. These boards were both appointed and elected and their sole function, as laid down in terms of reference, so to speak, of the Act itself, was to look after the roads of the organized community and to take care of the odds and ends,

such as the provision of wells for the public water supply. The sole of authority given these boards was extremely limited and they served only to make distribution and to supervise the funds that were passed to them in a body by the Government out of the Public Treasury, for road repairs and other light repairs. The system of road boards, because of patronage and the manner in which the Governments of those days handled the situation, the boards, as I said, passed into oblivion, and so there was no organization by which local government and local affairs could be handled. I was, Sir, a member of the Government of 1933, which placed a piece of legislation on the Statutes of Newfoundland, which legislation was proposed to set up some form of local taxation, but for reasons unknown, reasons that can be imagined as being lack of organization in the Government itself to implement its piece of policy in this legislation, the Act remained on the Statutes and became eventually obsolete.

In 1939 the Commission of Government made an effort to establish some form of local government brought into existence an Act called, the Local Administration Act, which in turn, failed to produce any results. But arising out of that legislation there was one community in Newfoundland which did make an attempt on its own not under the Local Administration Act of 1938, but under a form of legislation which became a Private Bill and was passed by Commission of Government. It was the town of Windsor and the leg-

islation set up a board of management of the town of Windsor, to establish special taxing arrangements and it set out to try and put right what was a very difficult situation in local affairs in that town. It did not succeed, but it did make an attempt which bore fruit, because 4 years afterwards the town of Windsor became incorporated under a Special Act, and outside the city of St. John's that was the first local area to become incorporated.

The second was Corner Brook West in the same year, and the third was the town of Grand Bank of the next year 1943. That, Sir, is briefly the history of local government up to 1943.

The success achieved in C. B. West specially, and to some degrees in Windsor, encouraged the Government to set up a division of local affairs and to employ an officer to carry out organization throughout the country, and from 1943 to date there have been organized 21 Municipal areas outside of St. John's. Some of them are called Town Councils, some Rural District Councils, and some Local Government Areas.

The reaction, Sir, has been highly creditable to the communities that have organized and to the Government itself. A sense of local responsibility, has been developed, and may I say, Sir, in increasing measure, a sense of political education is also being developed, through these organizations.

But there were difficulties in organizations, Sir, in the early days of which I have had adequate experience, as is well-known

to most members of this House. Not two communities out of those organized were prepared to operate under the same form of legislation. It was a new philosophy, it had to be developed by considerable spade work and the spreading of information, factual information about the project of local government. In providing those 21 municipal areas with legislation it was necessary to set up a special Act in every case.

Now, Sir, there are various forms of local government existing in Newfoundland and going back for considerable time. It would be unfair to say that this has been the only instrument by which local government has become known. We have had boards of health in Newfoundland for a goodly number of years. We have had school boards for a long, long time, and even the local roads boards, Sir, which came into some disrepute in the minds of some men, did something in order to increase public knowledge about the need for local responsibility. It would be fair, also, Sir, to say at this time, that the newspapers of this country and for the most part, most of our intelligent citizens did their best to increase knowledge of local government and to assist in its organization.

The time has now come, Sir, to consolidate the several special Acts that are in existence and to provide through that consolidation a piece of legislation which I believe, Sir, has been circulated to members which is called an Act to Provide for the Establishment and Administration of Local Government. In the 21 special Acts

which already exist, and since they were established or brought into enactment over a period of several years, several legislative improvements have been noted.

Legislation, Sir, as is well-known is like every other project, it is by examination and by instrumentation, that legislation becomes perfect and it is only reasonable to say that the first special Acts that were put up were far short of being perfect legislation of this province. However, Sir, this Bill proposed to simplify the manner of organizing councils. In the earlier days it took 12 months from the time when legislation could be enacted every day or every other day, because the form of Government at that time, was both legislative and executive in Cabinet. It just means now, Sir, that unless this Bill is given a place in the Statutes of the country, no local government can be established between the time of the closing of this House and the time it again opens in any given year.

The section which is of most importance, in my view, in this Bill is the one which enables the responsible Minister to incorporate an area by proclamation, a proclamation which will define the boundaries of the area to be incorporated, and which will also include the various sections of control of taxation in the Bill which the people of the community to be incorporated wish to have included. This does away, Sir, with the need of special acts altogether, and, in fact, it does, in the sections for repeal, repeal the Acts which already exist and bring them to uniformity with the operations of this Bill.

I should like, Sir, to say to the honourable the leader of the Opposition, and members of the Opposition; in fact to all members of this House, that there is no new feature in this Bill which has not already been in existence since legislation for local government. What it amounts to in practice, Sir, is that all of the legislation, the 21 Acts which already exist, have been examined and related and embodied in this Bill, leaving alternatives, as it were, of controls of taxation so that there is a full range of sections which may be adopted by a community which wishes to differentiate in the form of taxation it has or in the form of control it seeks to acquire.

I shall be very glad, Sir, in examining the details of the Bill in Committee to offer any explanation which members may require, and to do my best to satisfy the House that the statements I have made are correct.

I should like before I move the formal reading, Sir, to say just this: There has been considerable misunderstanding in this country about the policy of local government; men who for strange reasons have either not understood it themselves or who have preferred not to understand it have been responsible for circulating information wholly incorrect, calculated perhaps, Sir, to defeat the object of the establishment of local government throughout the land. The question of taxation has been mutilated out of all recognition; the taxing principles in all local government legislation and in this Bill, Sir, are simple and light; it is not intended in the first place to compel any

community to become incorporated, and it is not intended, unless the community so desires, that taxes shall be very heavy; that, of course, would be a matter for the community concerned.

We want to be very frank, Sir, about the situation, and to say that the government desires to encourage local government and not compel it. I believe, Sir, after close contact with local government and the local government movement, and I am sure that the majority of the people in every area that has become incorporated, will agree that local government as it has come to these communities, and as we hope it will come to all communities of a proper population throughout Newfoundland, will be one of the finest and best things this country has instituted as a piece of public policy.

I move that this Bill be read a second time.

Bill read a second time.

The House adjourned until tomorrow at three of the clock.

Tuesday, August 9, 1949.

The House opened at three of the clock.

Presenting Petitions:

MR. FAHEY (Harbour Main-Bell Island): Mr. Speaker I beg leave to present a petition on behalf of the residents of Upper Gullies, addressed to the honourable House of Assembly re repairs to roads and wharves and it is signed by the people of that particular settlement, which I think are in the vicinity of a hundred or more.

Mr. Speaker, I beg to move that this petition be tabled and forwarded to the department concerned.

Petition received and referred to proper department.

MR. MAKINSON (Port de Grave): I beg leave to present a petition signed by the residents of Bay Roberts, fifty-two in all of our leading citizens to the effect the repairs are needed to roads there.

Mr. Speaker, I move that this petition be tabled and referred to the department concerned.

Petition received and referred to proper department.

MR. FAHEY: Mr. Speaker, before presenting this petition I would like to express my sympathies toward the honourable member for Port de Grave, because I feel that that district and the district which I have the privilege to represent have been neglected for at least the past fifteen years. I can readily appreciate that what the honourable member is up against is the same as my colleague and myself in the district which we represent. I will ask you, Mr. Speaker, to consider when we are presenting these petitions it is not done in such a way as to confuse the House or the department concerned, but we only do it at the request of the people of the settlement requesting that the roads and the wharves may be taken care of so that they may take care of their livelihood, and with that thought in mind, Mr. Speaker, I would ask leave to introduce a petition to the honourable the House of Assembly, from the residents of Long Pond, Manuels, Conception Bay, in the electoral district of Harbour Main-Bell Island, regard-

ing the need of repairs to the roads; and wharves, also, are in need of repair.

The total distance is, I understand, about fourteen and a quarter miles that are in need of repairs and have been for the last fifteen years. If the honourable the Premier wants to know anything more about any more roads, he may hear about them to-morrow or the next day. However, Mr. Speaker, this petition only covers the roads referred to. The petition is signed by the residents of that particular settlement, that locality, and I would ask, Mr. Speaker, that this petition be tabled and passed to the department concerned, which I think is the Department of Public Works, for their consideration.

Petition received and referred to proper department.

MR. DROVER (White Bay): Mr. Speaker, I beg to present a petition on behalf of the residents of Cook's Harbour, Wild Bright and Boat Harbour requesting that a road be build connecting these three places properly. I wish to say, Sir, that the petition is signed by two hundred and ten persons of that neighbourhood.

Mr. Speaker, I move that this petition be tabled and referred to the department concerned.

Petition received and referred to proper department.

MR. CANNING (Placentia West): Mr. Speaker, I beg leave to present a petition from the residents of Rushoon, Placentia West. I would like to say that I am in sympathy with Mr. Drover. I think most petitions presented today are necessary; I think these people should be given a break. They are

people who have been isolated since they first came to this coast; they are people who are cut off from hospitals, from doctors, nurses, and in some cases mail. I feel that these petitions are not jokes, and are not to be sneered at, or laughed at; they come from the back bays of this country—

SOME HON. MEMBERS: Hear! Hear!

MR. CANNING: At the present time, after a long while, we are again a democracy, and a certain newspaper some time ago was right when it said that democracy passed these people by. I do not know if they ever had it; all I know is that in 1933 it did pass us by, and we never had it again until this House opened a short while ago, and now they are quite happy over the fact that there is somebody here to represent them, somebody they can tell their troubles to. So I feel they are not asking too much when they present this petition. This petition is signed by a hundred and fifty adults and I move that the same be tabled and referred to the department concerned, the Department of Public Works, and I am sure they will give it kind and sympathetic consideration.

Petition received and referred to proper department.

Presenting Reports of Standing and Select Committee

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, I have here the report of the Select Committee appointed to consider the Bill "An Act Further to Amend the St. John's Municipal Acts, 1921-1945 and Acts in Amendment thereof" and I ask leave to read this report.

The Honourable, the House of Assembly:

The Select Committee appointed to consider the Bill, An Act Further to Amend the St. John's Municipal Acts 1921-1945 and Acts in Amendment Thereof, has considered the matter to it referred and begs to report as follows:

In answer to the advertisement in the newspapers three letters were sent to the Clerk of the House, one of which was from the Board of Trade. Attached hereto are the said letters.

The letter from the Board of Trade does not object in principle to the Bill.

The Committee draws attention to the fact that there are approximately two hundred and fifty property owners on Water Street affected by this Bill and only two protests have been received.

(Sgd|)—

Leslie R. Curtis
Oliver L. Vardy
John J. Higgins
Frank D. Fogwill
J. J. Spratt, per O. L. Vardy.

There is a fourth member of the Committee who has not arrived yet, the Honourable Mr. Spratt, but Mr. Vardy has signed for him. I would ask that this report be received, Mr. Speaker, and that this Bill be committed presently.

Report received.

MR. FAHEY: Mr. Speaker, I presume that it is in order to speak on this report?

MR. SPEAKER: To ask for clarification.

MR. FAHEY: Only to ask for clarification?

MR. SPEAKER: It can be discussed when in committee.

MR. FAHEY: Well, perhaps I would prefer to wait until it comes to committee of the whole. The Attorney General is sponsoring this Bill through. I am not quite clear on the point of taxing as recommended by the committee, but perhaps I am a bit ahead of time; I should wait until the committee's report comes in, is that right, Mr. Speaker?

MR. SPEAKER: Yes; the report just presented may be discussed and further considered by the Committee of the Whole.

Report adopted.

Giving Notice of Motion and Questions.

MR. HIGGINS (Leader of Opposition): Mr. Speaker, I give notice of the following questions:

To ask the honourable the Attorney General: What is the policy of the Government regarding the future of the Police Force?

To ask the honourable the Attorney General: If it is the Government's intention to have the Royal Canadian Mounted Police take control of the police work, what will happen to the present Police Officers?

HON. W. J. KEOUGH: (Minister of Fisheries and Co-operatives): I give notice that I will on to-morrow ask leave to introduce a Bill entitled "An Act to Extend the Operation of the Shipbuilding (Bounties) Amendment Act, 1949, and of the Shipbuilding (Bounties) Amendment Act, 1947."

MR. SPEAKER: The Honourable Attorney General asks leave to in-

roduce a Bill "An Act Respecting District Courts." Has the honourable member leave to introduce this Bill.

Leave granted. Bill read a first time, to be read a second time on to-morrow.

MR. SPEAKER: The honourable the Attorney General asks leave to introduce a Bill "An Act to Amend Chapter 91 of the Consolidated Statutes of Newfoundland (Third Series) Entitled 'Of Evidence.'" Has the honourable member leave to introduce this Bill.

Leave granted. Bill read a first time, to be read a second time on to-morrow.

MR. SPEAKER: The honourable Attorney General asks leave to introduce a Bill "An Act Further to Amend Chapter 41 of the Consolidated Statutes (Third Series) Entitled 'Of the Newfoundland Medical Board.'" Has the honourable member leave to introduce this Bill.

Leave granted. Bill read a first time, to be read a second time on to-morrow.

MR. SPEAKER: The honourable the Minister of Education asks leave to introduce a Bill "An Act Respecting the University of Newfoundland." Has the honourable member leave to introduce this Bill.

Leave granted. Bill read a first time, to be read a second time on to-morrow.

MR. SPEAKER: Orders of the Day. Second reading of a Bill "An Act to Reincorporate in Newfoundland 'The Maritime Hospital Service Association.'"

MR. CURTIS: Mr. Speaker, as this Bill has not yet been printed I would ask that this Order be deferred.

Second reading deferred.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Amend Chapter 2 of the Consolidated Statutes (Third Series) Entitled 'Of the House of Assembly.'" "

The Speaker leaves the Chair.

Mr. Courage takes Chair of Committee.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

MR. CASHIN (Ferryland): Mr. Chairman, before we pass that Section 4 of the said Act, what is Section 4?

HON. J. R. SMALLWOOD (Prime Minister): Section 4 reads, "The House may establish rules for its government and the attendance of its members and the conduct of its business and may alter, amend, and repeal the same, provided that no such rules shall be altered, amended or repealed, except by the vote of 2/3 of members of such House; provided also that no rule of order of such House shall affect in any way, by fine or imprisonment, any member of such House, and provided that no such rule or order or anything in this Chapter shall or shall be construed to limit or restrict the liberty and privileges of speech or debate of such House, or any rights or privileges of such House now existing."

And the word that we have stricken out would be as follows: In this draft Bill, the word "members" shall be in the singular, and the words proposed to be stricken out would be "and provided that no such rule order or anything in this Chapter shall or shall be construed to limit or restrict the liberty and privileges of speech or debate of such House, or any rights or privileges of such House now existing." The purpose of striking out that is to enable in the revised rules the insertion of the closure motion, and the enabling of a new rule putting a time limit on speeches, except, of course, those in the Committee of a Whole. Now, that couldn't be done unless—well, it is assumed that it couldn't be done, in case there is any doubt about it. For example, the words "restrict the liberty and privileges of speech or debate" might be taken by some to mean, that you couldn't put any time limit on speeches. Well in case it were so argued, the matter is met by dropping these words from the Act, to enable such rule to be made.

MR. CASHIN: Would you mind our having a moment to correct our copies.

MR. SMALLWOOD: Yes, for a moment.

MR. HIGGINS: Mr. Chairman, I certainly object to that clause, from a civil standpoint, from a national standpoint, it would be much better for an Act to be passed after too much debate, than too little debate; that clause is put there to protect the right of the opposition. It is hardly likely that there will be any fear of us letting proceedings take place, but there is always a possibility that a minority

may be cut short in some very important debate. If there is very much debate; very much detail could be on a very important matter; and the further that matter is being debated is better for everybody concerned. That part of the Act that they are after is very much experienced, and has been in other Houses of Assembly, in other parliaments too. In the Congress and other places I am perfectly aware it has been done. It has been done in the Congress of the United States. Sometimes that is good, not in the States, of course, the House on some important matter, but rather to give people the right to ventilate their ideas and to give more expression to their ideas, so that the Act will be perfectly understood. If you are going to cut short any debate in the House, I am afraid that people are going to get the idea everything is going to be rushed through. If this Act is passed, they might think it was done for the sole purpose of keeping the minority in check. I don't think there is any necessity of that at all. I know that's not what you are going to do, but still, it is always there. I am perfectly aware of the strength of this House and you can change the rules if you want by 2/3 majority votes. You can easily do it, but I think you would leave us under very unfortunate circumstances if you have that cut out. As I said before, it is very much better to have a very full debate in connection with the passing of a Bill than to have too little debate.

MR. SMALLWOOD: Mr. Chairman, I naturally wouldn't want the honourable, learned gentleman to think, or the honourable and gallant member for Ferryland, that

because we happen to have not merely a majority, but a rather large majority, that we would want to railroad a thing through. This Bill or any other one. And surely no government in Newfoundland has ever had the gentlemen in opposition that we have here to-day.

As our honourable and gallant friend will admit, there have been some pretty fierce oppositions in the past, and on many occasions Newfoundland was the better for them, and there might have been occasions when she might not have been better for it, but nobody could have better opposition. If I may say it without presumption, or condescension, every member on the opposite side of the House is just as keen and eager to get good legislation as any member on this side.

Then again I wouldn't want them to think that there is any thought at all about restricting freedom of speech. It is pretty late in the day for any government in a democratic country to suggest restriction of the freedom of speech, but we do suggest this: That it is very commonplace throughout the British Commonwealth and Empire, not so much in the United States admittedly, but then on the other hand, great nation though the United States is, she is never pointed to, rarely ever pointed to as a good example of democratic and parliamentary government. In fact, she doesn't operate under the parliamentary system, as we understand it through the British Commonwealth and Empire; and certainly within the British Commonwealth and Empire, limit on the time permitted each member is pretty commonplace.

Now, this will apply only to second reading and third reading, not in Committee of the whole there is never any debate on the first reading of a Bill. The debate on the second reading is on the principle of the Bill. Now surely in a debate on the principle of a Bill, 99 times out of a hundred, a man can state his views in 40 minutes.

But incidentally, where such a rule exists, limiting the period permitted a member, and the limit is usually 40 minutes, that rule frequently does not apply to ministers. I wouldn't suggest that in this legislature we should make an exception in favour of ministers. Another point is this, although our debate must be limited, yet on a second reading, if the Bill is important—I ask the honourable and gallant member to remember (I don't know if he was in the House on that occasion when the late Sir Richard Squires introduced the Humber resolutions, that was a pretty important piece of legislation and I doubt if he could have presented it in second reading in a 40 minute speech. Doubt it very much.) Now, I don't think that problem need arise for this reason:—It is very commonplace when the member's time limit has elapsed, the House being in good humor—if there's a row on, this doesn't happen—if the House is in good humor, and the man hasn't finished his speech, the Speaker says, 'I must draw the honourable member's attention to the fact that his time is up.' And immediately from all sides of the House there will arise a cry of 'let him go on, continue!'

MR. HIGGINS: Or stop him.

MR. SMALLWOOD: Exactly. That is exactly right. That's how it

is done, but 99 times out of 100 the cries that arise from around the House is 'continue' and he may go on for another 10 or 15 minutes; and as often as not, the 40 minutes are not needed by those who are a bit quicker, but there is indeed no intention to restrict the freedom of speech. I wouldn't want to think that the honourable gentleman opposite would suspect us of having that thought in mind, and what is sauce for the goose is sauce for the gander, what applies to the gentlemen on the opposite side will apply to those on our side.

SOME HON. MEMBER: 22 restrictions.

MR. SMALLWOOD: Oh no. If the rule is made, that rule applies to all sides—

AN HON. MEMBER: 22 times 40.

ANOTHER HON. MEMBER: We lose more than than you do.

MR. SMALLWOOD: Well, that is another way of looking at it, but now I think there is in this Chamber a very general desire on both sides of the House, a very general desire, to be fair and decent and mannerly; lets have an occasional row, and that's inevitable anyway, someone is going to get a little angry about something and rip off something and he is going to say things, and I may be one of the first, and I am sure that my honourable and gallant friend from Ferryland, unless he is changed a lot, is going to lose his temper sometimes, and—

MR. CASHIN: I'm pretty old now—

MR. SMALLWOOD: Well, you have to be a lot older, Mr. Chair-

man, before you lose the knack of losing your temper. And that will happen, but we are getting along very nicely, and it is only an honest attempt to streamline the operation of this legislation, without endangering the fundamental principle of free speech. There is no attempt, believe me, no thought at all in our minds of anything else. Now, another point is this, that we don't want to encroach—there will come times when we must exert our power; we are the government; we are responsible for the next few years for the Government of Newfoundland, so we have a majority and there will be times when we must use it, although we must permit the Opposition to state their objections and to see that amendments and improvements are made, but in the final analysis the Government are responsible for the government of the country and for the initiation of legislation and Bills in this legislature.

I do not know if there is anything I can add to that, but I would like to allay any uneasy suspicions of the honourable gentleman the Leader of the Opposition.

MR. HIGGINS: Mr. Chairman, there would be quite a lot of strength in the argument of the Premier if that section which is to be deleted had not been in the present Act, and we were asking them to put it in. Then he would say there is no necessity to put it in, because there is going to be freedom of speech here, there will be no curtailment of speech whatsoever; the members of the Opposition, no matter how small or how big the Opposition is, would have a perfect right to give expression

to their feelings in as lengthy a way as they wished. But it is not so.

We have been asked to take out a section of the Act which has been there for many years, and I suppose it was the result of the experience of years of Government in Newfoundland; he has asked that this be taken out, and my answer is, why take it out? If we are the type he talks about; if we want to get good legislation passed in as quick a way as possible, well, why take it out? It has always been there; there would be very much strength in his argument, as I said first, if we were asking to have this section put in, but we are not asking that it be put in; we are asking that the old section shall remain there, so that we will know at all times, at every part of the session of this House, whenever we rise to speak we will know that we shall not be cut short. We shall know that an Act will only be passed after full liberty has been given to the members of the Opposition, of liberty of speech, of freedom of speech. This has been in the Act for many, many years; it has been something worth while; it is a mistake to cut it out now. Why? Why take away the great right of this Assembly to give everybody the fullest opportunity to speak as long as necessary. That does not say it will surtail the speech—it may curtail everybody's speech. We may have no argument; we may have no debate on a matter. I think it is too much power.

MR. SMALLWOD: There is no suggestion—

MR. HIGGINS: But why take it out? I can quite understand, in

your opinion—but why? Why the necessity for it? Why should you want this thing? You have full freedom of speech; it has always been recognized that you have freedom of speech; the tradition is, in any case, apart from that Act, it is traditional that a man may speak as long as he wishes; that is why I say — there has been no necessity up to the present day to take out that section. That section is a declaration of right of any member of this House to speak on any matter, and it is the right of the Opposition to oppose, and it is a right for the people to know that any Bill that is brought here is fully ventilated.

MR. FAHEY: I do oppose this Bill, Mr. Chairman — this section being cut out of the Act. In fact, I may say this; it shows perhaps a little fear; although the Government itself may be in such majority, it shows that the Government is a little fearful of this little minority over here, and all Parliamentary rules, as far as I know, the basis of Parliamentary rules is to protect the minority. Now the record of the Opposition since they came in this House, I do not think is such as would cause the government any fear that we are going to have a filibuster, or anything like that to delay the business of this House; and until such time as it is found necessary by the government to bring in a new amendment as it is stated here, I do not think it should be brought in at all, be-
isit should be brought in at all, because of the fact that a minority must have the protection necessary for them, and the Government itself, with all you people over there, I think that you at this time, until you find it necessary to bring in

such a regulation as you have proposed here, until you find it necessary, I do not think it should be brought in this House at all. There is no need of it, and the Opposition to-day is only comprised of five, and one is six—six, against twenty-one, and I expect—

MR. CASHIN: Where do you get six? I am not in the Opposition.

MR. FAHEY: Well, I said five, and one is six.

MR. CASHIN: I am independent from the whole lot of you.

MR. FAHEY: But in any case, Mr. Chairman, I do protest against this section of the Act, the old Act, being cut out. It takes away from the Opposition, small or big as it may be, it takes away the freedom they always enjoyed through all the years, and why the Government of today finds it necessary—I cannot see why it is necessary for them to bring in this amendment today; there is no cause for it; the record does not show it, and if the record does not show it, the necessity for an amendment, I do not see any reason at all why it should be brought in.

MR. SMALLWOOD: Mr. Chairman, just a word or two. I draw your attention to the one we have adopted, and if the honourable gentleman would follow it with me as I read it, he will see the strength of it. This is a new section we have added to our House of Assembly Act, one that was not there before, something new:

“The House of Assembly and and the members thereof shall hold, enjoy and exercise such

and the like privileges, immunities and powers as are now held, enjoyed and exercised by the House of Commons of the Parliament of Canada and by the members thereof."

MR. FAHEY: What are they?

MR. SMALLWOOD: Whatever they are, and such as they are they are based in turn on the privileges, immunities and powers of the House of Parliament at Westminster. They are, with due allowances for change of locale, they are almost identical with the privileges, immunities and powers of the House of Commons in London. In other words, this is a new section which gives to the members of this House the same privileges, immunities and powers as are possessed by the House of Commons in Ottawa, and the House of Commons at Westminster, where it has not been considered an infringement of free speech to put a time limit on the speakers who are members of the House.

Now the next point is this: I think it will meet the objections of the honourable gentlemen if we leave these words in section 4 of the Act, the original Act, we leave them in, and add—get the same effect by leaving these words in and adding some other words dealing with the one point only that we have in mind, namely, the point of putting a time limit; and the words that could be stricken out are these "and provided that no such Rule or Order or anything in this Chapter shall or shall be construed to limit or restrict the liberty and privilege of speech or debate of such House, or any

rights or privileges of such House now existing"—that these words remain, not be stricken out, but that there be added some words that nevertheless the House shall have the right to put a time limit, "provided nevertheless that nothing herein contained shall be construed to limit the power of the House to make rules limiting the length of speeches." A mere matter of length. Now the honourable gentleman says it is a small Opposition, and we have a big majority. True. That is the time to bring about this type of reform. That is possible when there is a large number on the Government side and a small number on the Opposition side. Look forward to a time when the Government and the Opposition are fairly even. What happens? What happens is this: In a House of twenty-eight; in a House of twenty-eight members, if there were, say, sixteen on the Government side, and twelve on the Opposition side, or even if it were a bit closer, what happens? Well, what did happen? What can happen is this: That the Government is brought to a dead standstill; yes, it has happened. I have seen it in this Chamber, when the Government fell; in the act of falling one man left the Government side and walked across from the Government side to the Opposition and tried to break the Government; the day was saved by one man crossing the floor at the same time; they met almost mid-way—

MR. FAHEY: He was not a P.C.

MR. SMALLWOOD: No, I do not think he was a P.C. He was, as a matter of fact, a Liberal. He cross-

ed the floor and gave the Government their bare majority of one. All right. When you get a House as evenly divided as that, or anything near it, the Opposition move, they move, not the Government; the Government is brought to a state of complete frustration; they cannot do anything; they cannot even debate; and you get endless, endless obstruction—now mind you, obstruction can be in a good cause, and it can be just as easily in a bad one—but the purpose of the Government is to govern, and that becomes virtually impossible when the House is too evenly divided. It is against that day—and that is a long time in the future, because as I said here yesterday, we expect to be in power for the next twenty-five years; the Opposition may be five, or four or six; they may be up a man or down a man, but it will be around there, say, for the next quarter of a century. So it is a quarter of a century from now that this Rule might be needed, and not in the present parliament.

MR. CASHIN: Why bring it in now?

MR. SMALLWOOD: Well, now is the time to do it.

MR. CASHIN: You have lots of time.

MR. SMALLWOOD: You mean, during the life of the legislature?

MR. CASHIN: Yes.

MR. SMALLWOOD: Well, it is all passed except the last section. We are trying to be as fair and decent as the honourable gentleman opposite are themselves, and I am suggesting that the honourable member's suggestion can be

met by leaving the words in. I must submit that I got a turn myself when I saw the words that it was proposed to be left out. It did give me rather a turn when it says you can leave out these words, "shall be construed to limit or restrict the liberty or privilege of speech or debate" and therefore they might well be left in, but let us add a few words to the effect that the House should have the power to make its own Rules to put a time limit on speeches—

MR. HIGGINS: That is the same thing—

MR. SMALLWOOD: Except in Committee of the Whole.

MR. HIGGINS: That is the same thing.

MR. CASHIN: What about in Reply to the Speech from the Throne?

MR. SMALLWOOD: Yes, the same thing applies, have a time limit. The honourable and gallant gentleman from Ferryland might as well realize this, that the tradition of taking two or three days speaking to the Address in Reply is a tradition that is dying out very fast. It is, really. In this House there were days when the man was looked upon as a great speaker if he could take two or three days, four or five days—we have had some instances of that, but never to equal what they have had in the Senate and House of Representatives in the United States, where they have an all-time record. Senator Robert A. La Follette spoke, I think, for thirty-six hours without stopping—thirty-six hours; that record has never been beaten. The late Sir Michael Cashin spoke here, I heard him myself, for I think

three days, but not continuously. I think also it was on the Speech from the Throne. That is a tradition that is gone in Newfoundland. Look what happened here this session. The gentleman opposite could have kept on up to today on the Address in Reply; they could have taken two weeks, three weeks

AN HON. MEMBER: We did not do it.

MR. SMALLWOOD: No, but you could have done it. That tradition is dying. I am replying only to the point made by the honourable and gallant member for Ferryland when he said, "What about the Speech from the Throne." That is a voice from the past, if I may say so. It is an old tradition, but the tradition really is dying out, when we sort of "hang-her-up" for weeks and weeks and weeks. Do you remember the session when speeches on the Address in Reply went on to August. The House opened, I think, in February, and in August they were still debating the Speech from the Throne.

AN HON. MEMBER: It is dying out on both sides.

MR. SMALLWOOD: Sure, sure.

MR. CASHIN: Mr. Chairman, if the tradition is dying out, why is it dying out? Now in connection with the Speech from the Throne, I ask that question of the honourable the Premier for this reason: that the Speech from the Throne generally outlines the Government's policy, or should outline it. For instance, the Speech from the Throne this year outlines the Government's policy. I happened to speak on it for three hours and a half, I think. It was the beginning

of a new parliament here; it will not happen any more; we are now into Confederation with Canada; the Speech from the Throne outlined certain things and forgot to outline others, and the Leader of the Opposition in the future, and Independent also, in forty minutes will be able to say quite a lot; but on the other hand, if forty minutes is going to be the limit, why force the limit? The Opposition members here have not attempted, outside of myself—I spoke three hours and a half, no other member in the House did it. And the Opposition has not tried to hang-her-up, or hang-her-down, as we called it in the old days. The illiterate people in the old days used to hang-her-down, but now we have no illiterate people; they are most highly educated, and why should they hang-her-down. Therefore if the Government is sincere in this thing—they are just bringing in this thing seeing that the Opposition has been very decent during this session; they have not attempted a filibuster or anything—well then, why is it necessary to inject that into this Bill? We have the same privileges as the House of Commons, as our House of Commons in London, prior to this Act, altogether. I mean, the only privileges we are entitled to is that they will not put us in gaol unless we commit a criminal offence; we cannot be used, and so on; that is as much as you get in this Act, and we had that before, and this section of the Act does not give us any more than we had then. I am not here advocating a filibuster, but if we accept the argument of the Premier that the Opposition could have held things up, and they did not hold them up, then why change it now? Some other day some sec-

tion is going to be put in here and we are going to object to it. I saw legislation here one time, I think it was in 1922; I think it was not in the Speech from the Throne either; but the Government of the Day decided they were going to railroad it through, and the Opposition of that time was the strongest Opposition that ever sat in this House; my father was Leader of the Opposition, and these other gentlemen who were identified with him at that time, they were very worried about their business. A lot of them were connected with businesses in town, and they did not want to filibuster or hang-her-down, and the House of Assembly was open at ten o'clock in the morning; my father came here with another man and "hung-her-down" all night, and they never passed the legislation, because, as I recollect it, the legislation was unnecessary, and it was never heard of again. Well, now, the point I am trying to make is, if freedom of speech is not to be curtailed, why put it in?

MR. HIGGINS: Mr. Chairman, in reply to the Premier's remark that we have now certain privileges we never had before and about which the honourable member for Ferryland has spoken, I would like to draw attention to the fact that every British legislative assembly—at least every legislative assembly in the British Empire has certain inherent rights—freedom from arrest, and so on. These have been recognized as attached to any legislative assembly the moment it is formed. We have not got the full privileges of Westminster, and I doubt if the Canadian Parliament has the full rights of the British Parliament. The British Parlia-

ment has certain rights because they have become customary; in other words, the mind of man goes not to the contrary. One time here we had the famous case of Kielly vs. Carson, where it was thought that the House had the power to arrest civilians outside the House, because the British Parliament had such right; it went to the Privy Council, and they decided that while this Assembly, like other assembles, had certain inherent rights, it could not claim a right which had started from time immemorial. I think that this does not give any more rights to members than what we enjoyed in the days of full Responsible Government. It must be remembered too that these rights are only external rights; they are rights that are attached to the House here to regulate the rights of members outside of the House; but we can make internal regulations which are the Rules of the House, and if the House of Commons in Canada has fullest privileges, these privileges are affected by the Rules of the House, and we would not be affected by the internal workings of the House, by the rules made by the Canadian House of Commons. We can make our own rules and regulations here. We do not know what rules and regulations the Canadian Parliament has. So that really, when he mentions that we have certain rights which we did not have here before, the Premier is entirely wrong. These are the same rights as we always had. But we have the right of making our own internal regulations; that is, the Rules of the House, and whatever rules and regulations are made by the Canadian Parliament do not affect us in the least. Now I do not know what rules and regu-

lations the Canadian Parliament has in connection with the freedom of speech; they may or they may not have passed certain rules and regulations. And I would say then that whatever rights we have, whether they are external or internal, they should not be curtailed, particularly when such an important matter as freedom of speech is concerned.

MR. FAHEY: Mr. Chairman, I agree with the last speaker, and I do not think in a democratic system that we should be curtailed in freedom of speech on either side of the House. I believe in the freedom of speech. I believe that everybody should have the right to express his views, but I do not agree that a motion should be made so as to get some member off the floor, but if the members on both sides would agree that after forty minutes a member could have an extension of time—perhaps the honourable member could explain to us what is the purpose of confining it to forty minutes. I would like the answer to that, Mr. Chairman.

MR. SMALLWOOD: Mr. Chairman, there is no word about confining it to forty minutes. It does not appear in the Bill at all. It is not there; there is no word about it, and if the House makes new rules, or revises its present rules, it may adopt a rule of forty minutes. There is a committee; they have not brought their rules here yet. I think I am a member of the committee. I think I am. I think the honourable the Leader of the Opposition is on it. This Bill is not dealing with the period of time a member may speak. This Bill does not do it. Not a word about it.

AN HON. MEMBER: It takes away rights, that is all.

MR. SMALLWOOD: What rights?

AN HON. MEMBER: This right.

MR. SMALLWOOD: No it does not do even that. Now to do that it would have to be done by a rule made by the House itself limiting—all right, it is—giving the House the right to put a limit on its own length of time in speech-making, that is all.

AN HON. MEMBER: The committee is working on it?

MR. SMALLWOOD: There is a committee at work—well, I hope they are at work; if they have I have not done my share, because I have not attended a committee meeting.

AN HON. MEMBER: That will be by two-thirds.

MR. SMALLWOOD: Well, I hope it is a good committee, and if they have a good report I think it will be adopted in this House. But this Bill which we are now debating, does not cut down any member's time during which he may speak. It does not do that; all it does is give the House the right to make such a rule if it should desire to do so. Now, what is wrong with that? It may be that the House may not desire to do so. That means all the members opposite, not just the government side. True, there happens to be an overwhelming majority on the Government side, but do not blame the people of Newfoundland, the electorate. Now I want to be honest and fair, willing to let these words stand; the words stand; let the words stand,

words that say "Liberty and freedom of speech or debate;" let these words stand, adding only the words "and provided further that nothing herein contained shall be construed to limit the powers of the House to make rules limiting the length of time that members may speak," that is all.

MR. HIGGINS: That is the same.

MR. SMALLWOOD: No, it is not the same at all. It gives powers for it to be done, but it does not do it.

MR. HIGGINS: It gives you

AN HON. MEMBER: It gives power to limit speeches by following the principles that are presently being observed—

MR. SMALLWOOD: No, no. There is nothing in that clause that bears that construction, just nothing there.

AN HON. MEMBER: The House of Commons has the power to limit speeches.

MR. SMALLWOOD: Mr. Chairman, may I point out that this Bill proposed in Section 4—Section 4 of this Bill proposes to do something. What does it propose to do? It proposes to amend Section 4 of this Act. Now what is Section 4 of the Act? Let us see what it says: "The House may establish rules for its government and the attendance of its members, and the conduct of its business, and may alter, amend and repeal the same." That is what the Act says. The House can make its own rules and amend them, but it sets out two limiting conditions: "Provided

that no rules shall be altered, amended or repealed except by a vote of two-thirds of the members of such House." That is the first condition. The second is, "Provided also, that no rule or order of such House shall affect in any way, by fine or imprisonment, any member of such House;" that is the second limiting condition. And third, "no such rule or order shall be construed to limit or restrict the liberty and privilege of speech or debate." That is the third limiting condition. Now we are suggesting only—we started to suggest—that third one be eliminated. Now we say, no; we are willing to say no. Let that stand. But let us make it clear in that what we propose to do, in that, by saying that the House may make rules putting a time limit on speeches.

AN HON. MEMBER: That will be two-thirds.

MR. SMALLWOOD: It may make rules. Now in making rules it does require a two-thirds vote.

AN HON. MEMBER: In the preceding paragraph it says two-thirds.

MR. SMALLWOOD: Yes, right. That is perfectly clear.

Section 4 passed.

Preamble passed.

The Committee rose, having reported passing the Bill.

The Speaker resumed the Chair.

MR. SPEAKER: The next item on the Orders of the Day is Committee of the Whole on Bill "An Act to Provide for the Establish-

ment and Administration of Local Government.”

The Speaker leaves the Chair.

Mr. Courage takes Chair of Committee.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Section 6 read and passed.

Section 7 read and passed.

Section 8 read and passed.

Section 9 read and passed.

Section 10 read and passed.

Section 11 read and passed.

Section 12 read and passed.

Section 13 read and passed.

Section 14 read.

HON. JAMES J. SPRATT (Minister of Provincial Affairs): Mr. Chairman, I would like to say that I think there should be something specific there which debar the members, which allows the Council to debar a member for cause. I think the cause should be stated, because I know myself, I can speak from experience so far as the Council is concerned. There may be times, there may be periods, when one member of the Council will make himself obnoxious to the others; probably in their eyes he may be considered a public nuisance, and there may be cause, in their opinion, when perhaps every single member of the Council is

against him, he is better than all the members put together, and these are things that when we are making laws there should be something specific about.

HON. H. W. QUINTON (Minister of Finance): I think that's why the additional words "with the approval of Lieutenant-Governor in Council"—you see the case must come to the Governor, and be examined, and the offending member allegedly may have the support of the Lieutenant-Governor in Council.

MR. SPRATT: Yes, but I think there should be something specific in the Act itself, something final, that would justify the disqualification.

MR. QUINTON: The words "for cause." The word "cause" I think is generally meant to be some disgraceful conduct, or criminal offense in the law.

Section 14 passed.

Section 15 read and passed.

Section 16 read and passed.

Section 17 read and passed.

Section 18 read and passed.

Section 19 read.

MR. FAHEY: Mr. Chairman, do I understand that to mean that if the people of Benton and surrounding area should desire to have a town that the Government wouldn't take such measures to see they had one?

MR. QUINTON: It is not mandatory. You see, the Governor-in-Council may, but as a rule the people in such an area are rather

slow to ask for a Council, and we have no business of forcing one of them, but if in the interest of Public Health or sanitation, the area needs to be controlled, then provision is made here for this purpose. But this really will be included in legislation which already exists in amendments for Public Health and Public Welfare Act, because at the present time the Minister of Public Works is by virtue of his office controller of sanitation and health on the outskirts of the airport, at Gander. And we have, as you know, already set up the scheme outside the American-boundries. I don't think we ourselves, as a Government, or even the people, the Newfoundland people, could set up any local government inside the U.S. boundries. They could put them on the border of these boundries. As the honourable member for Placentia East will recall, they have a Council at Placentia which is on the border of the boundries of Fort McAndrew.

Section 19 passed.

Section 20 read and passed.

Section 21 read and passed.

Section 22 read and passed.

Section 23 read and passed.

Section 24 read and passed.

Section 25 read and passed.

Section 26 read and passed.

Section 27 read and passed.

Section 28 read and passed.

Section 29 read and passed.

Section 30 read and passed.

Section 31 read and passed.

Section 32 read and passed.

Section 33 read and passed.

Section 34 read and passed.

Section 35 read and passed.

Section 36 read and passed.

Section 37 read and passed.

Section 38 read and passed.

Section 39 read and passed.

Section 40 read and passed.

Section 41 read and passed.

Section 42 read and passed.

Section 43 read and passed.

Section 44 read and passed.

Section 45 read and passed.

Committee rose and reported progress and asked leave to sit again on to-morrow.

MR. SPEAKER: We have now come to the end of the Orders of the Day.

MR. FAHEY: Mr. Speaker, I move that we adjourn until 3 of the clock to-morrow.

MR. CURTIS: Mr. Speaker, there is still another item on the Order Paper, this question of the St. John's Municipal Act. It was moved earlier this afternoon that it be read presently.

MR. FAHEY: Mr. Speaker, you announced that we came to the end of the Order Paper, I then announced that I move that we adjourn until 3 o'clock on tomorrow; then the honourable member for Twillingate brought up a different subject that was not finished. If

that has to be gone into I withdraw my motion in order to let the House go ahead.

MR. CURTIS: Mr. Speaker, we want to put this Bill through Committee stage. I might say that the Government was going to suggest to the House that, tomorrow being a half holiday, we might take it. There is quite a bit of legislation being printed, and I do not think the time would be altogether lost if we did take the half day tomorrow, because it is hoped that we will finish our business this week. Now I would not like to finish this week just for the sake of having a holiday tomorrow, but if my friends on the other side, Mr. Speaker, would agree to expedite matters I think we might take tomorrow off and still get through the business, I am rather worried about the time this last Bill has taken. I understand we are only about half-way through, and if the honourable members felt it necessary we could come back tomorrow for that, but I do not think we need to; I think we could get through our business if we took tomorrow off. Now perhaps on that account if we could put through the St. John's Municipal Act now, we would be that much ahead. I would move therefore, unless my friends opposite have any objection, that we go into Committee on the St. John's Municipal Act.

MR. SPEAKER: Committee of the Whole on the St. John's Municipal Act.

Mr. Speaker leaves the Chair.

Mr. Courage took Chair of Committee.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Preamble " "

Committee rose and reported having passed the Bill.

Mr. Speaker resumed the Chair.

MR. CURTIS: Mr. Speaker, with the unanimous consent of the House, I would asked that this Bill be now read a third time.

MR. SPEAKER: It is moved that Standing Order 261 be waived, so that this Bill may be read a third time.

Bill read a third time.

MR. CURTIS: Mr. Speaker, in view of the fact that tomorrow is a civic half-holiday, and I think we can make up for the loss of the day on Thursday or Friday next, I would move that this House at its rising do adjourn until tomorrow, Thursday, at three of the clock.

Adjourned accordingly.

Thursday, August 11, 1949.

The House met at three of the clock.

The Clerk of the House of Assembly read a Commission under the Great Seal, which Commission appointed Hon. Sir Brian Dunfield, Judge of the Supreme Court, to be Commissioner to administer the Oath of Allegiance to such Person who should be elected and returned to serve in the House of Assembly for the District of Labrador. Whereupon

Harold Horwood, Esq., member elected for the District of Labrador was escorted from the Bar of the House to the Table by honourable the Premier and Mr. Drover and took and subscribed the Oath of Allegiance in the presence of the said Commissioner, and after being presented to Mr. Speaker, by the Premier and Mr. Drover, he then took his seat in the House.

Presenting Reports of Standing and Select Committee.

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, I have the honour to present the report of the Select Committee appointed to consider whether or not the Rules of this House have been observed in the case of the petition of John R. Parsons and others to the honourable the House of Assembly.

"The Committee appointed to consider the petition of John R. Parsons and others praying for the passage of a private Bill incorporating Public Accountants has considered the matter to it referred and notes that the proposed Bill and its Objects and Reasons have not been duly advertised according to the rules of this House.

In view of the nature of this Bill your Committee is of the opinion that public notice should be given of this petition and the proposed Bill and that comments or criticisms should be invited from the public. Such comments and criticisms to be addressed to the Clerk of the House of Assembly and to be submitted before this House reconvenes after its recess.

Dated at St. John's this 11th day of August, 1949."

(Sgd.) LESLIE R. CURTIS,
R. J. FAHEY,
W. J. KEOUGH,
O. B. MORGAN.

I would move, Sir, that this Report be received and adopted.

Report received and adopted.

MR. SPEAKER: Are there any Notices of Motions? Notices of Questions?

MR. J. G. HIGGINS (Leader of Opposition): I give notice of the following question: To ask the honourable the Minister of Supply whether any steps are being taken to assist the farmer in the sale of his products.

MR. SPEAKER: Question No. 65 on the Order Paper by the honourable the Leader of the Opposition addressed to the honourable the Attorney General.

Question No. 65—to ask honourable the Attorney General: What is the policy of the Government regarding the future of the Police Force.

Question No. 66—to ask honourable the Attorney General: If it is the Government's intention to have the Royal Canadian Mounted Police take control of the police work, what will happen to the present Police Officers.

- (a) Will they be taken on the strength of the Royal Canadian Mounted Police.
- (b) Will they hold their present rank.
- (c) Will they have a right to pension and will their years of service in the Newfoundland Force count.

MR. CURTIS: In reply to the question of the honourable, the Leader of the Opposition asked today I have the honour to reply:

The policy of the Government is to take advantage of Chapter 160 of the Revised Statutes of Canada 1927, as amended, entitled "Of the Royal Canadian Mounted Police," just as soon as that can be done without prejudicing the existing personnel of the Police Force.

Section 5, Sub-section (1) of the said Chapter provides as follows:

"The Governor in Council may enter into arrangements with the Government of any Province of Canada or, with the prior approval of the Lieutenant-Governor in Council of any such Province, with any municipality thereof, for the use or employment of the Force or any portion thereof, in aiding the administration of justice in such Province or municipality and in carrying into effect the laws of the Legislature or municipality thereof respectively; and may, in any such arrangement, agree upon and determine the amount of money which shall be paid by the Province or municipality, as the case may be, for such services of the Force."

Section 5, Sub-section (2) continues:—

"There may be included in any such arrangements provisions for the taking over by the Royal Canadian Mounted Police Force of such officers and men of any Provincial or municipal

Police Force respectively, as may be required, and for the extension of such Officers and men of any Provincial, but not to the Officers or men of any municipal, Police Force, of the pension benefits provided for officers and constables of the Royal Canadian Mounted Police Force, upon such terms and conditions, including recognition of prior service, as may be approved by the Governor in Council and agreed upon between the Dominion Government and the Government of any Province." 1940, c. 39, s.1.

It is hoped that the entire personnel of the Ranger Force may be drafted into the Royal Canadian Mounted Police at an early date and that gradually the R.C.M.P. will take over such areas outside St. John's as are presently under the jurisdiction of the Police. The Government does not expect the services of the R.C.M.P. to be available for police work in the City of St. John's.

On his recent visit to Ottawa the Attorney General visited the Headquarters of the R.C.M.P. at Rockcliffe Park and had an opportunity of witnessing part of the intensive training given R.C.M.P. recruits, and while there discussed the matter at length with the Commissioner of the R.C.M.P. As a result of these discussions it is expected that in the near future a senior official of the R.C.M.P. will be visiting Newfoundland to discuss further this whole matter with the Government.

It is the intention of the Government to protect fully the present personnel of the Police Force,

and to see that no member thereof will be prejudiced as a result of the change-over. It is expected that some members of the Force will be taken on the strength of the R.C.M.P. It is too early to say yet what arrangements can be made as to rank and pension, but, as it will be noted, provision is made in the Chapter to deal with cases such as ours and the members of the Constabulary can be assured that their interests will be a paramount concern of the Government when negotiations are being continued.

MR. HIGGINS: Mr. Speaker, some time ago I asked whether Dr. Boyle filed a report, and the Prime Minister stated that he had received a report. No copy was filed. I wonder is there any possibility of getting a copy of Dr. Boyle's report. I think he filed the original but no copy.

HON. J. R. SMALLWOOD (Prime Minister): We had, I think, five copies, one of which I delivered to the honourable the Leader of the Opposition. We have four remaining.

MR. HIGGINS: I did not receive a copy.

MR. SMALLWOOD: Well, I have tabled it. If the honourable gentleman desires I can have copies mimeographed, possibly for all the members of the House.

MR. SPEAKER: Third Reading of Bill "An Act to Amend Chapter 2 of the Consolidated Statutes (Third Series) Entitled 'Of the House of Assembly'."

MR. CURTIS: Before, Mr. Speaker, the Bill is read a third time, I would move that it be re-committed.

On yesterday there was drafting done while the House was in committee. We were examining that draft at the Department this morning and we feel that the drafting is on the clumsy side. We, therefore, re-drafted the clause; we have not changed the effect at all, and the Bill has been re-printed, as redrafted. I would ask that the Bill be re-committed, to see if the House will approve of the revision.

Motion carried that Bill be re-committed presently.

Speaker leaves the Chair.

Mr. Courage takes Chair of Committee.

Section 4 read and passed.

Committee rose and reported having passed the Bill as revised.

MR. CURTIS: I would move, Mr. Speaker, that this Bill be now read a third time.

Bill read a third time.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Provide for the Establishment and Administration of Local Government."

MR. SMALLWOOD: Mr. Speaker, perhaps we might pass by that order and come to the second reading of the Bill "An Act Respecting the University of Newfoundland," and then should we get through that, move back again to orders further back.

MR. SPEAKER: There is also a first reading of Bill regarding the extension of the Operations of the Ship-building Act.

MR. SMALLWOOD: Yes, well, we might leave that, Mr. Speaker, come on to the University Bill.

MR. SPEAKER: Second reading of Bill "An Act Respecting the University of Newfoundland."

HON. S. J. HEFFERTON (Minister of Education): Mr. Speaker, I rise to move the second reading of a Bill "An Act Respecting the University of Newfoundland, and in doing so, Sir, I wish to associate myself with the previous speakers in congratulating you on the honour conferred upon you, and also upon the manner in which you have carried out your duties so far, and I trust that for many days and years you may be privileged to carry on as you have begun.

In moving the second reading of this Bill "An Act to raise the status of the Memorial University College" I feel that I am in some measure moving the complement to a previous legislative enactment. The Economic Development Bill, for together they represent the most progressive advances of our day. If carried forward to completion, they hold within their conceptions, the instruments whereby we in Newfoundland can make this beloved country of ours greater, and the people therein more contented than in the past. If we contend that economic development provides the means of employment for our people—helping them to a higher standard of living—equally true is it that a university provides the medium for a higher cultural and social minded people. Moreover it supplies a training centre, from which we can send out those who will be equipped to play an important part in

the development of our economic resources.

No one can successfully deny the need of a Newfoundland University. Our only danger is on failure to make the fullest use of its possibilities, but that danger we can avoid if we will. At the moment it is a prerequisite that we raise the College to university status—as an enabling means for the advancement of our people.

When we look and ponder on the motto of the College, "Provehito in altum," we cannot help but ponder on the significance, "Launch out into the deep." I need not remind the honourable members of this House of the source from whence that motto is taken. You recall the words of Christ to his followers—fishermen on the sea of Gallilee—how after toiling in vain, and having caught nothing, the command came to them "Launch out into the deep and let down your nets for a draught." The fishermen did so—and the act of faith was rewarded by a heavy catch of fish.

The building of the Memorial University College was an act of faith, but though it served its generation, the present time calls for greater doing, great conception of duty. It is our privilege to advance—in keeping with that motto. It is our privilege and our duty to take up the task entrusted to us, and to contribute our part, for further generations.

One of the external marks of study at a university is a degree, but a degree certificate or a hood is generally one mark of knowledge. I do not urge the adoption of this Bill as merely providing

a place for the acquisition of knowledge. You recall Solomon's Prayer, "Give me to know wisdom and knowledge." These are two entirely different things—as Cowper says,

"Knowledge dwells in heads replete with thoughts of other men, wisdom in minds attentive to their own."

But knowledge is the material with which wisdom builds, and I think of this step which I urge, as providing not only a seat of advanced knowledge, but a focal point in which our men and women may acquire that common sense in an uncommon degree which may be applied successfully to the solution of our economic problems, and equally portrayed in our associations with our fellow-men.

My first ideas of a national university for our country crystalized under the influence of Dr. Arthur Barnes during my teacher-training days. In those far-off days it seemed another instance of the truth of Longfellow's refrain, "The thoughts of youth are long, long thoughts." Yet some ten years later the dreams of youth were given a semblance of reality, under the direction of my former school teacher, and in 1925 Memorial University College opened its portals to the eager youth of Newfoundland.

Nearly one quarter of a century has passed since then, a period of historical significance in the political life of our people. Our old Alma Mater, erected in memory of the heroes of the 1st World War, some fifteen years later saw the

exodus of its students and alumni, to take part in a second world conflict. True, they did not leave "the spirits of Oxford," as Winnifred Letts made immortal in her poem, but they gave up the cap and gown of Memorial University College to mingle with their Oxford brothers in conflict and in blood, in combat against a common foe, in defence of their freedom and their right to live their own way of life.

The gallant men and women who offered freely of their best in war typify one side of life, but we must not forget that "Peace too hath her victories." The last quarter of a century has witnessed many political changes, changes which promise much or little to Newfoundland dependent upon the will and the co-operation of the people. In the files of education also there has been progress. We have enlarged our activities. We have widened our educational horizons. We have realized in part our own defects, and spent time and money in fostering activities tending to make our citizens more educated electorate. Yet Memorial University College remains as it was in the beginning. There has been growth in membership, there has been an extension to the building, there has been emanating from it, throughout the years, leaven, effective in some measures, in moulding thought, and living in this country. During the years the number of graduates total 3,630, but of these quite a half have been forced to go abroad to Canadian and American Universities to complete their years of study. Only this year we had approximately one hundred students in residence in universities on the mainland.

It is one of our privileges to choose our sect of learning, and when we have our own university we shall still have young men and women moving off to larger centres, but, during these youthful days of Memorial University College, we have kept from hundreds of Newfoundlanders that extra two years of study which might have been productive in exerting tremendous influence on the economy and the culture of this country and its inhabitants. In the third year of its existence I graduated from Memorial University College. I went back into the teaching field, from which I had broken off a year or two before, with a sense of frustration. I was not in a position to pursue my studies in a foreign field. I could have wrangled through Memorial University College had it been chartered to allow me to finish. Since then I have met with, and talked to many students, whose experiences were similar to mine. In this House we have one or more of the Alumni who can corroborate what I say. I do not intend to analyze the reasons why we have continued year after year to allow the Memorial University College to remain unfinished. I do know that many opponents have entirely erroneous ideas about the cost involved in raising the College to a charter conferring institution, and an equally wrong opinion about the actual help that the University can

is true that if we desire this institution to play a vital part in our development, I might add our emancipation to a highly cultured, progressive province, we shall have to enlarge and extend, that it may

contribute to the fullest degree in our destiny, but at the moment we merely plan to cap what was begun 25 years ago—to make it possible for our own students to graduate from our own University—possibly in Arts and Education.

During these years of Memorial University College adolescence not only have we sent abroad some hundreds of students, but we have been guilty of intellectual restrictions on those who have gone, and on those who have stayed in their own country. Our courses at the Memorial University College have been arranged so that they fit in with the courses pursued elsewhere. We have been forced to pursue academic courses without due consideration for the ultimate good of the student, or of his native land. It may seem out of date to quote the words of John Henry Newman, but apart from his authorship of "Lead Kindly Light," Newman was a keen thinker, and in his writings on the "Rise and Progress of Universities," he says, "If a practical end must be assigned to a university course I say it is that of training good members of Society. Its art is the art of social life, and its end is fitness for the world. A University training is the great ordinary means to a great but ordinary end. It aims at raising the intellectual tone of society; at cultivating the public mind; at purifying the natural taste; at supplying true principles to popular enthusiasm, and fixed aims to popular aspiration; at giving enlargement and sobriety to the ideas of the age; at facilitating the exercise of political power, and refining the intercourse of private life. It is the education which gives

a man a clear conscience view of his own opinions and judgments. It teaches him to see things as they are. It prepares him to fill any post with credit, and to master any subject with ease."

That in part was Newman's idea of a university, and incidentally, Newman said certain things about the site of a university which possibly might be studied with good effect when we come to the question of expansion of buildings.

I have no intention of going into the political feelings engendered by the erection of the building nor the criticisms directed against it at the time; nor do I wish to refer to the political promises of our present Government, but I have heard repeatedly one criticism, which in my view is somewhat narrow, and ill founded. It has been remarked that the enactment of this Bill favours the more fortunate (financially) boys and girls of St. John's. Any university or school favours the children in its immediate area, but any national institution must have some central location, and it is natural and fitting that we should complete what we have started in our provincial capital.

In addition, I believe that every child in Newfoundland or elsewhere should have equality in educational opportunity. Such a belief does not mean a High School in every small settlement. The erection of Regional schools desirable from many viewpoints means enormous expense, and a surrounding of other obstacles well nigh insuperable. The University can be the centre of that

equalising opportunity. The expenditure involved in sending yearly to a university, the boys and girls on a selective basis suited for university study, would be far less than any other plan of which I have knowledge.

There are in our country many opportunities for expansion in accordance with our own particular needs, and in keeping with a policy of conservation and development of our own natural resources. Only recently we became aware of our shortage in engineers. For several years now we have had annually many Newfoundland engineering students graduating from Canadian universities and all these young men have found work in the land of their adoption. We may not be able to offer the larger fields of Canada or of the United States. We certainly do possess certain possibilities which hitherto we have neglected, if not ignored.

The forward step taken, by passing this Act, will provide one answer to the problem of economic development of our resources. During recent years tentative offers by philanthropic people interested in education have been made, but these offers have been nullified in some instances because of the failure of past Governments to enact the necessary legislation. The enactment of this Bill elevating the college to an University is all important, as I see it, in the interest of our country, and of its people. It will provide that which has hitherto been lacking in our educational programme. I do not say it is the only thing requiring to be done.

I have already hinted at a further step, but it is, I contend, an essential in any plans made for the economic and cultural enlightenment of our citizens.

The creation of the University make possible the endowment of a chair of Forestry. Forestry is one of our greatest natural resources. The utilization of the forestry products is one of our major industries. Research is active in trying to give to mankind further uses for the forest products and it is fitting that we should equip our own University with courses suited to the encouragement of further activities in this line of work.

Fishing is the staple occupation of this country. The future even more so than the past is bound up in the pursuit of the fisheries, but modernized to meet the ever-expanding needs of the times. Here too is an avenue through whose paths we can wend our way; an avenue which opens up new processes and new ventures. These are but two lines of work made possible by gearing our national University to meet local requirements.

Mrs. Signirney, somewhere in her writing on education said, "The true order of learning should be able to provide the threefold card." Memorial University College as it is, and as it has been for the past 24 years, has never been able to accomplish its utmost in usefulness or in culture. Its service has been restricted by the limitations placed on its status. We aim to raise that status. We hope by so doing we

may enhance its use, and its cultural value to our people.

When we look at other provinces, and study their institutions, if we cast our minds back to the early Pilgrim Fathers, we get a glimpse of the value of universities as seats of learning, and as influences permeating through the lives of the people. The Memorial University College in itself as a building represents a memorial to the inherent rights of democracy, but the Memorial University College stands for something infinitely higher than a memorial for that which is past. May I quote from Daniel Webster, "If we work upon marble it will perish; if on brass time will efface it; if we work upon immortal minds, and imbue them with principles, with the just fear of God and love of our fellowmen, we engrave on those tablets something that will brighten to all eternity."

In moving the adoption of this Bill, Mr. Speaker, we think of the new university as a means towards an end, as a medium by which we enable the coming generations to build more wisely, to build more justly, a way of life. Think of the Memorial University as a symbol, always pointing to higher things, inspiring us, and the people whom we serve. I do not think of a university student in Milton's words, "Deep versed in books and shallow in himself," but rather as one who can best train his intellect to serve his country, and for that purpose—to serve the state and its people—the work so long deferred should be carried forward to its logical and natural conclusion.

Before I conclude, Sir, I would briefly refer to yet one other criticism frequently made, and sometimes, I fear, on inadequate grounds. Even supporters of this Bill sometimes ask this question: Can we afford a university? Will the expenditure involved justify itself? The answer to that question is found in a careful analysis of the educational and cultural needs of our people. We have many problems in education, some of them due in part to our peculiar system. Two of these problems centred in the past on the inadequate remuneration given to our teachers, and our consequent inability to secure sufficient personnel, as well as on the relatively low professional status of those engaged in the important work of guiding the young. Since we came into power, we have arranged that as and from September 1, 1949, the salaries of teachers are to be proportioned more in accordance with their work than hitherto, and the scale of salaries adopted in conformity with recognised practice elsewhere, i.e., based on qualifications earned academically and from experience. In addition, we have provided for the teachers, particularly among those holding licences, or as formerly known third and second grade teaching certificates, additional government assistance to enable them to raise their professional standing. In personal contacts with the Maritime Provinces, and in comparing the large number of teachers in these provinces who held university degrees, with the comparatively few teachers, similarly qualified, in Newfoundland, I could not and cannot feel satis-

fied with our present position. Teacher salaries, and Government assistance for Teacher Training, provide at least partial solution to two problems. The adoption of this Bill assures us of the medium through which we can solve the third, raising the professional status of our teaching body. The issues at stake, the more adequate training of our citizenry, overrule the question of expense involved in this legislation. We cannot afford to leave unsolved, this third problem, the solution of which is intimately tied up with what we have already done for education.

I confess I have a sentimental feeling for urging the adoption of this measure, but in this instance my heart and my reason work together, both convincing me that in completing this work, in making our College a University of Newfoundland, "we build better than we know."

I feel that in taking this step we are doing something that will go through the ages as one of the most progressive pieces of legislation that we enacted at our first session.

Mr. Speaker, I move the second reading of the Bill, "An Act Respecting a Newfoundland University."

MR. HIGGINS: Mr. Speaker, I have much pleasure in giving my full support of this Bill in principle and I feel sure that in saying that it expresses the sentiments of every member on this side of the House. Pardon me, I have no authority to speak on behalf of the honourable member for Ferryland who glories in the fact that he is an independent at all times. As

to these various sections, which make up the charter, of course I cannot speak because I have no knowledge yet of what is within the booklet here, I have had no chance to read it, and I am sufficiently university trained to realize that I cannot grasp the foundation of a university by a flick of an eyelash.

This University of ours, this College, started under very good auspices. It has been said that one man can make a university, and Newfoundland's College started with one of the greatest headmasters, one of the greatest teachers that could be found in any part of the British Empire. John L. Paton is a name that should be venerated and his name should ever be renowned even in the walls of the university to be, which is the College of the past. He has been succeeded by another fine man, A. G. Hatcher, and as a result thereof the two years' university course which has been given in the college for so many years is of such a calibre that it may be said with certainty that no university on the mainland—and when I say "mainland" I mean the North American Continent — could give a better course and few could give a course so good. I have heard that even from Oxford itself; I have heard that about the two years' course at the Memorial University College. I am one of those who felt many, many years ago, that this University should be started. I feel that many years have been lost and a whole generation has lost the benefit of having a degree which would have been conferred if this movement which is on foot now had started twenty or thirty years ago.

It is gratifying that in the view of the old educationalists in this country who brought so much culture to this country, for no one can forget that the great teachers of the past brought culture to this country which has never been forgotten. Unfortunately there are few of these old teachers left; Dr. Burke, Dr. Whiteway, and Dr. Barnes are the only three I know; perhaps there are some others. I am very glad indeed that that fine old gentleman at Bay Roberts, Dr. Barnes, is still alive to see that his dream has been realized, and I trust that when the University re-opens as a full university he will be one of the honoured guests there; that he will be regarded as a great guest of honour.

But there is one thing that must be done; we must not crimp ourselves; we have lost some very good men at the College, particularly a man whom I had a very great admiration for, a man who would have made a great president of the College, A. G. Gillingham. He was a real true gentleman; he was a fine scholar; he was a man who inspired confidence in most of his students, but, unfortunately, he is gone to other regions. It would be a very good thing if men like these could be brought back; we have a very good staff here now, but I presume the staff has to be increased, and I would like to see men like Gillingham, Newfoundlanders like him, who have done so well abroad, in the College. As I have said, you can criticize a university in more ways than one. I take the liberty at the present moment to say that the grounds of the University are altogether too small, and the first thing that should be done is to try to get some

land near the University. I was told about thirty years ago that Yale University was offered hundreds of acres of land five miles away from New Haven, and they refused because it was too far away from the town. That ground would be worth millions today. But people do not look ahead. When the Roman Catholic Cathedral was built here in—it started in 1847, the Catholic people petitioned the Bishop not to build the Cathedral there because it was too far in the country, and unless we start now getting some land for the Memorial College I am afraid all the land will be taken up, and I do say this much, that there is too small an amount of land in connection with this University to allow it to expand.

I think then that I would like to say that very often a man who looks ahead is not a dreamer, but a realist. If we are going to make this university a good one and a proper one, we have to get good teachers and get sufficient land to expand, because if we cannot expand it will become stagnant.

Having had a university education myself, I feel sorry for those who have been denied the privilege. Many people in this country had not sufficient money to go abroad to a university and I myself probably would have been one of those except that I had a scholarship which brought me to a university. Now this gives people in this country of small means a chance of seeing their children crowned with a degree, and I do not think that anybody can succeed in most positions nowadays unless he has a degree. You cannot get a commission in the Army,

I understand; you cannot get certain positions in Newfoundland; you certainly cannot get positions in the United States and the mainland unless you have a degree, and I think then, apart from the cultural aspect, which I think is the most important thing—because after all education is an end besides being a means; it is the means of enabling a man get a livelihood, but it is an end in itself, because it brings culture to people, which is sufficient in itself. People do get that culture by intensive reading, but they can be helped out by a university, and many a person would not get that education and culture unless a university is at their disposal. For these reasons, first, because it will be giving culture to this country, new culture to this land, and secondly, because it will be giving young men here and young girls a chance to improve themselves in the future, that I give this Bill the heartiest support.

MR. CURTIS: Mr. Speaker, I consider it a very great honour to be a member of the government and a member of this House when we are putting through a Bill for the extension of our University College into a full degree-conferring institution. I do not know, Mr. Speaker, whether or not I am getting old, but while my colleague, the Minister of Education, was speaking, and while my learned friend, the Leader of the Opposition, was giving us the benefit of his views, my mind went back to that period after the first Great War, when minds in St. John's were greatly worried as to the form our War Memorial should take. At that time I was living at home with my father, and I know that the matter was causing him and his colleagues then in the Department

of Education, the late Dr. Blackall, and our present grand old man, Dr. Burke; it was causing these men, Sir, great concern, and I think—I may be speaking out of turn and I hesitate to speak in the presence of Dr. Burke, whom I notice in the guest gallery—I think that the idea of a Memorial College must have been born in the Department of Education, down in Stott Building, in the years just after the first Great War. You will remember, Mr. Speaker, or if you do not remember, there are those here who will remember, how at that time there were two schools of thought as to the form this War Memorial should take. There were those who wanted the Memorial on King's Beach, and those of us who know what King's Beach looked like in those days will appreciate their desire to have that unsightly place transformed into the beautiful war memorial we have there now. There were others though, Mr. Speaker, who felt that the war memorial should be something which would not only appeal to the eye but would give the young people of this country an opportunity to enjoy life and to enjoy life more abundantly. I remember, Sir, in detail the various points between these two factions, and how ultimately both sides won and both sides got the memorial they wished. Those who favoured the memorial on King's Beach, led by Colonel Father Nangle, got their memorial; the educational people down in the Department of Education, Dr. Burke, Dr. Blackall and my father, got theirs. The Government of the day proved sympathetic, and the late Sir Richard Squires and his Minister of Education, Dr. Barnes, backed the Memorial College idea, and as a result we got

both memorials. If the past could speak, Mr. Speaker, we would learn of the many fights that were carried on before these objects were obtained. I remember the bitterness with which these fights were fought; how the Governor of the day supported the idea of the memorial on King's Beach, and refused to accept the report of the committee which recommended the building of the Memorial College.

Having gotten the College, the next question came as to a principal, and I remember, Sir—if I may be pardoned for saying so—I remember how these same men in the Department of Education learned that Mr. John L. Paton was in Canada—Winnipeg, I think it was—and how advisable it would be if his services could be secured to head the new university. It was my privilege, Sir, in 1924, while in England with my late father, to go to Oxford and to go to University College, and there to talk with the late Sir Michael Sadleir, who was principal of University College, with a view to getting his support in securing the services of Mr. Paton, to come to Newfoundland as the first principal of our college. We had heard that Mr. Paton had accepted Sir Michael Sadleir as his adviser, and my late father, by preparing the way with Sir Michael, felt that when the approach was made to Mr. Paton to come here, that approach would not fall on deaf ears. Fortunately for Newfoundland, Sir, Mr. Paton did come, and put this college on its feet.

Later I remember, Sir, the fights to get the necessary funds to make this college possible. Dr. Burke and his two colleagues went back

and forth to New York. We used to call them "picnic trips" in those days, Mr. Speaker, but these men brought back the support that this college needed, and for years this college carried on only because of the financial support and good-will that these men brought back.

It is not my intention, Sir, to delay the House. We are sure that the ghosts of the past will be looking at us to-day as we pass the final measures to bring the Memorial University College to a degree-conferring institution. I rejoice, Sir, that I am here, to be a party on this occasion to supporting the Bill. I hope that we are preparing the way so that many a young man and young woman of Newfoundland will be able to get a complete education without having to leave our shores.

MR. SMALWOOD: Mr. Speaker, I do not intend to occupy more than a few moments, but it is a very proud moment for me to have this Bill come before the House, and to find it receiving such universal approbation from both sides. If ever there was a time to make the College a university, that time is now, now that we have become a Province of Canada. Now that we have become a province of Canada, a fact that I do not regret in any sense or degree, there will be an increasing tendency over the years ahead for the sharp definition of the Newfoundland, distinctively Newfoundland culture and consciousness, to become dull. That perhaps, is inevitable, and perhaps not too regretted.

We will, as Canadians, as part of the Canadian nation, gradually more especially in the generations to come, gradually and quite inevit-

ably absorb a wider outlook, a Canadian outlook, a wider national outlook which will be wide enough to embrace even the people of far-way British Columbia, and those living between there and here. All the more reason, therefore, why we should do something to see to it that our distinctively Newfoundland culture and consciousness do not disappear and are preserved and maintained down to many generations in the future. And I feel this University will be a great means toward that end.

We must restore our Museum, and I know in that we have the very cordial support of the honourable and learned leader of the Opposition, and doubtless of his whole party, and, I take it, of the whole province. We must restore the Museum and do more than restore it; we must make it a much greater thing than it ever was. It is not enough to bring it back to the point it had reached when it was so ruthlessly scattered. We must make it a much greater Museum than it used to be before; we must do a number of things which we have never done, all good in themselves, but in the aggregate good especially for the purpose of helping to preserve our own distinctively Newfoundland culture and consciousness and pride of achievement.

One thing we might well do, I suggest, is to secure paintings of all the long line of Speakers who have graced the Chair which Your Honour graces to-day. We might well line the walls of this Chamber with portraits of former Speakers of our House of Assembly, beginning with the late great Dr. William Carson. We might well also, I suggest, line the wall with portraits

of the late Prime Ministers, all the former Prime Ministers of Newfoundland. That would not cost much, but it would add much to the sense of history which now more than ever, now that we are a province of a much greater nation, more than ever we should preserve and foster.

However, it would be rather short-sighted if we were to regard this university, this Memorial University, of Newfoundland, as merely a means still further to encourage the preservation of the Newfoundland culture; we must, I think, regard the university as an active and energetic means to the economic development of Newfoundland. It must be more than merely a centre of culture and learning; it must have a very practical aspect too, along with the rest. I would like myself to see in that University a school of fisheries, and I may say that that is more, already more, than merely an idea, and already this Government has given some consideration to it, not by any means considerable and not by any means complete, but some consideration to the idea of establishing a school of fisheries in connection with the university.

We have also given some consideration, again not exhaustive or complete, but some consideration to the idea of having attached to that university a school of forestry. And we have not by any means a school of forestry. And we have not by any means yet abandoned an idea to which we gave considerable thought, and in which we took considerable interest, namely, the idea of attaching to that university a school of navigation and deep-sea engineering.

We have in Newfoundland our fisheries, our forests, and our mines. These are our three great basic natural resources, and it is only by development of these that Newfoundland must get the bulk of the income on which it can live and on which it will base its whole system of social security. These must be developed. The University of Newfoundland can and must be made an important means of assisting in that type of development.

Now the University of Newfoundland, while the province of Newfoundland has a population of approximately 300,000, is likely never to be as large as, say, the University of Oxford, of which the honourable and learned Leader of the Opposition is a graduate, or even the University of McGill or even the University of Dalhousie. At the same time, there is no reason why, if we have the vision and if we have the courage and if we have sufficient recklessness in the spending of money on that type of thing, no reason why the University of Newfoundland for its size should not be the most distinguished university in the whole world; and certainly if the plans of this Government can be brought to fruition it will become exactly that, because I give fair warning, Mr. Speaker, that it is no intention of our merely to ask the House to adopt this legislation conferring that Charter upon the University, then turning our backs on the University and allow it merely to struggle along as a poor, poverty-stricken little institution. Once the die is cast and the Charter is granted, that University, if we can do it, insofar as it lies with us to do it, that University is going to live, dynamic centre of learning, culture and re-

lander can be proud. That is our intention.

I see no reason why in the light of that University within the near future we should not have an activity for the active encouragement of historical research in Newfoundland. I see no reason why that University should not become the sponsor of research into Newfoundland history in England, where most of the source data exist far more than here in Newfoundland, and my honourable and learned friend, the Leader of the Opposition, who has spent so many years of his life as a collector of Terranova, if that is the proper word to use, will know what I mean when I say that by far the greater part of the actual historical sources affecting Newfoundland are to be found not in Newfoundland at all but in the British Museum, the Public Record Office, the British Admiralty, the Board of Trade, the private libraries, and in all book-stores scattered throughout the length and breadth of England and with possibly a very rich source of material existing in private homes and mercantile firms in the West country of England. I see no reason I say, why the University should not, with Government assistance financially, sponsor historical research in England where most of the material is.

Well, it must be a peculiar joy to Dr. Burke to be present here this afternoon as a visitor and to see what must be a dream of his for many years past, to be present to see second reading given to this Bill to make the College a University. It must be a peculiar joy to my honourable and learned friend on my right, the Attorney General, son of one of the three original ad-

vocates of the University College, the late Dr. Curtis, to be present and to be able to say a word in behalf of this Bill, and surely if the spirits of the two who have not survived that trio are here present, and surely they must be, they must listen with great approval to the advocacy which this idea is receiving in the House this afternoon.

I am sure that to the honourable the Minister of Education it must be a cause for great personal pride and pleasure to have been able to introduce this Bill to-day and I am sure that if the truth were known, my honourable friend the Minister of Public Welfare must find a responsive note struck in his own heart as this Bill is given its second reading.

There will be contentious matters before this House as there have already been, but this is one Bill on which I think we all of us, as Newfoundlanders, which we were before we became Canadians, which we as Newfoundlanders, must support ardently, enthusiastically, and quite unannimously.

It is a great personal pleasure for me, I repeat to be head of the Government which is bringing this matter forward; I can promise the House, that in bringing this Bill forward and incidentally, remembering that outstanding promise we made to the people of Newfoundland, we are beginning a long series of promise redemptions in the course of the next few months and the next few years. I am sure it has the unannimous approval of the whole House.

This Bill was read a second time to be referred to the Committee of the Whole House to-morrow.

MR. SPEAKER: Honourable the Minister of Fisheries and Co-operatives to ask leave to introduce a Bill entitled "An Act to Extend the Operative of the Shipbuilding (Bounties) Amendment Act, 1945, and of the Shipbuilding (Bounties) Amendment Act, 1949." Has the honourable Minister leave to introduce this Bill?

Leave granted and Bill read a first time. To be read a second time on tomorrow.

MR. SPEAKER: Committee of a Whole on the Bill "An Act to Provide for the Establishment and Administration of Local Government."

The Speaker leaves the Chair.

Mr. Courage took Chair of Committee.

Section 46 read and passed.

Section 47 read and passed.

Section 48 read and passed.

Section 49 read and passed.

Section 50 read and passed.

Section 51 read and passed.

Section 52 read and passed.

Section 53 read and passed.

Section 54 read and passed.

Section 55 read and passed.

Section 56 read and passed.

Section 57 read and passed.

Section 58 read and passed.

Section 59 read and passed.

Section 60 read and passed.

Section 61 read and passed.

Section 61 read and passed.

Section 62 read and passed.

Section 64 read and passed.

Section 65 read and passed.

Section 66 read and passed.

Section 67 read and passed.

Section 68 read and passed.

AN HONOURABLE MEMBER:
What about a Council's right to collect taxes?

MR. SMALLWOOD: I think we have to rent to the Dominion the sole right to collect income and corporation tax. The right of the Council to collect is a right which the Province has given. Certainly no town council or city council can collect, but only the provincial government, and then in a very limited sense, first on the earnings of companies whose sole business is the sale of electricity, steam or gas, and second, something in the nature of an income tax on companies engaged in logging and mining. These are the only exceptions allowed under the tax rental agreement; certainly municipalities are not permitted to collect income tax or corporation tax.

HON. H. W. QUINTON (Minister of Finance): Mr. Chairman, before the committee rises, I would like to say one brief word, and that is to thank the members of the Opposition for their co-operation in this matter, and also to say with regard to the honourable member for Harbour Main-Bell Island, he did not see eye to eye with us on one section; I hope

that things will be agreeable in the future.

The Committee rose and reported having passed the Bill with a few amendments.

MR. SMALLWOOD: Mr. Speaker, I move that the remaining orders of the day be deferred, and I would like to say, with the concurrence of the Leader of the Opposition, the proposal is to meet tomorrow and tomorrow night, in the hope of being able to complete the immediate legislative programme, so as to take a long adjournment to around the first of October, and that if we enact the University Bill tomorrow, tomorrow night, we could have a brief session on Saturday at three o'clock to invite His Honour here to give the Royal Assent, so that the University Bill might become law in time to enable the College to become a University at the commencement of the coming school year in September. In moving the adjournment I move that the House at its rising do adjourn until tomorrow at three o'clock.

Remaining Orders of the Day deferred and House adjourned accordingly.

Friday, August 12, 1949.

House opened at three of the clock.

Presenting Petitions

MR. FAHEY: Mr. Speaker, I beg leave to present a petition from the residents of North Arm, Holyrood, Conception Bay, in the elec-

toral district of Harbour Main-Bell Island regarding roads.

Petition received.

MR. DROVER: Mr. Speaker, I beg leave to present a petition on behalf of the residents of Hampden, George's Cove, The Beach, Gold Cove and Rooms regarding roads.

I am in full support of this petition, and I move that the petition be tabled in the House and be sent to the Department concerned.

Petition received and to be sent to Department concerned.

MR. SPEAKER: Question No. 67 by Mr. Higgins to ask the honourable Minister of Supply whether any steps are being taken to assist the farmer in the sale of his products.

HON. P S. FORSEY, (Minister of Supply): In answer to this question asked by the honourable Leader of the Opposition, on the Order Paper for August 12, I can advise the honourable member that it is the policy of the Government to give preferential treatment to local farmers in the purchasing of supplies for Government Institutions. I would like to direct the attention of the honourable member, however, to the fact that in order to secure a fuller answer to wider aspects of Government policy the question might be directed to the honourable Minister of Fisheries and Cooperatives and the honourable Minister of Natural Resources.

HON. EDWARD RUSSELL, (Minister of Natural Resources): Mr. Speaker, it is very short notice and I have no written an-

swer to table to this question, but I can give an unprepared and very brief and sketchy statement on the subject. The Agricultural Division, Sir, comes under the Department of Natural Resources, and the policies of that Division are not much probably to assist the farmer in the sale of his products, and designed to assist him. The farmer's problem, I think, in selling his products seems to lie first of all in his being able to put his produce on the market in a line with the prices of imported produce, and second, to be able to put it on the market in quantities which will interest the wholesaler, the wholesale distributors, the business men who ordinarily import for distribution. Now in order to assist the farmer to produce more cheaply, we have policies designed to enable him to make the maximum efficient use of his farms; we are prepared to give him a survey of his farm and points on how best to use it; assistance in clearing, because more land sometimes would help him keep away from that law of diminishing returns which gets hold to farming after a while; and various other ways designed to lower the cost of production.

Now in order to be able to put things on the market in quantities that will interest the wholesale people, we are encouraging, and have been encouraging for a long time, and will continue to encourage, the formation of agriculture societies which will be able to market in bulk. We are prepared to set up an agency, or to encourage the agricultural societies themselves to set up an agency which will establish a sort

of contact between those who want to buy vegetables in large quantities for distribution, and the farmers or societies who have them to market.

There has been a great deal of assistance given to ensure that local produce should be of good quality, and there has even been started a warehouse service where by the Government has been prepared to assist groups of farmers, not individual farmers, but groups, to provide themselves with some warehousing facilities, frost-proof warehouses, that will enable vegetable storage in large quantities during the winter-time.

Now it must be remembered that there are two facts that are very fortunate for local farming if we can take proper advantage of them. First is that the demand for farm produce is still a great deal higher than the local supplies, and second that wholesale distributors of farm produce would prefer—I say this because local distributors prefer to handle local produce than imported, provided that it could reach them in the quantities and the grades they want, they would pay the same price, and in some instances might pay a little higher price, especially in those commodities where a local product is better than the imported.

Now when I say that these policies are designed to assist farmers, it means that we must have the co-operation of the farmers to take advantage of them, and I am very pleased to know that farmers are beginning to be more and more intelligently aware of their

problems and willing to discuss them with Government.

One other point I might mention, that there is within the next two or three weeks to be a meeting of farmers, delegates of agricultural societies all over the country, who will meet I think here in St. John's. Now I would like to say how much we appreciate the interest of the Opposition in the matter, and when the Estimates come up they will sort of delineate those policies a little more fully, and we would like some constructive criticism when the Estimates come up.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I move the adjournment of the House but only for the purpose of making a statement which I think ought to be made before we take our long adjournment, which we propose to do today or tomorrow to the first of October, and it ought to be made today so that a very large number of people in Newfoundland who are affected may have their minds set at rest, and so that certain misrepresentations which have been spread in Newfoundland may be dissipated.

The statement concerns the matter of teachers' salaries. Now, Sir, before this Government took office, and for some considerable time before, the teachers, through their organization, the N.T.A., the Newfoundland Teachers' Association, through this Association with the Government of that day, looking toward an improvement in the salary scale of all teachers in Newfoundland. Those negotiations continued over a rather considerable period of time, and

came to an end, I think, only one day before this Government, or rather the Interim Government, took office, and the negotiations came to nothing. It was practically a failure. In the sense, at least that no firm agreement was reached between the N.T.A. and the Government of that day, although I understand that some agreement was reached in principle.

MR. FAHEY: Mr. Speaker, what about the other Orders of the Day?

MR. SMALLWOOD: I have moved, Mr. Speaker, the adjournment of the House, Sir.

MR. FAHEY: In my opinion, that hasn't been seconded or put and therefore we are waiving probably Orders of the Day that have reached last reading. We have no objection to waiving the Orders of the Day, but it seems that the honourable the Premier is going into a rather lengthy talk without the waiving of the Order.

MR. SMALLWOOD: So far as I know, the only way that I can make the statement is by the motion to adjourn. If I were to speak at any length, and I propose to speak for some ten or fifteen minutes, not to motion, as this would be completely out of order, Mr. Speaker, and the only means by which I can make—there is no place in the Order Paper of our Legislature at which a public statement can be made, and I think there has never been such a place. The only way I know of to do it is to move the adjournment for that purpose, after which the motion is dropped. A very commonplace act as I understand it in legislative bodies everywhere.

MR. SPEAKER: Standing Orders No. 41 reads: No motion for the adjournment of the House shall be made until all questions on the notice paper shall be disposed of, and no such motion shall be made before the Orders of the Day or Notices of Motion have been entered upon, except by leave of the House, unless a member rising in his place shall propose to move the adjournment for the purpose of discussing a definite matter of urgent public importance, and not less than ten members shall thereupon rise in their places to support the motion. Now, what is the point of order the honourable member wishes to make?

AN HON. MEMBER: I think, Mr. Speaker, that the honourable the Prime Minister did move an adjournment according to the rules of order, but he was not supported. Now I don't think the Opposition has any objection at all to the honourable the Prime Minister making the statement, nevertheless, for the sake of the record of the House, just to have it correct and in order.

MR. SMALLWOOD: Well, maybe I can make the motion in the hope that ten members will support my request.

MR. SPEAKER: I understand that ten members were ready to do that?

MR. SMALLWOOD: If it is insisted that ten members arise in place, I think, perhaps, that we might hope with some success that ten would rise in their place?

MR. FOGWILL: Mr. Speaker, this is the first time probably that

this particular question has come up in this new legislature and probably it would be better to have the ten members rise so that it will be understood in the future—that it is understood that they support the speaker rising for such a motion.

MR. SMALLWOOD: I am delighted to see the concern of the honourable gentleman opposite for the observance of the full, the complete compliance of parliamentary procedure, and I assure him that I share, I join with him completely in their solicitude.

MR. J. G. HIGGINS (Leader of the Opposition): Just in order to show that on one occasion we can also recognize that things must be done properly.

Members on both sides rose.

MR. SMALLWOOD: Now, Mr. Speaker, when the Interim Government came into office they were confronted by the fact that this matter was still in abeyance and it was a matter of supreme importance to a large number of people in Newfoundland, and, in fact, we were approached almost at once by the executive of the Newfoundland Teachers Association between the date we took office to pay to all teachers in Newfoundland a cost of living bonus. That cost of living bonus was paid to all teachers a supplementary cost of living bonus, and what supplementary cost of living bonus was paid and the total cost of the two together was I think of the order of \$170,000 over and above what has been provided by the former Government, so that, as a

result of the Interim Government coming in to office, the teachers of Newfoundland, received in respect of this school year just ended, an additional amount of \$170,000 by way of salary or living bonus added to their salary. And at the same time we pledged ourselves to the N T A. that we would go at once into the drafting of the permanent new scale of salary for all teachers in the Province, and that sometime between the end of the late school year and the beginning of the new one, we would carry on those negotiations and that the teachers would be represented by members of the N. T. A. who hailed from St. John's and from the outports and who would be represented, both male and female teachers. Those negotiations took place although the teachers' representatives were told quite frankly that the Department of Education could not commit and would not commit the Government to any particular scale, that at most, they could negotiate and come to some agreement and that the agreement would be subject to acceptance by the Government as a whole. And that is the position up to this moment. That is, at least, what has happened.

Now, Sir, a scale has been agreed on by the Government and this Government is exceedingly proud of the scale that has been drafted. We feel that we are making this new deal a very great contribution to the cause of education in Newfoundland. Now I might say that our 23 hundred teachers in Newfoundland, have been divided in the first place into two general classifications; one, known as graded teachers, and the other known

as licensed teachers. These are the two great divisions. Amongst the licensed teachers there are 13 hundred teachers, or rather more than half the teachers in Newfoundland and among these certificated teachers, the graded teachers, there are the remainder, 960 to be exact.

That is the first point, that the teachers of Newfoundland have been divided into two classifications, two broad classifications, licensed teachers and certificated teachers or graded teachers, with approximately half of all the teachers in each of these two classifications. Now, within each of these two there are still further subdivisions of four subdivisions in each classification, or eight subdivisions altogether. First of all, we take the graded or certified teachers. They are called, beginning at the bottom and going to the top, they are called First Grade teachers. And then next, Associate Grade teachers, then next University Grade teachers and finally, Graduates. These are the four classifications.

The licensed teachers are divided into four subdivisions; at the bottom, and these go by letters of the alphabet, A B C D, but D, at the bottom, and then C, then B, then A. Now the D teachers are strictly speaking, not teachers at all and yet there are 300 of them in Newfoundland. They are not in any sense trained teachers. Some of them, indeed, have not yet reached their Grade 11 as school students themselves. Some of them have fully reached Grade 10 and there has been known to be a case or more of those who didn't reach

even Grade 9. These 300 so-called teachers, and that is not said in any unkind spirit at all, but in the strictly literal meaning of the word, these are either men or women, young men or young women, who, when the school opens at the beginning of the school year, or when the school opens, and in either this or that or the other place there is a school for which they have not been able to obtain a teacher and a school remains closed, for possibly the first two or three, four or five, or possibly eight weeks of the school year, then the local school board in desperation, wishing to open the school, and not having been able to obtain a teacher, will take the best they can get, anything from Grade 8 to 11 students who are brought in to teach the best they can.

That number has been growing this past year, 300 of them or rather more, where four or five years ago, so I have been told, the number was merely 30 or 40 or 50 at the most, but a steady rise in the untrained and unqualified teachers until now there are 300 of them of the total of 23 hundred.

Then the next is the C group. There are 350 of those. Now that is the lowest grade of teacher who can be called a teacher at all. These are the teachers, male or female, who, in addition to having got their own Grade 11 as students, have also received one successful Summer School. That is, they attended Summer School for the period of one session, or six weeks.

That is, any Grade 11 student who succeeds in getting through a six weeks' course at Summer School is thereby qualified for the least

qualified of all the teachers, the C group, numbering about 350. Then the B group of whom there are 600 in Newfoundland. These are teachers, who, besides having their own Grade 11, have succeeded in getting two complete Summer Schools, that is, 12 weeks of Teacher Training in the Summer School.

Then finally, there is the A group amongst the licensed teachers, numbering about 50; these being teachers who, having their own Grade 11 and their own two Summer Schools, have also received one full year of Teacher Training, but have not had a year of teaching experience.

Now, Sir, that is more than half the teachers of Newfoundland, and the pathetic and depressing picture it is that the qualifications to teach of more than half the teachers in Newfoundland, are as low as that I have just described. The rest of course, the certified teachers, the First Grade teachers, 690 of them, the Associate Grade, 150 of them, and the University Grade, 100 of them, and the Graduate Grade, 50 of them are, what we might call, from the qualifications standpoint, the training standpoint, the elite of the teaching profession of Newfoundland. That is the first we've got, breaking down into these two broad divisions, and then with each of these two divisions to subdivide them further into four classifications within each of these two broad divisions. And what we've done regarding salary is this: We've instituted fairly considerable salary increases in all of the certified or graded teachers which is something rather less than half the total number. I won't trouble the

House to read the actual figures showing the actual amount of salary to be paid to them, except to say that they do represent a fairly sizable, a fairly considerable increase in their salaries.

Now, with regard to the licensed teachers. It has been said, possibly, that their salaries are decreased under the new scale. That is entirely untrue. We have not reduced the salary scale of anyone in Nfld. teaching school, even though they be entirely unqualified to act as teachers—and I refer now to those 300 in the D group at the bottom of the scale amongst the licensed teachers. We have not reduced any salaries, but having instituted a very considerable increase of salaries to the graded teachers, we did agree that something had to be done for the rather more than half the teachers of Newfoundland who had licensed qualifications. And we are very proud of what we have done.

We think that if we were to increase the salaries of these D teachers at the bottom of the list, the young man with the Grade 9 or 10 or even eleven without any teaching training whatever, that it would be a false move; that it would be a step very definitely bringing down the rest because the cold-blooded realistic picture there is this, that they are not teachers at all; they are people brought in at the last minute only, with such qualification as they have got, but without any training whatever as teachers, to fill the gap created after the school year has begun, and the school is left there, sitting in a settlement, with the door locked and not even anyone to teach

the A B C to the boys and girls of that small settlement.

It is nice to get them to do the work, but we have taken the stand that they are not teachers; that for the most part they are not men and women who are making teaching their profession; certainly they haven't begun to do so by getting any training whatever. Nevertheless, we are not decreasing their salaries. But with regard to the remainder of the licensed teachers, the three hundred and fifty who have gone to summer school and at least to that extent have had some training as teachers, and with regard to the six hundred B teachers who have had two summer schools and have qualified a bit more as teachers, and with regard to the fifty-eight teachers—that is one thousand teachers—we have increased their salaries fairly considerably, but in a way we think will result in the next few years in a considerable improvement in the qualifications of the teachers in those days, and which will result, we think, in the children of Newfoundland, many of them at least, getting a superior type of teaching to which they have been getting and are getting at the present time.

And here is the rather unique and novel idea at which the Department of Education, the Minister of Education, in close consultation with the Cabinet over a period of many meetings, some of them extending late into the night, has arrived. We are going to increase their salaries, but not in the form of a straightforward cash increase in the whole pay, but the idea is this: giving them increases

in salaries, the increases themselves being earmarked for the purpose of enabling them to qualify as graded teachers and thereby being able to get the full salaries of graded teachers. As to the three hundred and fifty in the C grade, in the C classification of the licensed teachers, who have had one summer school only, we are going to give them their additional summer school, free, which will at once bring them forward into the B class, where the salary is two hundred and fifty dollars a year more. And the six hundred teachers in the B class, who have had two summer schools, to them we are offering one whole year of full teacher training, at subsidies very type of teaching to what they paid heretofore.

Now these rates are as follows: We have divided these into city and outport teaching, for reasons which I think will be fairly obvious to the House—teachers having three years' teaching service are presently getting one hundred dollars a year toward their teacher-training course; we have increased that to: teachers in St. John's who received a hundred dollars, we have increased that to four hundred dollars, but outport teachers, who used to receive three hundred dollars before—that is, women and single men, we have increased to six hundred dollars.

Now teachers, married teachers, are getting five hundred dollars; if they are city teachers, we have increased them to eight hundred dollars; if they are outport teachers we have increased them to one thousand, so that the new scale will read like this: Married men, with one year or more experience, a

thousand dollars if they are outport teachers; eight hundred dollars if they are city teachers. Teachers having one year of service four hundred dollars if they are city teachers; and teachers who have had two years of services five hundred dollars for outport teachers, three hundred for city. And teachers having had three years of service, six hundred if they are city.

So the position now is, with the new scale, that with perhaps very few exceptions, that more than half the teachers of Newfoundland who are now known as licensed teachers and whose qualifications, whose training, as teachers, is not less than is clearly desirable will now be enabled, in the first place, to qualify themselves to acquire greater qualifications, so that thereby they can step up into a higher grade of qualification and classification, and at the same time and for that reason, move into a higher grade of salary.

MR. HIGGINS: Why a thousand for the outport teacher and eight hundred for the city?

MR. SMALLWOOD: The reason for that is that the city teacher is living at home, where he gets his teacher training; he is already in St. John's; the outport teacher has got to come into St. John's; if he is a married man, for example, he has to leave his family at home for a year, come into St. John's himself for that year of full teacher training, and he is of course obviously under additional expense.

MR HIGGINS: This is only in the case of teacher training?

MR. SMALLWOOD: Yes, it is teaching training to which during the past few minutes I have been referring.

So that,—now all this is quite a mass of figures in these tables that have taken many, many weeks to devise, and is the result of many, many conferences and many Cabinets, as I said, many of them going on to the late hours of the night—I do not propose to weary the House by reading out these masses of figures, but they will be tabled, and doubtless they will be published in the Press.

The one thing of which we are intensely proud is this: that, notwithstanding the somewhat unscrupulous propaganda that was put out, and it seems to me deliberately put out for the purpose of being propaganda, within recent weeks, unscrupulous propaganda, and I would not go so far as to say that it is lying propaganda, but I will go so far as to say that it was definitely misleading propaganda, put out within recent weeks with regard to what the Government was doing, proposing to do, in the matter of salary scale for the teachers of Newfoundland. We are very proud of the wage scales, or salary scales, we have now worked out to be paid to the graded teachers of Newfoundland, those who have qualified very well indeed to be teachers. But we are even prouder of the system we have worked out for the ungraded teachers, those who are called licensed teachers numbering rather more than half of all the teachers of Newfoundland. Because what we have done in this; instead of giving them a straight

increase in their take-home pay, we have started to bring about an improvement in their own qualifications as teachers, so as to enable them to rise to the higher grades that carry the higher salaries. That will be of benefit to them as teachers and individuals, and as human beings, but it will also be of great benefit to the children of Newfoundland who are entitled to the services of teachers with maximum qualifications to teach.

We think this arrangement will serve both purposes, and we hope in the course of the next few years that this new device of ours will result in raising the standard of qualifications, teaching qualifications, of half the teachers in Newfoundland, with the result obviously that the youth of this Island, of this province, will be better served than they have ever been served before by the teaching profession of Newfoundland. Now, Sir, if there is one thing on which this government, this Liberal government, with its Liberal policy, prides itself, it is its belief in education, its passionate devotion to the cause of education, and its faith in the teaching profession of Newfoundland, which is why we were admittedly frankly hurt by the misleading propaganda which was recently issued with regard to our attitude and our intentions in the matter of salary scales for the teachers of Newfoundland.

We will not qualify that, because while I may be accused of drawing party lines too frequently in this House, and perhaps even unnecessarily in this House, if a

man has a philosophy and believes in it passionately, it is perhaps only a human temptation to refer to it and to praise it, and to serve it, and to devote himself to it, and it is one of the aspects of Liberalism in Newfoundland, and indeed of Liberalism everywhere, to be devoted to the cause of education and to the cause of an enlightened people insofar as secular education can produce an enlightened and a wise people. We are very proud of what we have done.

In the school year commencing in September next, the twenty-three hundred teachers in Newfoundland will receive, not counting that but counting only the actual cash that will go into the pockets of the teachers, to be spent by them as they please to spend it—the additional amount of cash that will go into their pockets in the school year commencing in September next will be something in the order of two hundred thousand dollars. Now that approximately is this: Take what they got last year; that is the school year which ended in June, 1948, in that school year the teachers of Newfoundland received extra money—what it is I do not remember—but in the school year ending June, 1949, that is this June, they received from us, from the Liberal government, two amounts aggregating one hundred and seventy thousand dollars, made up as a cost-of-living bonus in the first place, and in the second place, of an additional supplementary cost-of-living bonus, aggregating a hundred and seventy thousand dollars for that year ending in June.

Now we go further in the salary scale we embodied five hundred and seventy thousand dollars into the new scale, we embodied that in the new scale, and we added to it another thirty thousand dollars, bringing the increase for the school year commencing in September next up to two hundred thousand dollars more than in the school year ending in June, 1948, and thirty thousand dollars a year more than in the school year ending in June last.

Nor that is not all, for as my honourable friend, the Minister for Public Welfare, reminds me, this is not all, for whereas in the school year just ended and in those school years immediately preceding this one just ended, the total income of the teachers was made up in a number of ways and from a number of sources, now we have consolidated all these in one, which means this, that besides, pension of the teachers is accordingly and correspondingly increased, because obviously when part of the teacher's income came from salary, part from augmentation, part from cost-of-living bonus, all this was not included for the purpose of computing his pension, whereas now, beginning in this new school year his entire income is not only increased and consolidated in one, but is made part and parcel of the figure computed for the purpose of getting his pension when he comes to be of pension age.

I think we can say that this is generous, not generous to the point of excess; the teachers are still not paid what they ought to get; they are still not getting what

they deserve, because to say that is to insult the teachers and children of Newfoundland. The best is none too good for the children of this Island, but we think we have been generous; we think we have been fair, and, above all, we are proud of what we have done, what we have devised, to enable those teachers with low qualifications, what we have done to enable them the better to qualify themselves for better grades and therefore for better salaries, and therefore for better pensions, and therefore better for our Newfoundland children.

Mr. Speaker, I did not intend to be so long, but when one rides a hobby, as the honourable and gallant member for Ferryland knows, when one rides a hobby, it is hard to know when to stop. But this is another redemption of Liberal party pledges. Slowly but surely we are redeeming our promises, and we hope to be good in that respect; we hope to be consistent; we hope before we go out of office, before the next election rolls round that we will have redeemed every promise made, every pledge given, to the people of Newfoundland.

With the permission of the House I would like to withdraw my motion for adjournment.

Motion withdrawn.

MR. SPEAKER: I have just received a communication from His Honour the Lieutenant Governor. It is as follows:

The Lieutenant-Governor has the honour to communicate to the Honourable House of Assembly the appointment of the

Commissioners of Internal Economy of the Legislature in accordance with the provisions of Section 5 of the Act. No. 46 of 1949, entitled, "An Act to Provide for the Internal Economy of the Legislature," as set forth in the accompanying certified copy of a Minute of the Honourable Executive Council approved on the 12th day of August 1949.

(Sgd.) A. J. WALSH,
Lieutenant-Governor.

August 12, 1949.

MR. SPEAKER: Third reading of Bill "An Act to Provide for the Establishment and Administration of Local Government."

Bill read a third time and passed.

MR. SPEAKER: Committee of the Whole on Bill "An Act Respecting the Memorial University of Newfoundland."

Speaker leaves the chair.

Mr. Courage took chair of Committee.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Section 6 read and passed.

Section 7 read and passed.

Section 8 read and passed.

Section 9 read and passed.

Section 10 read and passed.

Section 11 read and passed.

Section 12 read and passed.

Section 13 read and passed.
Section 14 read and passed.
Section 15 read and passed.
Section 16 read and passed.
Section 16 read and passed.
Section 17 read and passed.
Section 18 read and passed.
Section 19 read and passed.
Section 20 read and passed.
Section 21 read and passed.
Section 22 read and passed.
Section 23 read and passed.
Section 24 read and passed.
Section 25 read and passed.
Section 26 read and passed.
Section 27 read and passed.
Section 28 read and passed.
Section 29 read and passed.
Section 30 read and passed.
Section 31 read and passed.
Section 32 read and passed.
Section 33 read and passed.
Section 34 read and passed.
Section 35 read and passed.
Section 36 read and passed.
Section 37 read and passed.
Section 38 read and passed.
Section 39 read and passed.
Section 40 read and passed.
Section 41 read and passed.
Section 42 read and passed.

Section 43 read and passed.
Section 44 read and passed.
Section 45 read and passed.
Section 46 read and passed.
Section 47 read and passed.
Section 48 read and passed.
Section 49 read and passed.
Section 50 read and passed.
Section 51 read and passed.
Section 52 read and passed.
Section 53 read and passed.

On motion, the committee rose, reported progress, and asked leave to sit again.

Mr. Speaker resumes Chair.

MR. SMALLWOOD: Mr. Speaker, I move that upon its rising the House adjourn until eight o'clock to-night. — I do not know, Mr. Speaker, if that involves the minutes being read and making it an additional sitting. Perhaps the motion ought to be that you do now leave the chair until eight o'clock, to avoid reading of minutes and setting up another sitting.

MR. SPEAKER: I cannot quote chapter and verse for this, but we went into that some time ago, and the conclusion that Mr. Courage and I reached was that if the Chairman of Committees remained in his chair until six thirty he was bound to rise and sit again at committee at seven thirty; but he could rise, report progress, then move to sit again when the House would reopen at half-past seven, or eight, or ten o'clock, as the case may be, without having the minutes read.

I cannot quote the authorities for that.

MR. FOGWILL: The honourable the Premier wants to change the time.

MR. SMALLWOOD: The Rules say seven thirty, which is not long enough for dinner now—

MR. FOGWILL: In that case you have to get the consent of the House.

MR. SMALLWOOD: I think if the House is in Committee of the Whole and six thirty arrives, then without any motion put the Chairman leaves the chair and resumes at seven thirty, but this method of going out of committee of the whole, going back to a formal session, requires a motion that the House rise until eight o'clock.

MR. FOGWIL: The House is not finished with the business yet. I have the Order Paper here, and the Committee has just reported progress and asked leave to sit again. The case is now, it is half past six; the Speaker should leave the chair until half past seven. If the Speaker wants to leave the chair until half past seven, that is all right, but if the House wishes to reconvene again at eight o'clock it must be with the consent of the House. We are satisfied.

MR. SMALLWOOD: The Committee rose slightly before six thirty; therefore we are not bound to meet again at seven thirty. We may have a recess, if you like to put it that way, until eight o'clock. Perhaps you would like to make another motion.

HON. DR. H. L. POTTLE, (Minister of Public Welfare): It may

not require a motion; the Speaker might just recess the House until eight o'clock.

MR. FOGWILL: He cannot do that; if he leaves at six thirty he can leave the chair until half past seven; he cannot do it until eight.

MR. SPEAKER: That refers to the Chairman; not the Speaker. Upon motion the House recessed until eight o'clock.

Friday Night, August 12, 1949.

House resumed at eight o'clock.

MR. SMALLWOOD: Mr. Speaker, perhaps we could revert to Committee of the Whole on the University Bill.

Speaker leaves the chair.

Mr. Courage takes chair of committee.

Section 55 read and passed.

Section 56 read and passed.

Section 57 read and passed.

Section 58 read and passed.

Section 59 read and passed.

Section 60 read and passed.

Section 61 read and passed.

Section 62 read and passed.

Section 63 read and passed.

Section 64 read and passed.

Section 65 read.

MR. HIGGINS: Is that Federal law?

MR. SMALLWOOD: We have presently Death Duties. We propose to rent them to the Federal Government for a period of time. We have no assurance that the time

will not come when we will again have Death Duties provincially. So far as the Government of Newfoundland is concerned, this law would be binding. If throughout the life of the University it were not binding in respect of Federal taxation, it would still be binding in respect of provincial taxation. It would be binding so far as we have jurisdiction, so therefore it is wise to put it in.

HON. LESLIE R. CURTIS, (Attorney General): It could always be put in by an amending Act.

MR. SMALLWOOD: The legislature of that day might not feel like doing it, and if it is our feeling to do it, we ought to do it.

MR. CURTIS: They can always take it out.

MR. SMALLWOOD: They could take it out, but that would be a positive action. It is our will to have it in.

MR. HIGGINS: This has been copied from some Canadian Act?

AN HON. MEMBER: British Columbia.

Section 65 passed.

Preamble read and passed. Committee rose and reported having passed the Bill with some amendments.

Speaker resumes the chair. Report received.

HON. S. J. HEFFERTON, (Minister of Education): Mr. Speaker, with the consent of the House, I move that this Bill be read a third time.

On motion Rule 261 suspended, and Bill read a third time, and passed.

MR. SMALLWOOD: Mr. Speaker, we might go back to the unfinished Orders on the Orders of the Day, the next being I think, "An Act to Reincorporate in Newfoundland 'The Maritime Hospital Service Association'."

MR. SPEAKER: Second Reading of Bill "An Act to Reincorporate in Newfoundland 'The Maritime Hospital Service Association'."

Moved and carried that this Bill be read a Second Time.

Bill read a Second time.

MR. CURTIS: I move that this unanimous consent of the House that the House resolve itself into committee of the whole on this Bill.

Motion that Rule 261 be suspended not carried, and Bill to be sent to Committee tomorrow.

MR. SPEAKER: Second Reading of Bill "An Act Respecting District Courts."

MR. CURTIS: I move that this Order be deferred, Mr. Speaker. Order deferred.

MR. SPEAKER: Second Reading of Bill "An Act to Amend Chapter 91 of the Consolidated Statutes of Newfoundland (Third Series) entitled 'Of Evidence'."

MR. CURTIS: I would move, Mr. Speaker, the Second Reading of this Bill, and would say for the benefit of the House that this is a Bill to enable Banks, when giving evidence, to produce photostatic copies of the books, rather than the original books. The object of the Bill is to bring our rules of evidence into conformity with the rules of evidence pertaining on the mainland, and there is no principle involved in the Bill; it is

purely in order to facilitate the giving of evidence in Courts. I move the Second Reading.

MR. CURTIS: I would move, Mr. Speaker, with the unanimous consent of the House that we now go into committee on this Bill.

Rule 261 suspended. Speaker leaves the Chair. House resolved itself into committee of the whole.

Mr. Courage took chair of Committee.

Section 1 read, passed.

Section 2 read, passed.

Section 3 read, passed.

Section 4 read, passed.

Section 5 read, passed.

Committee rose and reported having passed the Bill with some amendments.

Speaker resumes the Chair.

MR. CURTIS: With the unanimous consent of the House I move that the Bill be read a third time.

Rule 261 suspended and Bill read a third time and passed.

MR. SPEAKER: Second Reading of Bill "An Act Further to Amend Chapter 41 of the Consolidated Statutes (Third Series) entitled 'Of the Newfoundland Medical Board'."

MR. CURTIS: Mr. Speaker, I move the Second Reading of this Bill. The Bill has been distributed. I might say that the effect of the Bill is just to enter into a reciprocal agreement with the Medical Council of Canada, whereby they will accept our registrations and we will accept theirs. I thought it might be possible to postpone

this Bill until a later part of the session, but I understand there is a meeting of the Medical Council of Canada being held in September, and for that reason we have been asked by the Medical Society here if we would pass this Bill. There is nothing contentious in the Bill, Mr. Speaker; it is just to bring our Society here into closer union with the similar society in Canada.

Bill read a second time.

MR. CURTIS: With the unanimous consent of the House, Mr. Speaker, I move that the House now go into committee of the whole on this Bill.

Motion that Rule 261 be suspended not carried. Motion carried that the Bill go to Committee of the whole on tomorrow.

MR. SPEAKER: Second Reading of Bill "An Act to Extend the Operation of the Shipbuilding (Bounties) Amendment Act, 1945, and of the Shipbuilding (Bounties) Act, 1947."

HON. W. J. KEOUGH, (Minister of Fisheries and Co-operatives): Mr. Speaker, the effect of this Bill is to freeze the present bounty position as is, for a period of six months while the Government considers future policy. I may say that it will continue in effect the rates of bounty that were instituted by the Commission of Government in 1947. In that year the Commission of Government passed legislation whereby the bounties on ships built according to specifications in the principal Act — and brought this up from \$40.00 and up to \$90.00 a ton, of ships up to 150 tons, and on ships built according to specifications as set

forth in schedule (c) of the principal Act the Bounty was brought up from \$30.00 to \$70.00 a ton. These higher rates were — — August, 1944, provided they would carry on, carry into effect Subsequently Commission of Government provided for a further extension of that period when the higher rates would be in effect until September 30, 1949.

Commission of Government for a period of some months until we can consider future policy, and the Commission's purpose in instituting the higher rate was, I understand, to offset to some extent higher construction costs that had come during the war years, and also to encourage shipbuilding which had become lively during the war years. The Government now considers it advisable to review the whole shipbuilding bounties scheme and position, and the effect of this Bill is simply to freeze everything as it is for a period of six months while the Government considers its future policy. I move, Mr. Speaker, the second reading of the Bill.

Bill read a second time.

MR. KEOUGH: I beg to move, Mr. Speaker, with the unanimous consent of the House, that this Bill be referred to Committee of the Whole presently.

Rule 261 suspended, and Speaker left the Chair; House went into Committee of the Whole.

Section 1 read passed.

MR. KEOUGH: Mr. Chairman, I would like to point out that in that sentence there "to the 31st day of March, 1950", it occurs to me that since we are requesting

an extension to that date, that we should have extension go far enough to permit of the survey of any shipping that might be built in our Island in that period. I think it is very clear to many people who are interested in shipbuilding bounties scheme and ships coming off the slips are not ready for survey as early as February or March of the year. I would suggest that if possible that we extend it for say a period of —to the 30th of June.

Section passed as amended.

Preamble read, and passed.

Committee rose and reported having passed the Bill with some amendments.

Mr. Speaker resumes the Chair.

Bill read a third time and passed.

MR. SMALLWOOD: Mr. Speaker, moving the adjournment until tomorrow at three o'clock, I might say that it has been our hope that it would happen at the session tomorrow, that the House, to present to His Honour the Lieutenant-Governor, the Address in Reply to the Speech from the Throne, and then to return to the House where his Honour will shortly after come to give the royal assent to those Bills passed since his last appearance here. The fact is, that that programme cannot now be followed as we have committee stage on two Bills before us, "An Act to Reinforce in Newfoundland "The Maritime Hospital Services Association," And a Bill "An Act Further to Amend Chapter 41 of the Consolidated Statutes (Third Series) Entitled "of the Newfoundland Medical Board." As unanimous as-

sent was not given to give these Bills their committee stage at this sitting to-night, my understanding being that one member only of the House voted against giving the assent, we will therefore to-morrow be obliged to have something more than merely the formalities, and proceed with the regular session, so that to-morrow's business, in addition to the things I have named, will be Committee of the Whole on each of these Bills as well of course as third reading. There is unanimous assent of the House to sent is not now needed to go into the Committee of a Whole on them, but unanimous assent is needed for their third reading. We would propose to ask His Honour to defer for an hour or more, his visit here, to give the Royal Assent, in the hope that these two Bills will have gone through Committee stage and their third reading. We regret on this side that should be necessary, but it has been made necessary by the fact that unanimous assent to our going into the Committee of a Whole on these two Bills was withheld from the House by the vote of one man.

I move that the House on rising do adjourn until to-morrow Saturday at three of the clock.

Adjourned accordingly.

Saturday, August 13 1949.

The House opened at three of the clock.

Mr. Speaker informed the House that His Honour the Lieutenant-Governor would be pleased to receive the Address in reply presently.

Accordingly Mr. Speaker and the House proceeded to Government House and upon returning to the Assembly Chamber, Mr. Speaker informed the House that His Honour did receive the Address of Thanks and had been pleased to reply as follows.

Mr. Speaker and gentlemen of the Honourable House of Assembly,

I thank you for your Address in Reply to the Speech with which your present session was opened.

(Sgd.) A. J. Walsh,

Lieutenant Governor.

Government House,
St. John's Newfoundland,
August 13th, 1949.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Reincorporate in Newfoundland "The Maritime Hospital Service Association."

The Speaker leaves the Chair.

Mr. Courage takes Chair of Committee.

Committee of the Whole on Bill "An Act to Reincorporate in Newfoundland "The Maritime Hospital Service Association."

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Section 6 read and passed.

Committee rose and reported having passed the Bill.

Mr. Speaker resumed the Chair. Report received and the Bill was read a third time and passed.

Mr. Speaker leaves the Chair.

Committee of the Whole on Bill "An Act Further to Amend Chapter 41 of the Consolidated Statutes (Third Series) Entitled "Of the Newfoundland Medical Board."

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Committee rose and reported having passed the Bill as Amended.

The Speaker resumes the Chair.

HON. LESLIE R. CURTIS (Attorney General): With the unanimous consent of the House, Mr. Speaker, I move that this Bill be read a third time, forthwith.

Rule 261 suspended and Bill read a third time.

MR. SPEAKER: Second reading of Bill "An Act Respecting District Courts."

MR. CURTIS: I move, Mr. Speaker, that this Order be deferred.

MR. HIGGINS: (Leader of the Opposition): I would just like to ask the Attorney General if we could have a few copies of that Act before it is brought before the House.

MR. CURTIS: Mr. Speaker, just as soon as it is printed, I shall be glad to send some along.

Second reading of Bill deferred.

HON. J. R. SMALLWOOD (Prime Minister): We expect that His Honour the Lieutenant-Governor

will arrive in the Chamber at any moment.

MR. SPEAKER: I am informed that His Honour the Lieutenant-Governor is now on his way.

MR. FAHEY (Harbour Main-Bell Island): Mr. Speaker, may we have a recess while we are awaiting the arrival of the Lieutenant-Governor?

MR. SPEAKER: Would it be convenient for the members of the Internal Economy Committee to meet after the close of this afternoon's session?

The Lieutenant-Governor arrives, and assents to the following Bills:

"An Act Further to Amend the St. John's Municipal Acts, 1921-1945 and Acts in Amendment thereof."

"An Act to Amend Chapter 2 of the Consolidated Statutes (Third Series) entitled "Of the House of Assembly."

"An Act to Provide for the Establishment and Administration of Local Government."

"An Act to Amend Chapter 91 of the Consolidated Statutes of Newfoundland (Third Series) entitled 'Of Evidence'."

"An Act to Extend the Operation of the Shipbuilding (Bounties) Amendment Act, 1945, and of the Shipbuilding (Bounties) Amendment Act, 1947."

"An Act Respecting the Memorial University of Newfoundland."

"An Act to Reincorporate in Newfoundland 'The Maritime Hospital Service Association'."

"An Act Further to Amend Chapter 41 of the Consolidated Statutes (Third Series) entitled 'Of the Newfoundland Medical Board'."

The Lieutenant-Governor then left the Chamber.

MR. SPEAKER: That is the end of the Orders of the Day.

MR. SMALLWOOD: Mr. Speaker, I move that the House at is rising do adjourn until to-morrow, Monday, October 3rd.

Adjourned accordingly.

House of Assembly,
St. John, Newfoundland,
Tuesday, October 11, 1949.

The House met at three of the clock.

HON. J. R. SMALLWOOD, (Prime Minister): Mr. Speaker, Newfoundland has been honoured recently by a visit from the former Prime Minister of the British Commonwealth of Australia, the Rt. Hon. Francis Forde, and with the consent of the House I would move that we invite the Rt. Hon. Francis Forde to enter this Chamber now.

MR. HIGGINS (Leader of the Opposition): Mr. Speaker, I second the motion that the Rt. Hon. Francis Forde should be invited to enter the House now.

Motion carried.

Mr. Forde admitted.

MR. SMALLWOOD: Mr. Speaker, the House is greatly honoured to-day in the presence of a very distinguished British statesman in the person of the Rt. Hon. Francis Forde, presently Australian High Commissioner to Canada, and form-

erly the Prime Minister of Australia. Mr. Forde is paying his first visit to this new province. I believe perhaps he has already visited all of the older provinces of Canada, and we in Newfoundland are very proud and very happy indeed to have him visit this province. He has been across the Island to the two industrial towns of Grand Falls and Corner Brook, and he has returned to St. John's especially for the purpose of coming up and seeing what our legislative chamber looks like, and we have gone a step further and by the consent of the House have invited him on the very floor of the Chamber itself; and I feel, Sir, that the members of the House would be very pleased indeed if the Rt. Hon. gentleman would be pleased to speak a few words to us on this I would say, perhaps, unique occasion, because I have no recollection of this sort of thing having happened before in this Chamber. It has, I believe, happened from time to time in the legislative halls of other parts of the world, and of the British Commonwealth, but not, I think, in Newfoundland before. Mr. Forde as being a Privy Councillor is, of course, a most distinguished British statesman; We have now in Newfoundland not even one Privy Councillor. I think perhaps the last Privy Councillor who would have been the late Sir William Lloyd, I believe, and so, Sir, I feel that we will be very pleased and honoured if Mr. Forde would be pleased to say a few words to us on this occasion.

MR. SPEAKER: We are pleased and honoured to welcome the Rt. Hon. Mr. Forde, representative of the Commonwealth of Australia.

Right Honourable Francis Forde, Australian High Commissioner, addressed the House as follows:

At the outset I have to thank the Speaker of the House of Assembly and the Premier, the Hon. J. R. Smallwood, for this opportunity to address the Parliament of Newfoundland.

I assure you that it is a proud privilege, as well as a great personal pleasure to be the first Australian to address this Parliament. As High Commissioner for Australia, I value most highly this opportunity of bringing to you, and to the people of Newfoundland whom you represent, the fraternal greetings and the heartiest good wishes of the Government and the people of Australia.

Since my arrival in St. John's, Newfoundland, last Tuesday I visited Corner Brook and Grand Falls and I have inspected with interest pany and by Bowater's. I have also visited fishing villages within easy work carried out by the Anglo- and admiration the constructive Newfoundland Development Com- distance of St. John's. I have come to the conclusion that this is an unique and interesting island, standing as it does in one of the world's greatest highways. Much has been said and written about its people, its fish, its timber, and its airports. Newfoundlanders are an individualistic, God fearing people, who have known hardships, trials and tribulations, and they have borne them with harihood and Christian fortitude. They have been deservedly proud of their island nationhood, and they are the key position in world communica- tions. They have developed a healthy form of patriotism which

originates in the love of one's fami- ly, and one's native country. That is as it should be. I think it was Sir Walter Scott who wrote:

"Breathes there a man with soul so dead,
Who never to himself hath said,
This is my own, my native land."

This is indeed a fascinating coun- try of which Newfoundlanders have reason to be proud, and it has many links with the early history and de- velopment of Australia.

The late Sir William McGregor one-time Governor of Newfound- land and later Governor of my na- tive State of Queensland, Australia, wrote the following lines as a fare- well message before his departure from Newfoundland to take up his new position in Australia.

"Farewell to this marvel of the magician's wand in the wilder- ness."

Newfoundlanders have recently taken an important step which I personally hope will have far reaching effects in the progress, social welfare and future develop- ment of this historic island pro- vince; and I have to extend my very hearty congratulations to the Hon. J. R. Smallwood on being the first Premier of the newly elected Provincial Government of New- foundland. I wish him, his cabinet, and the members of all parties in this Parliament every success in dealing with the many complex problems that confront the people of the Tenth Provinces of Canada.

As one who served for twenty- nine years in the parliaments of Australia I feel quite at home here. Even to-day it is a long way from St. John's to Brisbane or Canberra, but Australia and Newfoundland

have the same parliamentary problems, just as they have in essence the same way of life, the same language, the same loyalties and the same ideals, and aspirations.

We are in truth the same kind of people. Australia and Newfoundland both claim, with reason, to be more British than the British. Both our people are proud of their citizenship of the British Commonwealth. Of the people of Newfoundland 98 per cent are of British origin English, Irish, Scots, Welsh and Channel Islanders. We in Australia are of British Isles origin or descent to almost the same degree.

Our political problems also are very much the same. This is ever truer since Newfoundland has become a part of Australia's great sister Dominion of Canada a position to which your country seemed destined by both geography and history. As the Tenth Province of Canada, Newfoundland now has the same relation to the Dominion as my own State of Queensland and the five other States hold to the Australian Commonwealth.

In Australia we have had to work out during the past fifty years the problems of the relations between the Federal Government at the centre and the governments of the six States. We have our Northern Territory administered directly by the Federal Government just as Canada has her Northwest Territories.

Australia, however, was federated on January 1, 1901 when the six States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania united to form the Commonwealth.

In Canada the process of union has been spread over 82 years, with Newfoundland as the latest to join the Dominion. Australian experience of the adjustment of relations between the Commonwealth and the States may therefore be of some service to Canada in solving her problems. As it happens I have personally seen both Provincial and Federal sides of the political picture in Australia. For over five years I was a member of the State Parliament of Queensland, which corresponds to a Provincial Parliament in the Dominion. Then I was for 24 years a member of the Commonwealth Parliament, which was equivalent to being a member of the House of Commons in Ottawa. For the latter part of that period I was Deputy Minister of Australia, as well as Minister of the Army and a member of the War Cabinet. I have therefore seen from both sides the working of Commonwealth-State relations.

Our vital matter is that of finance. In Australia, as in Canada, the parts which make up the Federal whole are very uneven in size, population and production capacity. They were also unequally affected by union.

Take as an instance the case of Tasmania is an island State, as the same relation to Australia as Newfoundland now does to Canada. Tasmania is an island States, as Newfoundland is, apart from its Labrador territory. Tasmania has great resources but a rugged and difficult country and a comparatively small population about six-sevenths of that of Newfoundland. There has long been a flow of population from the island to the mainland of North America.

Before Federation, Tasmania had a number of industries sheltered by her tariff. When Federation brought Commonwealth-wide free trade, many of these were unable to compete with the larger mainland factories. Under Federation, too, overseas goods for Tasmania paid duties at the large mainland ports of Sydney and Melbourne, where they were landed for transshipment to Tasmania.

In 1910 the Australian Parliament appointed a Royal Commission to enquire into these and to other disabilities. As a result of the Commission's reports, the Commonwealth has been paying annual grants since 1913, to States considered to be suffering disabilities as the result of Federation. In 1933 the Federal Government set up a Commonwealth Grant Commission of three members. This reviews from year to year the position of the States and lays down the amounts which those States in need of help should receive from the Commonwealth Treasury. The three States of Tasmania, South Australia and Western Australia receive grants. These States have the smallest populations and much smaller taxable resources than the more populous and industrially advanced States of New South Wales and Victoria the Ontario and Quebec or Australia. Queensland, the largest of the States apart from the mostly arid Western Australia, has great natural resources. Our motto is: "From each according to his means; to each according to his need." These grants to States are a matter of right, not charity, and are intended to compensate for the disabilities by reason of Federation.

The poorer States, which may not always remain that position, are doing their part for Australia as a whole.

Tasmania, for instance, has given to the mainland States in the past fifty years nearly 100,000 people, mostly young, active and vigorous, who have settled on the mainland. At the lowest computation these are worth much more than the modest grants that Tasmania has received.

I have read with great interest that under the terms of the union between Newfoundland and Canada, provision has been made for a Royal Commission to be appointed within 8 years, to enquire as to what additional financial aid, if any, Newfoundland would require, to maintain its services at their then existing levels, without resorting to taxation more burdensome, having regard to capacity to pay, than the average taxation for the Maritime Provinces.

In his book entitled "The New Newfoundland" published in 1931, your versatile and capable Premier, the Hon. Joseph R. Smallwood, quoted the saying. "You can put a Newfoundlander at anything and he will make a hand of it." Mr. Smallwood is himself a proof of the truth of this saying. He has put himself to many things, and he has most certainly made a hand of them. Australians, too, have this adaptability and ingenuity, which are characteristic of the pioneers of our two countries.

Australia, like Newfoundland though in a different way, is a hard and difficult country. Much of it is dry and arid beyond anything that you in this moist and

dewy island can easily conceive. Newfoundland's vast wealth in fish, above all in the noble cod, drew to your shores immediately after the voyage of John Cabot in 1497, men from Britain, France, Spain and Portugal. Australia had no such natural and obvious resources. For nearly three centuries after the beginning of the Newfoundland fisheries Australia remained a Stone Age continent, utterly untouched by European civilization. Navigators, Portuguese, Spanish, Dutch, English and French approached or skirted parts of its coasts but that was all.

and marine surveyor in Newfoundland who put the east coast of Aus-

Curiously enough it was a man who learned his trade of explorer *tralia* on the map and a scientist who had been in Newfoundland who first suggested founding a British colony in Australia.

From 1763 to 1767 Captain James Cook of the Royal Navy was engaged in charting the coasts of Newfoundland. In 1770 Cook *charted and claimed for Britain the whole eastern coast of Australia.* It is the east side remote from Europe, but the region best adapted to European settlement. With Captain Cook was a rich young scientist, Joseph Banks, who had spent the summer of 1766 botanizing in Newfoundland. And in 1779 Banks proposed *Botany Bay on the coast of New South Wales as a site for a British colony.*

The first fleet reached Australia in 1788 under Captain Arthur Phillips with the first thousand settlers. In the 161 years since that day the European population of Australia has grown

from nil to seven and a half millions. We have made Australia the greatest pastoral country on earth, the world's chief source of fine wool. Australia is the World's fourth largest exporter of wheat. She supplies meat, butter, sugar, fruit to a hungry Europe. And she is fast becoming a great industrial nation. Last year her exports to other countries reached the record level of \$1,316,000,000. Since the war ended Australia has made free gifts to Great Britain totalling nearly 150 million dollars.

Like Newfoundland, Australia has played her part in two great wars within the past 25 years, during the First World War, Australians and Newfoundlanders fought side by side on the Gallipoli Peninsula. Every year on April 25th Australia celebrates Anzac Day. The anniversary of the landing of Australians and New Zealanders at Anzac Cove. On September 26, 1915, the Newfoundlanders landed at Sulva Bay, just to the north of Anzac. Caribou Hill there, named by Newfoundlanders, still recalls by its name its capture from the Turks by men of the Newfoundland Regiment.

In the second World War 10,000 Australian airmen trained in Canada for service in Europe. Many of them visited Newfoundland on their way to Europe. Australians, like Newfoundlanders, served all over the seven seas. In this war Australia, for the first time in history, was directly attacked and was threatened with actual invasion. She put a million men, out of a population of little more than seven millions, into

the armed forces. Yet in spite of this Australia kept up her production of foodstuffs and essential war materials. She built up war industries and became a great source of supply for British Commonwealth forces in the Indian Ocean region and the Near East and for the Americans in the South Pacific.

This year Australia is welcoming over 70,000 immigrants from Britain. The number that she takes is limited only by the shipping available to carry them. Her Minister of Immigration, the Hon. Arthur Calwell, hopes to see the number raised to 250,000 a year by April 1951. He feels confident that another half century or less will see Australia with a population of 20 millions. And altogether Australia is opening her doors widely to the Displaced persons of Europe and to other Europeans, she is determined that her people shall remain, like the people of Newfoundland, essentially British Isles in race, character and tradition. Australia is so solidly and strongly British that she can absorb large numbers of other Europeans and still preserve her character and her way of life.

Australia has gone far in 151 years to justify the assertion made on July 9th, 1788, by Captain Arthur Phillips, first Governor of New South Wales:

"Nor do I doubt but that this country will prove the most valuable acquisition that Great Britain ever made."

Australia and the United Kingdom

Within the British Commonwealth our relations with the United Kingdom are, of course of a very special kind, and our ties of sympathy with Britain are today stronger than ever.

As a result of her wholehearted at times the British Commonwealth participation in the war, in which Great Britain emerged from the wealth stood virtually alone, conflict burdened with external debts and with much of her future earnings and wealth pledged struggle against Germany in the early stages of the war ed to fulfill wartime obligations Great Britain's almost single caused her to lose more than twenty billion dollars in financing the initial stages of the war. Australia on the other hand, is in a generally more favourable economic position than before the war. We believe, therefore, that it is the duty of Australia and the other countries of the Commonwealth to give maximum assistance to the United Kingdom during the present financial and industrial crisis. A very large proportion of our food exports is allocated to the United Kingdom and we are making great efforts to expand exports production to help to feed Britain. As further indications of the policy of the Australian Government in this matter, I may mention that legislation passed in 1947 provided for a payment of \$81 million to Great Britain towards the cost of her war expenditure in the Pacific, while last year the Australian Parliament approved a free gift of \$32 million to the

United Kingdom. The Budget introduced on September 7th, 1949, provides for a further free gift of \$32,000,000.

Australia and Canada

Then, I should like to mention briefly our relations with Canada which in many ways have a special importance of their own.

Canada and Australia share the same ocean, and we believe that developments in the Pacific area are as of vital interest to Canada as to Australia. Canada, in its growth to nationhood, has usually been one step ahead of Australia, and we have always taken a deep interest in Canada as an older brother who has been out longer in the world. We have been comrades in arms in two wars. Each of our two countries represents the British Commonwealth in an important region of the world. Each enjoys a happy and close relationship with the United States, and not least important, each is doing everything in its power to promote the development of effective international co-operation through the United Nations.

To us in Australia this last point is of the greatest importance. In certain quarters one finds a tendency to "write off" the United Nations as a failure. However a dispassionate examination of the United Nations' record shows I suggest, that it already has a number of concrete achievements to its credit and that it has made a notable contribution to the easing of international tension which has become so noticeable recently.

International Policy

Australia's international policy then is based chiefly on the strengthening of co-operation with the Commonwealth, which we regard as more vital than ever before, and energetic support for the United Nations, in whose potentialities as an instrument for international security and welfare we have by no means seen the prospects of Australian policy are in complete harmony with each other. Complementary to them, and in no way incompatible with either of them, is our determination to strengthen co-operation with the United States which is linked to us rather than separated from us by the Pacific Ocean. Australia will never forget the magnificent help given to us during the war by the United States, and we continue to attach the greatest possible importance to the friendly relationship which we enjoy with the United States.

Such are the main lines of the policy which we are pursuing in the belief that it forms the most lost confidence. These two practical contributions Australia can make to the ideals of a just and lasting peace founded on the four freedoms, and an enlightened Christian civilization.

I wish to express my gratitude to the Lieutenant-Governor, the Premier and the Government of Newfoundland and to all others who are making it possible for me to see something of Newfoundland under the most favourable conditions. I thank you for this opportunity of conveying Austral-

ia's greeting to the Parliament and people of our eldest sister, the first British colony overseas. I shall convey to the Prime Minister and the Government of Australia my appreciation of the hospitality and courtesy extended to me as the representative of Australia, by the Parliament, the Government and the people of the tenth Canadian Province Newfoundland a decided acquisition to the Confederation of Canada.

I will conclude by quoting the lines written by the late Sir Cavenish Boyle, one time Governor of Newfoundland:

"As loved our fathers so we love,
Where once they stood, we stand.
Their prayers we raise to Heaven
above,
God guard thee, Newfoundland."

Rt. Hon. Mr. Forde then withdrew.

Presenting Petitions

Mr. Fahey from Bacon Cove, Re Roads and Wharves.

Mr. Fahey from Brigus Junction Re Road.

Hon. the Minister of Labour from Trout River Re Road.

Mr. Jackman from Topsail Re Roads.

Hon. the Minister of Education from Long Beach Re Roads.

Hon. the Minister of Public Welfare from Bay de Verde Re Supply of Drinking Water.

Notice of Motions and Questions

HON L R CURTIS, (Attorney General): Mr. Speaker, I give notice that I will on tomorrow

ask leave to introduce a Bill "An Act to Authorize the Government of Newfoundland to make Arrangements with the Government of Canada for the Employment of the Royal Canadian Police Force in Aiding the Administration of Justice in Newfoundland."

I also give notice that I will tomorrow ask leave to introduce a Bill "An Act Further to Amend Chapter 105 of the Consolidated Statute (Third Series) entitled 'Of Lotteries.'"

MR. SMALLWOOD: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill "An Act to Amend the Insurance Companies Act, 1906." I do this on behalf of the Minister of Finance, who is absent today through illness. And also a Bill "An Act to Amend the Act 7 Edward VII, Chapter 4, entitled "An Act Respecting the Assessment of Life Insurance Companies"" I do this also on behalf of the Minister of Finance.

HON. W. J. KEOUGH (Minister of Fisheries and Co-Operatives): Mr. Speaker I give notice that I will on tomorrow ask leave to introduce a Bill "An Act Further to Amend the Department of Natural Resources Act, 1934."

MR. HEFFERTON: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill "An Act to Provide for the Payment of a Superannuation Allowance to Matthew Gilbert King, Retired Secretary and Registrar of the Council of Higher Education."

MR. CASHIN: I give notice that I will on tomorrow ask the Honourable the Minister of Fi-

nance to table the following information:—

(1) The total amount of Cash Surplus to the Credit of the Exchequer Accounts in the Bank of Montreal at St. John's. This amount to include any conversion of Sterling Balances to dollars recently and to give the amount of such conversion. Also this total amount to include the collection of Income and Profits Taxes to date on account of 1948, and outstanding amounts.

(2) The present standing of the Interest Free Loans to Great Britain and to inform the House if it is the intention of the government to make any effort to obtain interest on such loans. Also to inform the House what other credit balances are to the credit of Newfoundland in Great Britain and to give particulars to same.

(3) Have the Government discussed any policy with regard to the outstanding loans to Fishery Concerns with respect to the Establishment of Sinking funds to redeem such loans at maturity.

(4) In addition to the Exchequer Balances what amounts are shown as surpluses to the Credit of the Board of Liquor Control and the Newfoundland Savings Bank.

(5) Give a Statement of Revenues and Expenditure under the various headings up to September 30th, 1949. This statement, not to include any revenue from the collection of In-

come and Profits Taxes on account of such taxes for 1948.

MR. J. G. HIGGINS: (Leader of the Opposition): Mr. Speaker, in connection with these bills which are being brought forward, I suggest that the various Ministers give the reason for the Acts; for instance, the bills dealing with insurance, before tackling them I presume we will have an explanation. It would be necessary also to have an explanation why the superannuation in the case mentioned by the Minister of Education should be granted, and how it differs from other cases. It is very difficult to discuss a matter and to understand it intelligently unless the reasons are given.

MR. SPEAKER: This would be in addition to the debate on the Second Reading?

MR. HIGGINS: Yes, on the first reading.

MR. SPEAKER: Orders of the Day. Second Reading of Bill "An Act Respecting District Courts."

MR. CURTIS: Mr. Speaker, I move that this Bill be deferred.

Order deferred.

MR. SMALLWOOD: Mr. Speaker, in moving the adjournment of the House, I would like, with the indulgence of the House, to make a statement.

The Government have for weeks been giving a great deal of attention to the high cost of living in this Province and we know that the public are concerned as we are.

One of the surprises of Confederation is that it has not brought

about a greater fall in the cost of living. Most people confidently expected a much greater reduction under Confederation than we have seen. There are members of this Government, including myself, who told the people to expect a considerable fall in the cost of living under Confederation. We believed what we told the people, and we are deeply disappointed indeed, we are humiliated to find that our words have not come true.

As everybody knows, many importers, wholesalers and retailers found themselves, when Confederation came, with stocks of goods on which they had paid the customs duties. I believe that most people were fair about that situation, and were prepared to wait a while until those duty-paid goods were worked off before looking for marked reductions. But Confederation is now half a year old, and long before this the bulk of the duty-paid goods have been worked off, and millions of dollars worth of new goods have been brought into Newfoundland without the payment of custom duties. We of the Government have felt for some time past that it was high time that retail prices began to fall.

We have taken some action already, and we propose to take more.

Instead of abolishing the Department of Supply, as we were urged to do, we retained, and indeed enlarged and strengthened it. Where before it was a purchasing division of another Department of the Government. It is this Ministry which knows most about

the cost of living, and which we have entrusted with the duty of studying the subject for us.

Working through the Department of Supply, we sent an experienced official to the nearby mainland of Canada. He visited Sydney, Halifax, St. John, New Brunswick and Charlottetown, Prince Edward Island. In those four mainland cities he learned the retail prices, the prices charged over the counter to the general public, of a large number of goods. He was careful to get the retail prices of goods exactly the same as those sold over the counter in Newfoundland, for what we had in mind was an exact comparison of retail prices in Newfoundland and on the nearby part of the mainland of Canada.

On his return to Newfoundland with these retail prices, we told him to learn the retail prices being charged here in the city of St. John's.

About the same time we sent an experienced official of the Department of Supply to the Newfoundland towns of Corner Brook, Buchans and Grand Falls. In those towns his duty was, amongst other things, to learn the retail prices on the same list of goods as the other official and compiled for Sydney, Halifax, St. John, Charlottetown and our own St. John's.

The House will see at once what we had in mind. We took a long list of goods and got the retail prices on them in four towns in Newfoundland and four towns on the nearby mainland of Canada. We wanted to see how the prices charged over the counter in Newfoundland compared with those charged over the counter on the

mainland. We did not take the four Newfoundland towns where we felt that the Newfoundland price were highest, for if we had wanted to do that we could have taken hundreds of places in Newfoundland where the retail prices are higher than in the four Newfoundland towns we did take.

Having secured the retail prices in these eight towns—four in Newfoundland, four on the mainland—we compared them. It was seen at a glance that the prices are higher in Newfoundland—ten, twenty, thirty per cent higher. I will table some comparisons when I finish.

You will find in the first statement that I shall lay on the table that there are prices for some forty-four items of goods and other articles. Out of these forty-four, the prices in Sydney are lower on thirty-two items than in Newfoundland. The prices in Charlottetown are lower on thirty-one of the items than in Newfoundland. In Halifax the prices are lower on thirty of the items, and in St. John, New Brunswick, on twenty-eight. In St. John's, which is the lowest of the four Newfoundland towns, the prices are lowest on only seven of the forty-four items. In Corner Brook there is only one item on which the price is lower than on the mainland. In Grand Falls and Buchans there is not one single item that is lower in price.

We discovered two things in this eight-town comparison. In the first place, the prices are generally lower on the mainland than in Newfoundland. In the second place, the prices are lower in St. John's than elsewhere in Newfoundland, and there is a wide dif-

ference in the prices of the same goods between one Newfoundland town and another.

For instance, why should bacon sell retail for eight-five cents in St. John's, eighty-eight cents in Grand Falls, eighty-five and eighty-six in Corner Brook, and ninety-five cents in Buchans? And when it comes to that, why should it sell for eleven cents more in St. John's (the cheapest Newfoundland town) than in St. John, New Brunswick, the highest of the four mainland towns?

Why should Lushus Jellies sell at thirteen to fifteen cents at Buchans when they sell for eleven cents in St. John's; and why should they sell at eleven cents in St. John's when they sell for eight and nine cents on the nearby mainland? Why should a large box of Lux Flakes sell for forty-six cents at Grand Falls, Buchans and Corner Brook when they sell for forty-one cents in St. John's? Why should they sell for forty-one cents in St. John's when they sell for five cents less on the mainland?

Honourable members and the public will find this table very interesting and suggestive when they study it.

But we have not contented ourselves with a study of the mere differences in retail prices as between one town and another within Newfoundland, or as between the four Newfoundland towns and those on the mainland. We have taken a look at the actual rates of profit taken by the traders in Newfoundland, wholesale and retail. We are naturally anxious to know why prices are so high as they are in Newfoundland. Above all we are anxious to know if high prices

are reasonably caused, or caused by profiteering.

We caused the Department of Supply to make an investigation of the rates of profit taken by the traders. They compiled a table showing the rates of profit taken by the wholesalers on a large number of goods, and another table showing the rates of profit taken by the retailers on the same goods. These tables were broken down to show the rates of wholesale and retail profits taken by wholesalers and retailers in St. John's, Grand Falls, Buchans and Corner Brook.

We caused them to compile a table showing the total profit, or rather percentage of profit, paid by the consumer on many articles of common use and need. And by that we mean this: an article is brought into Newfoundland. It costs a certain amount landed in the wholesale importer's premises. That is the original price. He sells it to a consumer over the counter for a profit. The final selling price to the public is a certain figure—what we have done is to show the total rate of profit paid by the consumer, as represented by the difference between the original price and the price paid by the consumer. I will table the figures when I finish, but here are some examples: On two-pound tins of apricots: Corner Brook area, forty-four and a half per cent; Grand Falls area, thirty-five and a half per cent; Buchans, thirty-one and a half per cent; St. John's, forty-nine point two per cent.

On oranges: Corner Brook area, seventy and a half per cent; Grand Falls area, seventy-six and a half per cent; Buchans, fifty-four per cent; St. John's, forty-nine and a half per cent.

On pea beans: Corner Brook area, forty-six and a half per cent; Grand Falls area, fifty per cent; Buchans, forty and a half per cent; St. John's, twenty-four and a half per cent.

On bulk cheese: Corner Brook area, sixty-two per cent; Grand Falls area, forty-seven per cent; Buchans, thirty and a half per cent; St. John's, forty-four per cent.

On marmalade: Corner Brook area, sixty-eight per cent; Grand Falls area, thirty-eight per cent; Buchans, twenty-eight per cent; St. John's, sixty-six per cent.

On onions: Corner Brook area, ninety-eight per cent; Grand Falls area, ninety-six and a half per cent; Buchans, thirty-six per cent; St. John's, sixty per cent.

On split peas: Corner Brook area, seventy-three per cent; Grand Falls, forty-eight per cent; Buchans, fifty-two per cent; St. John's, seventy-three per cent.

On rolled oats: Corner Brook area, eighty-nine per cent; Grand Falls area, one hundred and seventy five per cent; Buchans, seventy-one per cent; St. John's, seventy-five per cent.

We worked out the percentage of profit paid by the consumer on forty-eight articles of common use. We find that in the Corner Brook area, out of the forty-eight items; in the Grand Falls area, on twenty-seven of them; in Buchans, on twenty-four of the items, and in St. John's, on twenty-three of them.

Are prices in Newfoundland unjustifiably high? There is no room for doubt that they are high, but the question is: are they unjustifiably high? In short, is there prob-

fitteering? And if there is what are we going to do about it?

Let me make this point clear: We are a Liberal Government. As such we believe in free enterprise, though we do not admit that free enterprise is freedom to profiteer. We believe in the profit system, and whether we believe in it or not it is the profit system that we have in Newfoundland. Under the profit system a trader must make a profit. We do not question that. If we go after profiteering, let it be understood that it is not reasonable profits that we attack or punish.

If we come to the conclusion that profiteering is taking place, we shall not be happy until we place the profiteers behind prison bars. We do not intend to allow profiteers to operate in Newfoundland, for the whole power of the Province will be thrown against them, if they exist.

Our system of price control, of imposing price ceilings on individual items of merchandise, will continue; but we shall not stop there.

Our enquiries and investigations to date have not been exhaustive. They have not told us all we need to know. All they have told us is that a thorough-going investigation is needed. They have not explained the situation. It may be that we must resign ourselves to the unenviable fate of always paying more, considerably more in Newfoundland than they do in the rest of Canada, even nearby Canada. It

may be otherwise. It may be that the prices we pay are justifiable, and it may be that some of them are just contemptible profiteering. We intend to find out.

We are going to set up a Royal Commission to find out. The Royal Commission will be armed with all possible authority, authority to have any firm's books examined, to call any businessman or anyone else before them to give evidence on oath, to look into everything and to investigate everything that has any bearing on the cost of living. We will give the Royal Commission expert cost accountants and other specialists to enable them to do a first class job. And we will carry out the recommendation of the Commission without fear, favour or affection.

We shall invite the co-operation and assistance of every fair-minded trader in Newfoundland, for we refuse to believe that the majority of them are seeking anything more than a reasonable profit.

Mr. Speaker, the Newfoundland people showed great faith in the Liberal Party and Liberal Government. They believe that we had their interest at heart, and we are going to do everything in our power

to justify their faith. Either profiteering will go or this Government will go.

I move the adjournment until three o'clock tomorrow.

The House then adjourned accordingly.

PERCENTAGE OF PROFIT

This table shows the percentage of profit paid by the public on the commodities listed, after the commodities are landed in Newfoundland. The wholesale and retail profits are combined.

Commodity	Corner Brook Area	Grand Falls Area	Buchans Area	St. John's Area
	%	%	%	%
Apricots (2's)	44.5	35.5	31.5	49.2
Fruit Salad (1's)	22.1	39.0	31.5	45.4
Grapefruit Juice (unsweetened)....	57.3	78.0	46.0	35.4
Oranges (232's)	70.6	76.7	54.0	49.5
Pears (2's)	43.0	34.0	52.0	37.2
Pineapple (1's)	73.8	37.0	28.0	34.3
Tomatoes (fresh)	73.6	90.0	70.0	38.4
Bacon (sliced, imported)	35.0	30.0	45.0	37.9
Tinned Beans	46.6	37.2	41.0	32.2
Pea Beans	46.4	50.0	40.5	24.5
Bologna	39.3	36.4	20.8	44.3
Cheese (bulk)	62.1	47.2	30.5	43.9
Cocoa, Fry's (1's)	43.6	44.0	37.9	29.4
Icing Sugar	52.1	48.0	45.4	43.4
Jam, Strawberry	40.1	38.3	39.6	54.5
Jelly, Lushus	43.4	35.0	24.5	33.3
Karo	43.7	30.0	33.3	34.1
Lunch Tongue	52.3	34.2	33.5	43.6
Macaroni	44.5	38.5	37.6	28.6
Marmalade	68.7	38.0	28.7	36.8
Apples, (evaporated)	54.0	60.0	44.0	52.4
Sardines	76.4	44.3	36.3	38.3
Tomato Soup	42.0	28.6	41.3	44.2
Vegetable Soup	37.0	75.0	38.6	33.4
Shortening	40.3	33.0	25.0	22.6
Spaghetti (F.A.)	43.8	37.3	36.6	44.4
Malt Vinegar	33.4	28.1	44.0	78.7
Bread (1½ lb. loaf)	76.1	73.8	33.0
Currants	58.7	43.0	48.0	39.5
Flavouring Essence	72.5	66.0	71.4	80.0
Onions	98.0	96.5	36.8	60.0
Split Peas	73.2	48.2	52.1	73.2
Orange Juice	36.4	47.0	67.57	38.9
Green Peas (Lynn Valley)	65.0	30.0	39.1	39.5
Pickles, Mustard	42.7	22.3	58.0	31.2
Fat Back Pork	46.8	44.0	41.0	38.1
Prunes (60/70)	47.0	43.0	28.0	38.4

Raisins (pkcs.)	35.6	53.3	35.3	33.3
Rice, Whole	69.4	35.4	28.5	38.2
Rolled Oats	89.1	175.0	71.1	75.4
Potted Meat	55.0	44.0	88.2	48.1
Table Salt	66.6	50.0	75.1	60.0
Bon Ami (cake and tin)	66.1	50.0	33.0	49.0
Lux Flakes (large)	68.4	68.4	68.4	68.4
Lux Flakes (small)	50.7	50.7	50.7	50.7
Matches	42.2	108.0	40 & 94.0	36.8

Corner Brook Area	Grand Falls Area	Buchans Area	St. John's Area
Over 30% 47	Over 30% 41	Over 30% 36	Over 30% 44
Over 40% 41	Over 40% 27	Over 40% 24	Over 40%
Over 50% 25	Over 50% 13	Over 50% 13	Over 50%
Over 60% 17	Over 60% 10	Over 60% 8	Over 60%
Over 70% 10	Over 70% 8	Over 70% 5	Over 70%

Wednesday, October 12th, 1949.

The House met at three of the clock.

Presenting Petitions

MR. CASHIN: Mr. Speaker, before going on with the business this afternoon I would like to know from whoever is in charge of this particular department, with respect to the compiling of the Hansard; whether any Hansard has been compiled yet or not, apart from what has been taken down on these recorders; since we last met whether these recordings have been typewritten or not.

MR. SMALLWOOD (Prime Minister): Mr. Speaker, the matter of reporting the speeches of the House and of publishing the reported speeches; that is, the publication of a Hansard, are matters to which the Internal Economy Commission has given some considerable thought, and to which the Government as well have

given a lot of thought. As the House is aware, and as the honourable and gallant member for Ferryland is so well aware, the method in the old days was to have the Internal Economy Commission employ competent shorthand writers as official Hansard reporters. They would take the speeches down and type them, and the typed speeches would be corrected by the member concerned, and then edited by the Supervisor of Debates or Editor of Hansard, and printed annually, except that in the last couple of sessions of the last Parliament I think that the publication itself in printed form was abandoned. Well now in the old economy—

MR. CASHIN: What?

MR. SMALLWOOD: Old Economy. Now I believe, Sir, in the old days the practice very largely was to employ law students, and as a result you had such men as the late Judge Fox, afterwards Speaker of the House, who began

his career actually in it as a Hansard Reporter. You had men like the present Mr. Justice Dunfield, who was a Hansard reporter in this House. You had the late Mr. Justice Higgins, who began his career here as a Hansard reporter; and I believe at one time the late Rt. Hon. Sir Richard Squires was a Hansard reporter. It was quite a common practice to employ law students, the reason being that in those days law students mastered the art of short-hand writing. Today, unfortunately, we have found it impossible to secure a sufficient number of proficient shorthand writers to act as official reporters for this House. Members here who were members of the National Convention will recall the difficulty the Convention had in the same respect. So we were forced therefore ultimately to abandon the idea of getting these speeches down.

I knew of only two other methods. One the one we adopted of recording it on the tape machine in the hope that from the tape it would be practicable for typists to take it down with the typewriter and to get therefore the typewritten Hansard, which could then be passed to a printing firm and printed as an annual volume, as was always done in the past. The other method was one about which I knew very little, except that I had on one or two occasions quite a few years ago in the City of New York seen it in actual operation, and that is the stenotype method, a rather small-looking machine, mounted on a stand, with, as I recall it, six or eight or ten keys on it, and one operator operated

it, so it seemed to me, in the most leisurely fashion, able to take down verbatim every word spoken in a convention from ten o'clock 'till five, and delivering the next morning at that convention a verbatim account typewritten of every word spoken the previous day. Now I have seen that in operation, and I was told that it was this machine which took down every word—I did not understand it, and I still do not, but in a lack of knowledge of that system, and with some knowledge of the recording system, we decided to try out this method, which we have done.

Unfortunately, it has not proved to be successful, because what happened is this—now when the House closed we had typists in here; we engaged Captain Leo Murphy as editor of debates, or, as we used to call them, supervisor of debates, and I think two typists. These set out to typewrite the speeches from the tape. Unfortunately, although some voices record clearly—my own happens to be one of them—others do not record clearly at all. Radio, as the House knows, and electrical recording apparatus, are peculiar things, producing unexpected results. Now the honourable and gallant gentleman across from Ferryland, famous orator that he is, does not possess exactly the kind of voice which comes well over the air unless he is speaking directly into the microphone, but, sitting where he is, or standing where he is, unless he could abandon—

MR. CASHIN: And until—

MR. SMALLWOOD: Yes, "unless and until" he could abandon the free-and-easy motions he has of facing around different parts of the Chamber, according to his well-known and long-established style of speaking, unless he could abandon that, and speak directly into the microphone, his voice comes out very badly. I may say the same of the honourable and learned Leader of the Opposition, his voice comes out quite badly; if he would care some time to listen to the tape he will see what I mean; other voices come over rather sharply and clearly, and perhaps it is a question of whether the man speaks straight into the microphone; at all events, for a large part of the recording all that comes through is the background of noise of the room itself, the rustling of paper, the occasional man coughing; if a man shifts his chair to get up to go out, all these form a background of noise against which the voice is lost unless it is a rather clear voice, rather high-pitched in a way, and spoken directly into the microphone.

MR. CASHIN: We shall have a Minister of Elocution next—

MR. SMALLWOOD: Well, that might be a help, but at all events we have been quite disappointed in the results to date. Now the result of that is this: the honourable member for St. John's West, on my left, recently attended a business convention in the Province of Quebec, and there was attending there delegates from all parts of Canada, and every word spoken was taken down on a stenotype, one operator only,

working apparently without any effort, his fingers just moving like that, and he could look around and see what was going on and take it down from ten in the morning 'till one in the day—was it?—from nine in the morning 'till one in the day, and the same operator in the afternoon from three to six, could take down every word, and the next morning produce a type-written transcript of every word spoken the day before.

MR. CASHIN: How much would that cost a day?

MR. SMALLWOOD: Well, when the honourable gentleman returned from his visit to that Convention, a business convention which he attended purely as a business man, he told me about it, and I asked him if he could follow it up; he did, by writing to the Secretary of the organization which held this convention. I asked him if he would find out. The result was this: a letter back from the secretary of that business man's group to the effect that he found out exactly where to get the thing and how to go about it. Now here is the story. It is made in the United States; there is an agent in Canada at Toronto; he has got it; they sell for the insignificant amount of I think one hundred dollars, to buy it to begin with. The next problem is the operation of it, and it takes varying lengths of time for a person to become proficient as an operator of that machine—anything from three months to a year, depending on certain aptitudes or the lack of them in the student. The company that makes these stenotypes gives the course of instruction, charging I think

two hundred and—three hundred dollars say, would cover the cost of buying the machine and instructing an operator. That would be insignificant except for one thing, that would meet our problem immediately but for one thing—the length of time it would take to train the operator. One other solution occurs, and that is, that we buy a machine and bring down here with it a trained operator, one who is already trained, instal it in the Chamber and when the House is not in session, have him train one or maybe two operators locally so that when they can do the job he can go on back and then we could carry on from there. I did intend—in fact, I am rather glad that the honourable and gallant member has mentioned the matter, because it brings once again to my attention—I did intend referring it to the Internal Economy Commission with a request that they consider it and if they, in their wisdom, think it is the right thing to do, to proceed with that method of bringing one with a trained operator here, if not for this present session, part of the session, then for next year's session which will begin, I suppose, around mid-winter, and have the thing in operation at that time. In the meanwhile, if the honourable gentleman can be brought to remember it, and if you want your remarks—if a man has anything to say here presumably he thinks what he is saying is important, and if he think it is, it might work out if a member—and the honourable gentleman will notice that even while I am talking and apparently facing all parts of the House, that is only my eyes and my body,—my mouth never leaves the microphone, and if the hon-

ourable gentleman would follow the same procedure for the remainder of this session, I think we could get very good results until the new method is adopted.

MR. CASHIN: Thank you, Mr. Premier. This system that is in here now has been tried out in various parliaments in the Commonwealth; it has been absolutely a failure, and this is a failure here now; it is a waste of fifty or sixty dollars a day, thrown out through the window; it is just as well to take the money and pitch it out through the door. I listened to these recordings, not my own, but others. The Premier is probably the best of the bunch; the rest of them, you cannot make out a word. We were told when this thing started that this machine could be slowed down; it cannot be slowed down. I was down there on several mornings listening to it; it could not be slowed down. And now we are exporting stenographers out of Newfoundland. I am informed correctly when the Royal Commission of Transportation was here, it was suggested that this thing be put in there and the Royal Commission turned it down. They wanted reporters and they found them in Newfoundland. They paid them big money but this thing is costing fifty or sixty a day right now. Twenty dollars a day to a stenographer or reporter here is big money; they could be got if they tried to get them. They are here and they are efficient; as a matter of fact, I understand that there is one of our stenographers heading to Ottawa the end of this month, who will be making forty or fifty dollars a day—

MR. SMALLWOOD: A very competent stenographer—

MR. CASHIN: She is, one of the best in Newfoundland, and I claim right here now that this thing should be thrown out of the door; that it is a waste of public money. I go so far as to say, Mr. Speaker, that you cannot recognise it as anything else but graft, because we got nothing for it—not a single thing but a pile of junk downstairs; not one gentleman in this Chamber, outside of the Premier himself, who has a special way of bringing his mouth into that microphone—not one other gentleman in here can be heard properly, and furthermore I dropped down there for an hour one morning; you do not know who is who, but you know the Premier when he comes on; you know his voice; everybody knows it throughout the country; they probably know mine. But there are other gentlemen here who have never been on the air; you do not know who is speaking. Now here in the Convention, when a member of the Convention got up to speak, he was announced by the Chairman, “Mr. Cashin,” “Mr. Smallwood” or whoever it might be, and it came over the air. You had a microphone right in front of you. You do not hear that now; and during the recordings of the Convention they came over good. I must say they came over magnificently. But this thing has been a fraud. I do not know why it should not be called a fraud, and it should be kicked out of here right away, unless you want to throw away sixty dollars a day. That is profiteering with a vengeance! Sixty dollars a day! Graft that is all!

MR. SPEAKER: I am sure the Internal Economy Commission has listened with great attention.

MR. CASHIN: The Internal Commission, not economy, Mr. Speaker.

Presenting Petitions:

Mr. Horwood from Red Bay Re Public Works.

Hon the Minister of Natural Resources from Salvage Re Road.

Mr. Miller from Fox Harbour Re Road.

Mr. Button from Heart's Delight Re Road.

HON. E. S. SPENCER: (Minister of Public Works): Mr. Speaker, I do not know if this is the proper time to refer to this particular petition presented by my honourable friend from Fox Harbour in Placentia East, but this particular one, I believe, if my memory serves me right is one for which the Department of Public Works, over which I have the honour to preside at the moment, has already arranged a survey; that survey has been made I believe. Is that right, Mr. Miller?

MR. MILLER: With the consent of my honourable friend, I believe the estimate for the job is \$25,000.

MR. SPENCER: I think that is correct.

MR. MILLER: I did not mention that the petition is signed by one hundred and seventy residents of the community, which gives you an idea of the necessity.

MR. SPENCER: Yes. My point in raising this, Mr. Speaker, was

to point out that the matter is under consideration in the Department; a survey has been completed and an estimate is in the Department at this moment. In fact, it has been there some little time. As to when it can be done is one of the other extras in the programme that the Government has to face at some particular time. In the light of the presentation of the petition the House should note that the Department has already had a survey made, and that the matter is in mind.

MR. SMALLWOOD: Mr. Speaker, if I may, before we leave the first Order on the Order Paper, Presenting Petitions, I believe that every member of this House received from me a letter, in identical terms in all cases, making a particular request to them that they should submit a detailed outline of all the public needs of their respective districts of a character coming within the responsibility of the province, as distinct from those coming within the jurisdiction of the Federal Government. I assume that every member of the House received that letter. Some, some very few, have complied with the request made in the letter. May I, appropos of these petitions that are coming in from the various parts of the various districts, may I urge now upon every member to get his report in as quickly as possible, because, in addition to the purpose which the Government has in mind when the request was made, a new purpose has since arisen about which a public statement will be made, a statement in this House, will be made perhaps before this week is over. It becomes pressing-

ly urgent that every member shall get in his report, together with an enlarged map of his own constituency. Now some members have gone to the Department of Natural Resources, the map division, and had enlarged maps of their constituencies made. I have no doubt, subject always to the control of the honourable the Minister of Natural Resources, that all members can have the same service by way of getting enlarged full maps drawn perhaps of their own constituencies into which the details may be entered so that when all these are pieced together we will have a very large map of Newfoundland which must be met, if they are met at all, by the Provincial Government, as distinct from purely Federal works. May I urge all members to lose no time at all; if we can have it in within the next twenty-four hours, so much the better. If you leave it more than another forty-eight hours, I tell you frankly now that you will be doing a distinct disservice to your own constituency.

Notices of Questions:

MR. CASHIN: I give notice that I will on tomorrow ask the Honourable the Minister of Finance to table the following information:

Give a statement showing the landed cost of all rum commonly called "Screech" per gallon. Then inform the House how much water is added to this rum and what price it is sold to the consumer for.

Also give the information showing the landed costs of all other strong liquors per gallon

landed and the price obtained from the consumer.

Give a statement showing the total landed cost of all rums imported in to Newfoundland for fiscal year 1948-49, as well as the amount landed for the six months ending September 30th, 1949.

We need that information, Mr. Speaker, in order to find out who are the biggest profiteers in Newfoundland.

MR. J. G. HIGGINS (Leader of the Opposition): Mr Speaker, I give notice that I will on tomorrow ask the Honourable the Premier to table the following information:

(1) Does the Government regard the present state of unemployment in this country as serious?

(2) Has the Government any announcement to make as regards unemployment?

(3) Has the Government considered the matter of unemployment? If so, what decision was reached?

(4) What is the policy of the Government as regards unemployment?

(5) Have any enquiries been made by the Government from the Federal authorities whether any work will be done this year by them?

(6) Whether it is his intention in the near future to bring in a debate on the subject of unemployment?

MR. SPEAKER: Notices of Mo-

tion; Hon. the Attorney General asks leave to introduce a Bill "An Act to Authorize the Government of Newfoundland to make Arrangements with the Government of Canada for the Employment of the Royal Canadian Mounted Police in Aiding the Administration of Justice in Newfoundland."

Bill read a first time. To be read a second time on tomorrow.

MR. SPEAKER: Hon. the Attorney General asks leave to introduce a Bill "An Act Further to Amend Chapter 105 of the Consolidated Statutes (Third Series) entitled 'Of Lotteries.'"

Bill read a first time. To be read a Second time on tomorrow.

MR. SPEAKER: Hon. the Premier asks leave to introduce a Bill "An Act to Amend the Insurance Companies Act, 1906."

Bill read a first time. To be read a Second time on tomorrow.

MR. SPEAKER: Hon. the Minister of Natural Resources asks leave to introduce a Bill "An Act Further to Amend the Department of Natural Resources Act, 1934."

Bill read a first time. To be read a second time tomorrow.

MR. SPEAKER: Hon. the Minister of Education asks leave to introduce a Bill "An Act to Provide for the payment of a Superannuation Allowance to Matthew Gilbert King, Retired Secretary and Registrar of the Council of Higher Education."

Bill read a first time to be read a second time tomorrow.

HON. MR. POTTLE (Minister of Public Welfare): Mr. Speaker, before you proceed with the Order Paper may I be permitted to revert to No. 3, Giving Notice of Motions and Questions? I give notice that I shall on tomorrow ask leave to introduce a Bill "An Act to provide Allowances for Widowed Mothers."

MR. SPEAKER: Question No. 68, sections (1) to (5) addressed by the honourable member for Ferryland to the Minister of Finance.

MR. SMALLWOOD: I think, Mr. Speaker, that all of the honourable gentleman's questions are addressed to the Minister of Finance, who is still home sick. I hope he will be out tomorrow, and I may say further that I notice that virtually all of these questions bear upon the general financial position of the province, of the Cash Surplus to the credit of the Province — virtually all of them— and I may say for the Honourable Minister of Finance in his absence that very, very shortly the whole picture for which the honourable gentleman inquired in the earlier part of the session and bearing on which he has now asked these questions may be very fully ventilated in this House when a thoroughly complete, perhaps even the most complete picture ever presented in this House of the Financial position of the province, will be tabled by the Minister in a very short time, maybe a week, maybe ten days, but just as quickly as the whole thing can be assembled. The House must be aware that the Government have had for some weeks past the advantage of

the services of Mr. James Thompson, of Montreal, to assist in creating the setting up of a new and greatly improved system of Estimates and Public Accounts, and we are proud of the fact that we did get Mr. Thompson, and very proud of what we consider to be the greatly improved system of—how shall I put it?—of picturing for the legislature the financial position that Mr. Thompson and his associates have worked out in collaboration with the permanent officials of the Treasury. All that, apropos to these questions today, and a great deal more, will be laid on the table, and I am quite sure that—

MR. CASHIN: The budget also?

MR. SMALLWOOD: The budget also, yes.

MR. CASHIN: The budget prepared for the Ottawa delegation.

MR. SMALLWOOD: This document as such is not in any sense or degree responsible for any Budget prepared for anyone else

MR. CASHIN: Yes, for the people.

MR. SMALLWOOD: It might be an exercise for the ingenuity of the honourable member and for which he is well known in financial matters for him to find a way of producing properly on the floor of this House any documents which do not belong to this House; but this Government is responsible for bringing before this legislature, to the members of of the legislature on all sides, a complete picture of the financial position of the province. That will be done, including the Bud-

get. All previous Budgets, including those of former Houses of Assembly, are ultra vires almost, certainly irrelevant and immaterial, to the business in hand.—

MR. CASHIN: I do not know how Mr. Thompson could be backward in this Budget.

MR. SMALLWOOD: One must—what is the old saying “when the devil was ill the devil a saint would be; when the devil was well, the devil a saint was he.” And for various purposes one may prepare financial statements. We were negotiating with the government of Canada last fall before we were a province, and we had with us as our financial adviser a man whom we thought and now think is the outstanding man in his field, in the whole Canadian nation, and he prepared certain documents for presentation by us to the Government of Canada, for the purpose that we had in mind last fall—

MR. CASHIN: You mean James Thompson?

MR. SMALLWOOD: James Thompson. And for the documents which we will produce here this year are for an entirely different purpose as the honourable and gallant member will—

MR. CASHIN: I presume the Government paid Mr. Thompson when he went with the Ottawa delegation.

MR. SMALLWOOD: Oh, he was retained as financial adviser, and I should imagine I could find out, but I have no doubt that the Government which employed him did pay him, but not this Government. This Government has retained

him now for this purpose which is quite a different purpose. However, if the honourable and gallant member can only contain himself, can only hold his curiosity, we assure him that we will give him here in this House such a richness of financial data as to delight his heart and keep him busy to the last moment of this session.

MR. SPEAKER: I shall have to beg the pardon of the House I omitted two of the Notices of Motion.

Hon the Premier asks leave to introduce a Bill “An Act to Amend the Insurance Companies Act, 1906.”

Bill read a first time. To be read second time tomorrow.

MR. SPEAKER:.... Hon. the Premier asks leave to introduce a Bill “An Act to Amend the Act 7 Edward VII, Chapter 4, Entitled “An Act Respecting the Assessment of Life Insurance Companies.”

This Bill read a first time, ordered to be read second time tomorrow.

MR. SPEAKER: Second Reading of Bill “An Act Respecting District Courts.”

MR. CURTIS: Mr. Speaker, I would ask that the Second Reading of this Bill be deferred. I might say for the benefit of the House that there is at the present time in St. John's a representative from the Department of Justice in Ottawa to discuss this matter, and that is the reason why I am asking for these delays. We hope to be able to proceed just as soon as

we have completed our negotiations.

Second Reading deferred.

End of the Orders of the Day.

MR. SMALLWOOD: Mr. Speaker, in moving the adjournment at this very early hour I would say I suppose the members of the House have a very natural and legitimate curiosity as to how long this part of the session is going to last, and how much business is likely to come before us. In reply to that I cannot give an estimate as to how long the session is likely to last, but I can say definitely that a great deal of legislation is in course of preparation in the Department of Justice, and, indeed, in all the Departments.

The legislation, as the House knows, originates for the most part in the Department which it concerns, and after it has been put in draft form there, it passes to the Department of Justice, which passes on it from various standpoints, including style and proper wording, makes it legally proper and intelligible; so that in fact the Department of Justice becomes, or tends to become, a sort of bottleneck through which all the legislation of all the Departments must be channeled, and the Department of Justice, I can assure you, is at it hammer and tongs in giving the final polishing to that legislation. After it gets that, it has to come before the Cabinet and be considered word by word, not only sentence by sentence, but word by word by the twelve of us, from such information and experience as we may have, and finally we consider that it is ready to come before the

House, at which point the House tackles it and makes such improvements as it deems fit.

There is quite a heavy programme of legislation, some of it extremely important, some of it dealing with routine matters that any legislature just has to deal with by the nature of things. So that, considering that legislation, the Estimates that will come in, the Budget, and the debate on the Budget, personally I do not see how we can expect to complete our work for this year as a legislature short of five or six weeks, and possibly even longer and if the honourable and gallant member for Ferryland can really only hit his stride in the financial debate we might be here till Christmas; and if the honourable and learned leader of the Opposition really begins to tackle these bills, as I know he would like to do, we may have some very fine debates. We are in the unfortunate position, all of us here in the House, that in legal matters we are utterly dependent on two members of the House, the honourable and learned leader of the Opposition, and the honourable and learned Attorney General; the rest of us are—I understand two of us are now beginning to study law—I have no intention of naming them, but I understand that two members here are articulated as law students and possibly some day they may be of help to us—but up to now we have got to depend on these two lawyer members of the House, and if they take the place of the whole galaxy of legal talent which the House always had in the past,—I have seen as many as five or six and seven lawyers in the Opposition, and more than that

on the Government side—if they do the work that the army of lawyers did in the past, they are going to be very busy men and the legislature may extend even beyond the five or six weeks that I envisage.

MR. CASHIN: We have a few sea lawyers here, you know.

MR. SMALLWOOD: Well, sea lawyers can often cause more trouble, and, as the honourable and gallant member and I so well know, we have found that we are not lawyers, and we know that if you are going to be a lawyer, you had better be a good one, and not be just a lawyer. But I would say this, that the honourable and gallant member's experience turned out to be a very happy one.

MR. CASHIN: I was expecting you to hire me.

MR. SMALLWOOD: Well, perhaps that might be the smart thing to do, but on the other hand, you know *circumstances change*, and the honourable and gallant member in that same place might not to-day carry the weight that he did then. So I think perhaps it might be safer if I got a trained lawyer, and, anyway, this is a very delicate matter—and there we are, with only two lawyers in the House. A weakness in a way, but we will see how we get on. That is why I say, Mr. Speaker, that although we have a very heavy programme of legislation, a great deal of it is within ninety-eight per cent of being ready to table; some of it is not ahead that much, but in the course of this week or next, I think perhaps we will introduce so much legislation in here that we will begin to despair that we can get through it by Christmas. I move

that the House adjourn until tomorrow, Mr. Speaker.

House adjourned accordingly.

Thursday, October 13, 1949

The House opened at three of the clock.

Presenting Petitions:

Mr. Fahey from Kelligrews re Wharf and Roads.

Mr. Canning from Mooring Cove re Road.

Mr. Miller from Admiral's Beach re road.

Notice of Motion:

HON. JAMES J. SPRATT, (Minister of Provincial Affairs): Mr. Speaker, I beg leave to give notice that I will on tomorrow present a Bill "An Act to Amend the Standard Time (Newfoundland) Act, 1935."

HON. E. RUSSELL, (Minister of Natural Resources): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill "An Act Respecting Sawmills."

Notice of Question:

MR. CASHIN: Mr. Speaker, I give notice that I will on tomorrow ask the honourable the Minister of Provincial Affairs or the appropriate Minister to lay on the table of the House the following information:—

(1) To table for the information of the House the contract made between the Commission of Government with Mr. James Thompson with respect to his appointment as Financial Advisor to the Delegation that signed the terms of Union with Canada during the last part of 1948.

(2) To inform the House the Amount paid Mr. Thompson for the above services.

(3) To also inform the House what report, if any, was given the Delegation that signed the terms of Union with Canada on December 11th, 1948.

(4) To inform the House what arrangements for payment have been made between the present Provincial Government of Newfoundland and Mr. Thompson with respect to Thompson's appointment as Financial Advisor to the Government in preparing a Financial Statement of the Province of Newfoundland generally advising the Government on the necessary plans which should be made to bring about a reorganization of all Government Departments.

MR. SPEAKER: At this juncture I feel I should make a statement regarding procedure to be followed on certain Bills. I would call your attention to a Notice of Motion standing on the Order Paper of today, and the last item on the orders of today. Broadly speaking, the Standing Orders of Newfoundland, based on the Standing Orders of the British House of Commons, make it imperative that all Bills which make a charge upon the public funds should originate in Committee of the Whole House, and be brought in upon order of the House. I would refer honourable members to Standing Orders 251 to 254, both inclusive, of the Newfoundland Standing Orders. This Bill, the last item on the Order Paper, this Bill was, as you will remember, presented by the Honourable Minister of Education, and I permitted it to receive its first reading yesterday on the fol-

lowing term. The existing Standing Orders of Newfoundland are as I have already said, based on those of the British House of Commons and British Parliamentary Practice as compiled by Sir Erskine May; but on February 1st, 1938, a new Order was brought into the British House of Commons and numbered 64(a), which makes this procedure, so far as I can ascertain, the correct and permissible procedure and is clearly applicable in this case. The object of this Bill is not financial in its narrow sense, and yet its object is unattainable without expenditure out of the public funds; for while the main purpose is to create a pensioner, the subsidiary object is contingent upon the main object, and if the main object were to fall, the subsidiary object would, of course, fall with it. Therefore, while the recommendation of His Honour the Lieutenant Governor and preliminary committee was not needed to introduce the Bill, yet before its clauses and provisions can be considered by a Committee of the Whole House, a resolution sanctioning them must be passed by a committee of the whole House appointed upon the recommendation of the Lieutenant Governor. There is a slight difference with the Bill standing in the name of the honourable the Minister of Public Welfare, this being purely a Money Bill, and is destined to make a direct charge upon the public funds. I now call the honourable the Minister of Public Welfare, who has asked leave to introduce a Bill "An Act Respecting Mothers' Allowances."

HON. DR. H. L. POTTLE, M.A.,
(Minister of Public Welfare): Mr. Speaker, in accordance with the

directions you have just given the House, I move that on tomorrow the House go into Committee of the whole to consider a resolution that a Bill be brought in to provide for Mothers' Allowances. His Honour the Lieutenant Governor having been informed of the subject-matter of this motion, recommended it to the consideration of the House.

Motion carried that on tomorrow the House go into committee of the whole to consider the resolution to sanction a Bill "An Act Respecting Mothers' Allowances."

MR. SPEAKER: Question number 69, standing in the name of the honourable member for Ferryland. Question number 70 standing in the name of the honourable Leader of the Opposition and addressed to the Premier.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, if the honourable and learned Leader of the Opposition will bear with me, I would prefer to answer these questions tomorrow in the form of a somewhat extended statement covering from our standpoint the whole question of the unemployment situation in Newfoundland today, and that is one of the reasons why I asked that every member of the House should get in to us as quickly as possible, within forty-eight hours, a list of his recommendations of the public works of a provincial character with which the Government ought to proceed without delay, accompanied by a large-scale map of his own constituency, with as much as possible of the details of his recommendation marked in on that enlarged map.

MR. MILLER: Mr. Speaker, I would like to mention that the circular letters received from the Premier though dated around September 25th or 28th—I am not quite sure of that—were not posted until October 5th, and naturally by the time it reached our places in the outports we have had but a day or so to consider it, and consequently, while we will submit a report, it may not be a full one, and with that understanding we will do it.

MR. SMALWOOD: While we are at it, Mr. Speaker, again with your forbearance, I would like, with the concurrence of the members to submit a sort of 3, 4, or 5 year programme, for not merely this year or even next year, but what at the end of their term of office as members of this House they would like to see done for their constituencies insofar as the Government can reasonably be expected to do them; not merely something to be done now, but generally looking forward over a period of years, and to be done within that period of years.

MR. SPEAKER: Orders of the Day. Second reading of Bill "An Act Respecting District Court."

HON. LESLIE R. CURTIS (Attorney General): I would ask, Mr. Speaker, that that Order be deferred.

Order deferred.

Second reading of Bill "An Act to Authorize the Government of Newfoundland to Make Arrangements with the Government of Canada for the Employment of the Royal Canadian Mounted Police Force in Aiding the Administration of Justice in Newfoundland."

MR. CURTIS: Mr. Speaker, I would like to move the second reading of this Bill. As you know, Sir, and as the House will be aware, the Royal Canadian Mounted Police is a force set up by the Dominion of Canada, by the Federal Government, and it operates in both the Federal and in the Provincial fields.

Now that Newfoundland is a part of Canada, we are entitled to have the use of this Force for provincial purposes and for general purposes in Newfoundland. The Force is already in operation here, looking after Federal matters, such as Customs and the like. The object of this Bill is to enable us to have the benefit of that Force to take the place of our Ranger Force and to gradually infiltrate into the Police Force.

Newfoundland by doing this will save very considerably. I think the present arrangements between the provinces and the Federal Government provide for payment at the rate of fourteen hundred dollars per man. Such an arrangement would be a very great saving on us; it would be, I think, less than fifty per cent of what our present Ranger Force and our present Police force are costing us.

The object of this Bill is to enable the Government of Newfoundland to make an arrangement with the Federal Government whereby they will incorporate into the R.C.M.P. our entire Ranger force. I understand that in so doing they will have due regard to rank, length of service, and other matters that are peculiar to the Ranger force.

It is also the intention of the Government to have them gradually take over such of the police stations as they can well do, by having them gradually move from one district into the neighbouring district, and so on until the entire Island, with the exception of St. John's, is policed by the R.C.M.P.

The Bill is a simple one. Paragraph 2 just says that the Lieutenant Governor in Council may from time to time make arrangements with the Government of Canada for the use of the Royal Canadian Mounted Police Force or any members thereof in aiding the administration of justice in Newfoundland, and in carrying into effect the laws in force therein, and may in any such arrangements agree upon and determine the amount of money which shall be paid by Newfoundland in respect of the use and employment of the Force. This section follows very closely the wording of the section in the Federal Act creating the R.C.M.P. In the Federal Act the wording is that the Department of Justice in Ottawa may make arrangements with us. This is a similar Act to allow us to make arrangements with them. I would move, Mr. Speaker, the second reading of this Bill.

MR. HIGGINS (Leader of the Opposition) Mr. Speaker, I would like to ask the honourable the Attorney General, what exactly is the position between the Mounted Police when they take over the Rangers, and the present Police. What would be the relation on the part of the Police Force that is taken over and the part not taken over? Is there a dual control—two bodies operating—is there any liaison between them?

MR. CURTIS: My understanding is, Mr. Speaker, that the entire Ranger Force is under its own control, but that they are indirectly under the control of the Attorney General; there will be no connection between the two bodies, the Police that remain and the Mounted Police that take over, except insofar as they both will take their direction from the Department of the Attorney General.

MR. HIGGINS: You mean the Mounted Police will be under the Attorney General's Department?

MR. CURTIS: Indirectly. Of course, they will have their own officers, but I understand they take their instructions from the provincial Attorney General.

MR. HIGGINS: Well, then, there will be a liaison between the Mounted Police and the Police Force through the Attorney General; is that right?

MR. CURTIS: I think so.

Bill read a second time, to go into committee of a whole on tomorrow.

MR. SPEAKER: Second reading of Bill "An Act Further to Amend Chapter 105 of the Consolidated Statutes (Third Series) entitled 'Of Lotteries.'"

MR. CURTIS: Mr. Speaker, I beg to move the second reading of this Bill, and in doing so I would like to say that I do not know just how long this Bill will have to live, and what the effect on it will be on the introduction into Newfoundland of the Canadian Criminal Code. But we have found that at the moment we are handicapped. The Lotteries Act, 1932, provides in Section 6 (1)

(a) There shall be a Board consisting of the Secretary for Public Health and Welfare, the Judge of the Central District Court, and the Inspector General of Constabulary all ex-officio, which shall be known as the Lotteries Licensing Board; the said board shall serve without remuneration. Now, Mr. Speaker, very peculiarly, all those three posts are either vacant or have disappeared; there is at the moment no Judge of the Central District Court, there is no Secretary for Public Health and Welfare, and there is no Inspector General of Constabulary. We feel therefore that even though it may have a short time to run, there should be a Board properly constituted, because the Board has been sitting and has been granting these permits, which really is not in accordance with the Act.

The amendment provides that there should be a Board, to be known as the "Lotteries Licensing Board," which shall consist of three members appointed by the Lieutenant-Governor in Council, one of whom shall be appointed Chairman and another Vice-Chairman. The amendment then goes on to provide that the Chairman shall preside at meetings, or in his absence the Vice-Chairman. It is provided further that the Lieutenant Governor in Council may appoint a person to fill any vacancy on the Board. It is also provided that two members shall be a quorum, and it also provides, my friends will be glad to note, that the members of the Board shall serve without remuneration. This is the amending Act, Mr. Speaker, and I move that it be now read a second time.

Bill read a second time, to go into Committee of a Whole tomorrow.

MR. SPEAKER: Second reading of Bill "An Act to Amend the Insurance Companies Act, 1906."

MR. CURTIS: Mr. Speaker, in the absence of the honourable the Minister of Finance, I beg to move the second reading of this Bill. The Insurance Companies Act was passed in 1906, and was then entitled "The Life Insurance Companies Act"; subsequently, in the Consolidated Statutes the word "Life" was omitted, and it was thereupon called "The Insurance Companies Act." Under that Act any life insurance company doing business in Newfoundland had to have a licence, and before it could get a license it had to deposit with the Minister of Finance, as security securities in the sum of \$25,000. Now that we are in Confederation, most insurance companies are registered in Ottawa under the Federal Government and have made deposits there. The feeling is therefore that sufficient security is available within Canada to protect policyholders. For that reason it is now suggested that after Section 12 of the Act there be added as Section 12A and 12B the following:

12A. Notwithstanding anything in this Act, where a Company, registered and holding a certificate of registry under The Canadian and British Insurance Companies Act, 1932, chapter forty-six of the Statutes of Canada of 1932, or under The Foreign Insurance Companies Act, 1932, chapter forty-seven of the Statutes of Canada of 1932, ap-

plies for a licence under this Act, the Company, upon proof to the satisfaction of the Minister that it is registered or holds a certificate of registry under either of these Statutes of Canada, does not have to deposit with the Minister the money or securities required to be deposited by this Act.

12B. Where a Company which has deposited with the Minister the money or securities required to be deposited by this Act proves to the satisfaction of the Minister that the Company is registered and holds a certificate of registry, under either of the Statutes of Canada mentioned in Section 12A of this Act, the Minister may return to the Company the security which the Company has deposited.

In other words, Mr. Speaker, new companies applying to Newfoundland to do business here will no longer have to put up the securities required by this Act, and any companies that are operating here and that have put up securities will be entitled to have them back upon producing evidence satisfactory to the Minister that the company has complied with the provisions of the Federal Act. I think there will be no objection, Mr. Speaker, to this section.

MR. HIGGINS: May I ask a question? What happens in the case of provincial companies doing business here and here only? Is that specially provided for in the Act, in the Consolidated Statutes?

MR. CURTIS: I think I would have to have notice of a question

like that. I will try to have the information for to-morrow.

MR. HIGGINS: I presume the provincial companies would still have to pay some sort of a tax. As a matter of fact, \$25,000 is neither here nor there in the case of a life insurance company which is doing millions of dollars worth of business here; it is a very small amount.

MR. SMALLWOOD: Do not confine your remarks in that respect to life insurance companies.

MR. HIGGINS: Yes, other insurance companies; yes I know that. We are dealing with life insurance companies only at the present moment, and I do not see how any policy-holder would ever be protected by a deposit of \$25,000. So far, we have had very reputable insurance companies in this country; they are every one of them registered in Ottawa with the exception of a couple of United States ones. I do not know if they are still going on. But supposing some provincial insurance companies set up here, have we any protection? Because these companies would be only starting out here, and will not have the reputation or the solidity of one of those old-time life insurance companies which have been carried on on the mainland for so many years.

MR. CURTIS: I have the Act before me, Mr. Speaker—the Life Insurance Act, 1906, which I shall be glad to pass over to my learned friend as soon as we are finished. As I just read it now, since he has sat down, it seems to make it quite clear that if a local company wants to write life insurance, that company must get a license from the

Minister of Finance, and that that company must also put up securities for \$25,000 before it can write any policies. I think that is clear from the Act, Section 3 of which reads,

3. (1) No company or person except as hereinafter provided shall accept any risk or issue any policy of life insurance or grant any annuity on a life or lives or receive any premium or carry on any business of life insurance in Newfoundland, or prosecute or maintain any suit, action or proceeding either at law or in equity, or file any claim in insolvency relation to such business without first obtaining a license from the Minister to carry on such business in Newfoundland.

(2) Before issuing a license to a company legally formed elsewhere than in Newfoundland, the Minister must be satisfied that the corporate name of the company is not that of any other known company incorporated or unincorporated, or any name liable to be confounded therewith or otherwise on public grounds objectionable.

and Section 6 says:

Every company carrying on the business of life insurance shall, before the issue of such license, deposit with the Minister in such securities as are hereinafter mentioned, the sum of twenty-five thousand dollars.

So that would seem, Mr. Speaker, to answer my learned friend's question.

MR. HIGGINS: I know that. I was just wondering whether any

difference would be made between local companies and outside companies.

MR. CURTIS: Well, the only difference, Mr. Speaker, is this: That the outside companies that are claiming the protection of this Act have deposited securities in Ottawa, so if the securities are deposited in Ottawa, that would cover the situation in Newfoundland. I might say—I am not now speaking officially—but I have always understood that there were certain insurance companies, large insurance companies, that refused to come to Newfoundland because of this very provision; they were bigger, as a matter of fact, financially than we were as a country, and I think they objected to the idea of putting—

MR. HIGGINS: If they deposited the securities they would get the interest on it.

MR. CURTIS: They would get the interest, yes.

Bill was read a second time, to go into committee of a whole on to-morrow.

Second reading of Bill "An Act to Amend the Act 7 Edward VIII, Chapter 4, Entitled 'An Act Respecting the Assessment of Life Insurance Companies'."

MR. CURTIS: Mr. Speaker, in the absence of the honourable the Minister of Finance, I beg to move the second reading of this Bill which follows closely the Bill which has just been read. The former Bill amended a 1906 Act. This Bill is to amend a 1907 Act. The 1907 Act provided that for the purpose of defraying the expenses

of carrying out the Insurance Companies Act 1906, that to which we have just referred, every life insurance company licensed under the said Act shall on the second day of January in every year pay to the Minister of Finance and Customs a sum equal to one-tenth of one per cent on the reserve or re-insurance value of its outstanding policies. The said sum shall be a debt due to His Majesty and may be recoverable in any court, and the Act further provides that all such sums of money paid shall be held by the Minister of Finance and Customs for the purpose of the necessary expense of carrying out the said Act, and the balance, if any, shall be paid to the Treasury for the use of the Colony.

That was an assessment, Mr. Speaker, to pay the cost of carrying out the 1906 Act, and I presume the expenses would be issuing licenses, accepting the care of the deposits, paying out the interest every year to the companies, and so forth. The proposed amendment exempts from this Act any life insurance company licensed under the said Act which proves to the satisfaction of the Minister that it is registered and holds a certificate of registry under the Canadian and British Insurance Companies' Act, 1932, Chapter 46 of the Statutes of Canada, 1932, or under the Foreign Insurance Companies' Act, 1932, Chapter 47 of the Statutes of Canada, 1932. The position, Mr. Speaker, is that now the registration of insurance companies has gone Federal; we have no expense in connection with them, and consequently there is no need to levy that tax. I move the second reading of this Bill.

Bill read a second time, to get into committee of a whole on tomorrow.

Remaining orders of the day deferred until tomorrow.

MR. SPEAKER: Honourable members will perhaps remember that we had a Bill, a private Bill, to incorporate the Certified Public Accountants Association of Newfoundland. Some correspondence has taken place in regard to that, and it has been proposed that a select committee be appointed to further consider this matter. The select committee consists of the following:

Hon. Leslie R. Curtis, Attorney General.

Hon. W. J. Keough, Minister of Fisheries and Co-operatives.

Mr. Morgan.

Mr. Janes.

Mr. Higgins, Leader of the Opposition.

When will this committee meet?

MR. CURTIS: I suggest that we meet immediately after this session, Mr. Speaker.

MR. SPEAKER: I would like also to have a meeting with the members of the committee to revise the Standing Orders. That ends the Order Paper of to-day.

MR. SMALLWOOD: I move that the House at its rising adjourn until to-morrow at three of the clock, Mr. Speaker.

Adjourned accordingly.

Friday, October 14th, 1949.

The House met at three of the clock.

Presenting Petitions:

Hon. Minister of Labour from Bay of Islands re road.

Mr. Miller from North Harbour re road.

Mr. Button from Chance Cove re road.

Notices of Motions and Questions:

MR. CASHIN: I give notice of the following questions: What amount of money has been spent on public highroads or new roads since April 1st, 1949. This information is not to include amounts spent on local roads nor amounts paid to patrolmen. The information requested to be given showing the amount spent or being spent in each Electoral district; Table information showing where contracts were awarded from the construction of new roads the amount of such contract per mile of road were tenders called for in this respect to table a copy of the tender as well as the amount of each tender and if the contract was awarded to the lowest bidder; Give a statement showing the following information: The total amount spent on the Corner Brook Sanitorium to date and what amount is required to complete this institution? What amount has been contributed by the government towards the Corner Brook hospital and if any further commitments are made in connection with the completion of this institution; The total amount spent to date on the hospital for the treatment of mental cases. What arrangements have been made as to the erection of this institution? Is the government supervising the construction? What fees or salaries are being paid the superintendent

of the construction and what further amount will be required to complete and equip the said mental hospital?

To ask the Minister of Provincial Affairs the following information with regard to the St. John's Housing Corporation:—

What has been the total amount expended to date by both the Newfoundland Government and the St. John's Municipal Council on this project; Give the individual liabilities of the Housing Corporation to the Provincial Government as well as the Municipal Council: How much free loans were granted by the Government as well as outright contributions; How many homes were constructed and what has been the cost of each home or the total cost of such homes; How many homes have been sold what were the prices paid and what are the outstanding amounts due on such sales; How many apartment buildings have been constructed what was the cost and what is the revenue being received from such apartments; How many homes are now vacant or for sale and what has been the cost of such homes; In short give full particular of the entire St. John's Housing Corporation's Affairs from the inception of the project to date. Would the Government be prepared to sell the entire project and negotiate a deal on the proposition.

MR. SPEAKER: Hon. the Minister of Provincial Affairs asks leave to introduce a Bill "An Act to Amend the Standard Time (Newfoundland) Act, 1935."

Bill read first time. To be read second time on tomorrow.

MR. SPEAKER: Question No. 71, standing on the Order Paper, addressed to the Honourable the Minister of Provincial Affairs, by the honourable member for Ferryland.

HON. J. R. SMALLWOOD, (Prime Minister): I wonder if the honourable and gallant member would let that stand. He will appreciate that the question is for the Minister of Finance and not the Minister of Provincial Affairs, and he appreciates the fact that the honourable the Minister of Finance is sick at home.

MR. CASHIN: To be held over, yes; and also the other two with respect to the Minister.

HON. JAMES J. SPRATT, (Minister of Provincial Affairs): Mr. Speaker, as the honourable member for Ferryland put the question to me I would like to say that I have made enquiries, and I find that it does really belong to the Finance Department, and I have already referred the matter to them.

MR. CASHIN: The Housing Corporation?

MR. SPRATT: No, no—

MR. CASHIN: The other question?

MR. SPRATT: Yes, regarding Mr. Thompson. I have already referred it to that Department. I do not know whether I have offended the Premier or not in so doing.

MR. SPEAKER: Orders of the Day. Does the Honourable the Minister of Public Welfare wish to proceed with the first item, which stands in his name, Committee of the Whole on resolution

to bring in a Bill "An Act Respecting Mothers' Allowances?"

HON. DR. POTTLE, (Minister of Public Welfare): Mr. Speaker, I move that this Order be deferred.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Authorize the Government of Newfoundland to Make Arrangements with the Government of Canada for the Employment of the Royal Canadian Mounted Police Force in Aiding the Administration of Justice in Newfoundland."

Speaker leaves the chair. Mr. Courage takes the chair of Committee.

Section 1 read and passed.

Section 2 read and passed.

Committee rose, reported progress,

Mr. Speaker resumes chair.

MR. SPEAKER: Committee of the Whole on Bill "An Act Further to Amend Chapter 105 of the Consolidated Statutes (Third Series) entitled 'Of Lotteries'."

Speaker leaves chair. Mr. Courage takes the chair of Committee.

Committee rose, reported progress. Bill to be read a third time tomorrow.

MR. SPEAKER: Committee of the whole on Bill "An Act to amend the Insurance Companies Act, 1906."

Speaker leaves Chair.

HON. L. R. CURTIS (Attorney General): Mr. Chairman, before this Bill is read I would like to call the attention of the mem-

bers to the fact that the Bill has been reprinted and has been distributed this afternoon. Perhaps the members might make sure that they have the revised text in front of them. My learned friend, the leader of the Opposition will realize that yesterday it was referred to as the Insurance Companies Act, 1906." We find out since that, although the Assessment Bill is a 1907 Act and is not in the Consolidated Statutes, the 1906 Bill was in the Consolidated Statutes; they both deal with life insurance companies. The new title is "An Act to Amend the Insurance Companies Act."

Bill passed. Bill to be read a third time tomorrow.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Amend the Act 7 Edward VII, Chapter 4, entitled "An Act Respecting the Assessment of Life Insurance Companies."

Speaker leaves Chair. Mr. Courage takes the Chair of Committee. Bill passed. Committee. Bill to be read a third time tomorrow.

MR. SPEAKER: Second reading of Bill "An Act Respecting District Courts."

On motion of Mr. Curtis this order deferred until tomorrow.

MR. SPEAKER: Second reading of Bill "An Act Further to Amend the Department of Natural Resources Act, 1934."

HON. EDWARD RUSSELL (Minister of Natural Resources): Mr. Speaker the Department of Natural Resources Act 1934 was an Act to set up that Department

as one of the several Departments of the Commission of Government, and in Section 10 of that Act there was outlined a number of phases that came under the Department of Natural Resources. The list has been revised from time to time by various amendments to this Act. One such amendment was made a few years ago by which mineral lands, mines, minerals and quarries were taken away from the Department of Natural Resources and put under the Department of Public Works. When that was done Section 10 of the Act was amended accordingly by striking out that clause. Mr. Speaker, now—in fact for the last three or four months the Division of Mines has been back again under the Department of Natural Resources, from the Department of Public Works. This is just a sort of Legislative acknowledgment of a fact that already exists, and I move that this Bill be read a second time.

Bill read a second time. Committee of the whole House tomorrow.

MR. SPEAKER: Second reading of Bill "An Act to provide for the Payment of a Superannuation Allowance to Matthew Gilbert King, Retired Secretary and Registrar of the Council of Higher Education."

On motion this order deferred until tomorrow.

MR. SPEAKER: End of the Order Paper for today.

MR. SMALLWOOD: Mr. Speaker, I move that the House at its

rising do adjourn until tomorrow, at three of the clock.

Adjourned accordingly.

Monday, October 17th, 1949.

The House met at three of the clock.

HON. J. R. SMALLWOOD, (Prime Minister): Mr. Speaker, Term 32 of the Terms of Union between Newfoundland and Canada reads as follows:

"(1) Canada will maintain in accordance with the traffic offering a freight and passenger steamship service between North Sydney and Port-aux-Basques, which, on completion of a motor highway between Corner Brook and Port aux Basques, will include suitable provision for the carriage of motor vehicles."

"(2) For the purpose of railway rate regulation the Island of Newfoundland will be included in the Maritime region of Canada and through-traffic moving between North Sydney and Port-aux-Basques will be treated as all-rail traffic."

"(3) All legislation of the Parliament of Canada providing for special rates on traffic moving within, into, or out of, the Maritime region will, as far as appropriate be made applicable to the Island of Newfoundland."

No question has arisen as to the meaning and implications of sub-section (1) of the Term, the sub-section which provides for a motor-car ferry on the Gulf when the road from Corner Brook to Port-aux-Basques is completed.

The Canadian Parliament duly ratified the Term of Union. It also amended the Statute Law making all legislation of the Parliament of Canada providing for special rates on traffic moving within, into, or out of, the Maritime region, as far as appropriate, applicable to the Island of Newfoundland. Some doubt has, however, developed as to the responsibility for further implementing these two sub-sections.

I can say that when the Terms of Union were being negotiated last year there was full agreement between the Newfoundland and Canadian delegations on the meaning which we intended the words of these two sub-sections to have and which they had.

Since then, however, a third party has entered the scene, namely, the Canadian National Railways. The C. N. R. are a Crown Corporation of Canada and to them was entrusted the operation of our Newfoundland Railway. They drew up a schedule of freight rates for Newfoundland, and that schedule came into effect on the date of union.

Obviously, it was the duty of the C. N. R. in drawing up the schedule for Newfoundland, to do so in conformity with the two sub-sections of Term 32 that I have quoted. They could not properly go outside the meaning of Term 32.

Some time ago, however, it appeared to the Government of Newfoundland that the freight rate structure applied to Newfoundland was not in line with Term 32.

We retained Mr. P. J. Lewis, K. C., to make a study of the matter for us. Mr. Lewis was ably assisted by the freight-rate experts of Bowater's, Buchans Mining Company, the A. N. D. Company, and the Associated Newfoundland Industries. Mr. Lewis prepared a brief on the subject, as did also the commercial concerns I have named.

There followed some negotiations with the Government of Canada, in which it was contended for Newfoundland that the C. N. R. was charging on Newfoundland freight rates which are higher than they ought to be under Term 32, and that Newfoundland is consequently paying millions of dollars a year more in freight tolls than we would be doing under our understanding, and what we believed to be the Canadian Government's understanding of Term 32 when it was written and signed.

The Parliament of Canada long ago set up a permanent body to deal with all matters of railway rate regulation. This is known as the Board of Transport Commissioners. This body is a court, and except in so far as its awards are subject to appeal to His Excellency the Governor General in Council and to the Supreme Court of Canada, its word on freight rates is final and binding upon all parties concerned, including the C. N. R.

Term 32 of the Terms of Union is now a section of of the Constitution of Canada. It is, in short, Term 32 of the British North America Act, 1949, enacted by the

Parliament of the United Kingdom. As such, the Government of Canada holds, it cannot be interrupted by the Government of Canada, or by the Government of Newfoundland, or by both Governments together, and still less by the C. N. R. With all the goodwill in the world, it can be interpreted only by the statutory bodies set up for the purpose.

We have decided, therefore, to submit this question to the Board of Transport Commissioners for adjudication, and to retain Mr. P. J. Lewis, K.C., to assist the Attorney General in making this application. The case will be referred to the Board of Transport Commissioners, and proceeded with, just as speedily as circumstances allow.

We wish it to be known that this is to be a friendly action, and that we are taking it because it appears to be the only constitutional method set up to handle such a situation.

Presenting Petitions:

Mr. Horwood from Cape Charles Re Supplies.

MR. CASHIN: Mr. Speaker, I would like to ask the Premier about these freight rates which the C. N. R. are supposed to be charging exorbitantly, are they being charge only in Newfoundland or is it the Maritime rates of Canada, or are they charging a freight rate which is not all-rail across the Gulf. I think in the Terms of Union—I have not got them here, but I heard the Premier read them, that the C.N.R. probably interpreted that “as far

as appropriate” actually means; whether they are changing over and above what they should change in this country here, or if you are paying too much excess rate between the Maritime Provinces right through Canada. I would just like that cleared.

MR. SPEAKER: I would like to say, for the benefit of honourable members, that the statement read by the Premier is not debatable, but you will notice that the question asked by the honourable member for Ferryland is asked to clarify a point. I think that may be permitted.

MR. SMALLWOOD: Mr. Speaker, we can say this: that the C.N.R. brought into application in Newfoundland on the date of Union a freight rate structure which almost in every case was a lower rate than applied before the date of union, but which, in our opinion, in the opinion of this Government, is higher, (even though it is lower than it was before Confederation), it is still not as low as we believe it should be according to the Terms of Union. Now, why the C.N.R. drafted the particular freight-rate structure that they did, we do not know; we cannot read their minds, and they have not vouchsafed any explanation of why they set up the structure they did. We do know that the structure is higher than in the rest of the Maritime region, of which we now form a part. And we want to know why the structure made applicable in Newfoundland is higher in some regards than the same structure—

MR. CASHIN In the Maritime—

MR. SMALLWOOD: In the rest of the Maritime region is made up of the provinces of New Brunswick, Prince Edward Island, Nova Scotia, and the eastern part of Quebec—why the rate in Newfoundland is higher than it is in the rest of the Maritime region of which we now form a part. We hope by our interpretation, our understanding, of this Term 32 that our rates in Newfoundland can be no higher and no lower than the corresponding rates in the rest of the maritime region, which they are not; they are higher, and as it is a matter of judicial interpretation; the meaning of any term of the British North American Act or any of the Acts which make up the main Act, make up what you might call the over-all Act, if there is such a description, the interpretation of any clause or term or any part of the B N A. Act is not a matter for the Government of Canada; it is not a matter for the Governments of Newfoundland or any province; it is a judicial function, and governments are not judicial bodies; it is a matter for the judiciary. There is a judiciary already in existence to do that very job of interpreting the meaning of that clause, in the Terms of Union, and as the C N R. has seen fit to put into effect in Newfoundland a freight-rate structure which, so it seems to us, is not in line with Term 32, we take the next step, which is to get an interpretation of the meaning of Term 32.

MR. CASHIN: Mr. Speaker, just one other point, and it is this: I thank the Premier for his explanation, and I gather that the freight rate in Newfoundland now

it lower than it was prior to Union, but that the Government does not think it is low enough. That freight rate has been set undoubtedly by the Canadian National, and in setting it they have their own reasons why, because the Term in their opinion was not quite clear and it is probably based on the fact—it is not for me to express an opinion, but I was just pointing this out to the Premier that our trains in Newfoundland are much smaller than they are in Canada—

MR. SMALLWOOD: The less we say at this point, perhaps the better.

MR. CASHIN: I know; that is what I mean. I happened to be in the railroad business myself one time, and I imagine that is what they are working on.

MR. SMALLWOOD: They probably have some cockeyed idea—

MR. CASHIN: I know. But I do not think it is going to affect the small man so much as the big fellow.

MR. SPEAKER: Order. Notice of motion.

HON. H. W. QUINTON (Minister of Finance): I give notice that I will on to-morrow ask leave to introduce a Bill "An Act Further to Amend the Alcoholic Liquors Act, 1933."

Notice of Questions:

MR. FOGWILL: I give notice that I will on to-morrow ask the Honourable the Premier to inform the House in detail of the arrangements made or to be made, pursuant to Term thirty-nine of the

Terms of Union between Newfoundland and Canada and of note twenty-two of the memorandum attached to the terms, in respect of pensionable service of employees of the Government of Newfoundland who, since April 1st, 1949, have been transferred to the service of the Government of Canada.

MR. QUINTON: Mr. Speaker, I would like to answer Question No. 5 asked by the Honourable Member for Ferryland.

- (i) **No. of Government employees (exclusive of transferred to the Federal Government)—1861.**
- (ii) **No. of employees with Provincial Government at June 30th, 1949—2876.**
- (iii) **No of employees paid off as a result of the transfer of services to the Federal Government—Nil.**

NOTE: The above information relates to permanent, full-time employees only; temporary or part-time employees are not included.

I understand from the honourable the Premier that more copies than I have here are required, Sir, in keeping with some rule which has recently been made. I am sorry that I have not a sufficient number of copies, but I shall table the balance.

MR. SPEAKER: Question No. 72 addressed to the Honourable the Minister of Provincial Affairs.

HON. JAMES J. SPRATT (Minister of Provincial Affairs): Mr. Speaker, I am very pleased to lay on the table some of the information sought by the honourable

member for Ferryland. As other sections of the question deal mainly with the internal accounting by the St. John's Housing Corporation, I have requested a statement embodying a reply to the question which is, I understand, in course of preparation.

Now, I do not know, Mr. Speaker, whether it is usual for a member or Minister who is supplying information, whether it is in order that every member of the House should get a copy of that. I would like to have your decision on that, Sir.

MR. SMALLWOOD: I think it was agreed in the early part of this session, some weeks ago, that Ministers in tabling answers to questions would table enough copies to give every member of the House a copy, so that they will not be put to the difficulty of going to the Clerk of the House to read the reply.

MR. SPRATT: Mr. Speaker, I shall have copies for every member tomorrow. I have much pleasure in tabling the reply to the question asked by the honourable the member for Ferryland.

MR. SPEAKER: Question No. 73, addressed to the honourable the Minister of Public Works.

HON. E. S. SPENCER (Minister of Public Works): Mr Speaker, I have pleasure in tabling answers to Questions No. 73, 74 and 75. Question No. 73 asked by the honourable member for Ferryland:

(1) The following expenditures have been made on the maintenance of public highways, recon-

struction of existing roads, and the construction of new roads, since April 1st, 1949, as follows:

Maintenance	\$645,446
Reconstruction	436,105
New road construction	539,465

These figures do not include expenditure on local roads or wages of patrolmen.

It is not possible to give road expenditures in electoral districts, the accounts of the Department of Public Works not being designed to show expenditures on that basis. For administrative purposes, the province is divided in four districts: No. 1, Avalon Peninsula, including Chapel Arm; No. 2, Isthmus of Avalon, Burin and Bonavista Peninsulas and South Coast; No. 3, Gander to Hampden; No. 4, Hampden to Port aux Basques. Road costs are kept in relation to expenditures in these four districts.

(2) Agreements were entered into in 1947 between Government, the Anglo-Newfoundland Development Company and Bowater's Pulp and Paper Mills, Limited, whereby the three parties would construct approximately 65 miles of road from South Brook, in Hall's Bay, to connect with the existing road system in the Deer Lake area. Government, Bowater's and A.N.D. were to construct sections of the road, the construction to be on a non-profit basis. In addition the companies were each to contribute up to 25 per cent of cost, but not exceeding \$3,000 a mile. The combined contribution to be made by the companies will be \$6,000 a mile, and the total contribution will, therefore, be of the order of \$390,000. Certain

sections of the road were constructed in 1948 and work under the same agreement has continued in the present year.

A second agreement has been made with Bowater's Pulp and Paper Mills, Limited, for the construction of roads on the Northern Peninsula. Bowater's have constructed at their own cost a road from Hare Bay to Ten Mile Lake, a distance of 34 miles. The agreement with Bowater's, which is also on a non-profit basis, envisages the construction for Government of a road from Ten Mile Lake to the coast and from there to Cook's Harbour, with connections to St. Anthony and Englee.

Tenders were invited through the public press and radio for the construction of approximately 11 miles of road between Glenwood and Notre Dame Junction. Two tenders were submitted in the prescribed form, i.e., on a unit cost basis. The lower tender was accepted.

I would like to further point out here, Mr. Speaker, to the honourable members of the House that the unit cost figures are in our possession, available to any member of the House. In the past, and perhaps that applies to the present as well, it has not been deemed in the best interests of the public to publish these figures. My interpretation of the reason is simply this: Our aim is always to get our contract prices as low as possible, and if we were to publish the figures for contracts that were issued for May, say, 1946-47, 48 or 49, as the case may be, surely it would have some bearing on figures which may be requested

in the future, say '49. '50, or at any future date. With that thought in mind, it is not thought in the best interests of the public to table the actual figures. They are, however, available to any member of the House, as, of course, we are all in the same boat with regard to secrecy of public documents, and in that way we feel that they should be retained. I therefore have much pleasure in tabling two copies at the moment, and again, with the other gentlemen, I have to apologize to the honourable members of the House for the fact that we have lost sight of, through custom it may be, that ruling which asked that every member be given a copy. I promise that sufficient copies will be forthcoming for every member.

MR. CASHIN: Mr. Speaker, with respect to the statement just made by the honourable the Minister of Public Works, do I take it that it is the policy of the Government not to publish, for instance, the cost per mile of road paid to a corporation or a company or an individual for the construction of that road through the columns of the press?

MR. SPENCER: In reply to the honourable member, Mr. Speaker, I would like to point out that the answer to the question states in no case is the tender called for on the per-mile basis. It can be worked out, but the position is this: that one mile differs from the other inasmuch as there are more cubic yards of earth, as the honourable member is well aware, to be moved from some miles than from others, and the same applies

to stone, rock and/or wood, as the case may be. Consequently, it has been based on a unit cost, so much per cubic yard, of earth, so much for rock, so much for grading and dumping and clearing and burning, etc., etc. It has not been, unfortunately, prior to my coming into the office, and up to the present time there has been no reason to change it, as far as I know, the case where contracts have been called for on a mileage basis. In connection with this recent contract referred to now in answer to No. 73, we know the total figure that it would amount to, depending on the estimated number of cubic yards to be moved, but consequently we cannot give that, because we do not know until the work is done.

MR. CASHIN: I quite understand that, but what I am trying to get is this: Does the honourable Minister mean to tell me that you have some kind of contract, at the present time, whether it is for a cubic foot of whatever it is, does he mean to tell me that it is not in the best interests of the public to publish that information?

MR. SPENCER: That is our feeling—

MR. CASHIN: Because I have been identified with governments on several occasions, and questions such as that have been asked and answers have been given. When we were compiling the various reports in the National Convention, we got these particulars, and these particulars were published. For instance, the road between here and Topsail, we knew how much it cost; and I think the

Premier was probably one of the gentlemen identified with that transportation board who compiled that report; we knew, and it was published and made public how many miles of road between here and Topsail, and what it cost per mile. For instance, the road out—I think it is the Deer Lake Road—some years ago, a total mileage of some fifty-two miles altogether from Grand Falls or around the Corner Brook area, we knew what that cost, for instance, ten thousand dollars a mile for machinery alone. We knew that, and it was published in the financial report because it was an extraordinary amount of money spent on that road for machinery alone, \$520,000, and these figures were made public, and I claim that the public are entitled to know that information—that money we are spending, it is not our own.

MR. SMALLWOOD: Mr. Speaker, we are all out of order. It is certainly not in order to debate—

MR. CASHIN: No. —

MR. SMALLWOOD: any question. It is in order to ask a supplementary question, but as we are out of order perhaps—it is not setting good precedents I admit—I would suggest to the honourable gentleman that if he cared to debate the matter, he could do so subsequently by moving the adjournment of the House; and, as a matter of fact, he could give an opportunity to me, for example, to state a viewpoint in connection with this very matter, the cost of road building in Newfoundland, and there may indeed be good

reasons for refraining from publishing the unit costs of certain roads. In view of a very determined purpose we have of bringing costs down in Newfoundland, we do not want to do or say anything that would stand in the way of our getting the costs of road building down in this province, because we have a great mileage of roads to do and a little amount of money with which to do it.

MR. CASHIN: This type of thing is not answering my question at all.

MR. SPEAKER: Question No. 74, standing in the name of the honourable the member for Ferryland, addressed to the honourable the Minister of Public Works.

MR. SPENCER: Mr. Speaker, Question No. 74, the cost of the construction of the Corner Brook Sanatorium, including Nurses' Home and auxiliary buildings, is estimated at \$3,500,000. Issues to date amount to \$2,749,000. Balance of cost to complete is, therefore, \$751,000. That is the Corner Brook Sanatorium. The Western Memorial Hospital, Corner Brook, contributions by the Government amount to date to \$377,000. It may be as well to say here that that is the actual figure by the Government against public contributions, that is, if the public subscribed \$377,000 or something in the vicinity, and the Government did the same. Since then, when that three-quarters of a million approximately was spent, it was found insufficient, and the committee in charge approached the Government and the Government of the day committed itself to fur-

ther contributions of \$600,000. That is Question 74.

MR. SPEAKER: Question No. 75 addressed to the honourable the Minister of Public Works.

MR. SPENCER: I would like to point out, if I may, Mr. Speaker, in connection with No. 74, these are not done under contract; that is, the Government did not enter into a contract to build the Western Memorial Hospital. It is something that was started and devised and fostered by the public in that section of the country, known as the Humber District, or Bay of Islands, and on down the

coast, and so they began to solicit subscriptions, and, as I have already said, did obtain \$377,000. The work is not under the jurisdiction of the Department of Public Works. We have nothing whatever to do with it, only in so far, unfortunately, that the Government has been called upon to help facilitate the hospital requirements in the Humber area. Now with regard to Question 75, the Mental Hospital construction. The question is asked by the honourable member for Ferryland.

The answer supplied me by my Department is as follows:

Mental Hospital	Construction	
	Cost to Date	Cost to Complete
Kitchen Wing	\$ 316,063
Centre Block	149,513	5,000
Residences	42,267
Kennedy Wings	330,671	10,000
Boiler House and Equipment	80,460
Boiler House extension and Equipment	44,343	33,000
Central Laundry	106,260	51,000
Ellis Wings extensions	294,295	30,000
Nurses' Home	685,725	93,000
Electrical distribution system	1,874	23,000
Sewage disposal plant	22,289	38,000
South Wings	151,460	1,650,000
	<hr/>	<hr/>
	\$2,225,220	\$1,948,000
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The House will appreciate, Mr. Speaker, that this is a commitment from former days.

Officers of the Department of Public Works are in ultimate charge of all works. Some of the projects have been undertaken under the exclusive direction and supervision of departmental officials. Where a supervising archi-

tect is in direct charge of construction he receives a fee of five per cent on structural work and two and one-half per cent on mechanical services. Where the supervising architect prepares plans and specifications and is in direct charge of construction, he receives a fee of eight per cent, out of which he must defray cost of re-

taining professional engineering services, etc.

In this connection, as in the former, Mr. Speaker, I shall have copies made so that all members may get them.

MR. SPEAKER: Orders of the Day. Third Reading of Bill "An Act to Authorize the Government of Newfoundland to make Arrangements with the Government of Canada for the Employment of the Royal Canadian Mounted Police Force in Aiding the Administration of Justice in Newfoundland."

Bill read a third time and passed.

MR. SPEAKER: Third reading of Bill "An Act Further to Amend Chapter 105 of the Consolidated Statutes (Third Series) Entitled 'Of Lotteries'."

Bill read a third time and passed.

MR. SPEAKER: Third Reading of Bill "An Act to Amend the Insurance Companies Act."

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, I would move that this Order be deferred. Since our last sitting my Department has been considering the point raised by my learned friend the Leader of the Opposition, and we have decided that when in a Bill we refer to a Federal Act we will describe it as they describe it on the mainland, the Federal Government, Chapter one hundred and so and so, writing it right out, but that when we refer to a local Act we will carry on our former practice of saying No. 18, 19 or 27 as the case may be. The Act in ques-

tion, has reference to several Acts, and as the Bill would have to be reprinted in any event for Royal Assent I would suggest tomorrow the draft as it will finally appear for the approval of the House.

Order deferred.

MR. SPEAKER: Third Reading of Bill "An Act to Amend the Act 7 Edward VII, Chapter 4, Entitled 'An Act Respecting the Assessment of Life Insurance Companies'."

Bill read a third time and passed.

MR. SPEAKER: Committee of the Whole on Bill "An Act Further to Amend the Department of Natural Resources Act, 1934."

Order deferred.

MR. SPEAKER: With regard to the next item on the order paper, Committee of the Whole on Resolution to bring in a Bill "An Act Respecting Mothers' Allowances", Members might remember that on October 13th, I believe it was, I was confronted with the title of that Bill, and made a ruling that such a Bill should be brought in on resolution of the Committee of the Whole, as it involved expenditures of public funds. Since then I have seen the Bill itself: and it merely is a Bill to set up a machinery to make possible the paying of certain allowances, which may or may not be decided by the House at a later date, therefore I think it is quite in order that this Bill may be presented by the Minister responsible for it, and receive its first reading.

HON. DR. POTTLE (Minister of Public Welfare): I move, Mr. Speaker, that the Bill now receive its first reading, and may I say as well that printed copies of the Bill are now on the table of the House, and in as much as this is new legislation for this province, and because of the character of the legislation in its own right, I would suggest that members study the legislation before it is produced for Second Reading, so that it may be given full and thoughtful consideration.

Bill read a first time. To be read a second time on tomorrow.

MR. SPEAKER: Second reading of Bill "An Act Respecting District Courts."

Order deferred.

MR. SPEAKER: Second Reading of Bill "An Act to Provide of the Payment of a Superannuation Allowance to Matthew Gilbert King, Retired Secretary and Registrar of the Council of Higher Education." I have a statement to make to the House on this. On October 12th the honourable the Minister of Education asked leave to introduce this Bill. The Bill involves the expenditure of public moneys, but only as a subsidiary clause. The primary object is to create a pensioner; its secondary object imposes a charge on the public funds. I have gone into the matter thoroughly, and find that there are at least three different procedures which have been used both in England and in Canada, and the Bill did receive its First Reading. That is quite legal; it can even receive a second reading, but it cannot go to a Committee of the Whole House to consider

the resolutions contained in it. The honourable the Minister for Education may therefore move the House into a Committee of the Whole to consider the resolutions regarding the Bill as entitled in the Orders of the Day.

HON. S. J. HEFFERTON (Minister of Education): I move that the House now go into Committee of the Whole to present a resolution concerning this Bill.

MR. SPEAKER: I would inform the House that these resolutions have been approved by His Honour the Lieut. Governor.

The House went into Committee of the Whole on Resolutions. Mr. Courage in the Chair.

MR. HEFFERTON: Mr. Chairman, and honourable members, I might say that the House is now moved into Committee of the Whole, not to consider the Bill as it stands, but merely that this House may sanction the resolutions so that we may be able to discuss the Bill. The resolutions are self-explanatory, and I move that the committee of the whole do sanction the resolution to consider this Bill.

Resolutions read and sanctioned.

The Speaker resumed the Chair.

MR. HEFFERTON: I move that this Bill be now read a second time.

Resolutions read a second time.

Bill read a second time.

MR. J. G. HIGGINS (Leader of the Opposition): Mr. Speaker, I do not object to this Bill going

through now, but I do not think that the Rules of the House should be suspended except for some grave reason. I am willing for this to go ahead now.

MR. SPEAKER: There are reasons for getting the second reading through immediately after the committee stage, but it cannot proceed to a further stage. The next motion would be that this Bill be referred to a committee of the whole House on tomorrow.

Motion carried.

MR. SPEAKER: Second Reading of Bill "An Act to Amend the Standard Time (Newfoundland) Act, 1935."

MR. SPRATT: Mr. Speaker, in moving the Second Reading of this Bill "An Act to Amend the Standard Time (Newfoundland) Act, 1935." I would merely say that this is more or less a formal or routine matter. Since the Union of Newfoundland with Canada the Canadian Broadcasting Corporation recommended to the Government that a large measure of confusion and incidentally expense is caused by the fact that whereas standard time in Newfoundland is not uniform with that of the Maritime Provinces, and Daylight Saving Time is not uniform in all those provinces in general. It commences on the last Saturday or Sunday in April and ceases on the last Saturday in September. Hitherto the period of Daylight Saving Time in Newfoundland has been from the second Sunday in May until the first Sunday in October. It is not anticipated that any difficulties will be experienced in connection with the proposed change, which I have no doubt

will be welcomed particularly in industrial and commercial communities whose dealings would be facilitated by having Daylight Saving Time in Newfoundland in conformity with that obtaining generally throughout the neighbouring Provinces. Mr. Speaker, I have much pleasure in moving, Sir, the Second Reading of this Bill.

MR. HIGGINS: Mr. Speaker, I would like to know what the Bill is. We have not got a copy of it. This is the time to object to the principle. I do not know whether there will be any objection to the principle. You know when the matter of time comes up you know that it becomes a question of principle to a lot of people; some people set their clocks by the old time, and some people say they are losing an hour's sleep. We may have some objection to it, too. Instead of sitting here at three o'clock we might be coming here at three thirty.

MR. SPRATT: Mr. Speaker, I thought the Bill was circulated.

MR. HIGGINS: No, we have not received it, and I understand that no Bill should receive its Second Reading until it has been handed around.

MR. FOGWILL: Well, Mr. Speaker, I move that it be deferred until tomorrow.

MR. SPRATT: Mr. Speaker, I want to assure the members of the House of Assembly that it is no fault of mine,

MR. HIGGINS: No, no, we understand that.

Second reading deferred until tomorrow.

MR. SPEAKER: Second Reading of Bill "An Act Respecting Sawmills."

MR. RUSSELL: In the absence of the honourable the Minister of Natural Resources I would ask that that order be deferred until tomorrow.

MR. SPEAKER: End of the Orders for today

MR. SMALLWOOD: Mr Speaker, in moving the adjournment of the House I would like to make a statement on unemployment in this province. Unfortunately, Mr. Speaker, unemployment, and indeed destitution, have begun to show themselves again in Newfoundland. For a number of years, throughout the War, and indeed for a year or so after the War, the amount of able-bodied relief paid out or needing to be paid out, was trifling, quite insignificant. Then when the great rush of war-time base construction slowed down and finally came to an end, there seemed to be almost at once an increase in the number of persons in Newfoundland, able-bodied persons, in need of some kind of relief, with the result that on able-bodied relief alone, not counting considerable sums of money, public money, paid out for elderly persons, for sick persons, for what might be called unemployables, that is persons who were not only unemployed but could not be employed because of their age or the state of their health, that apart from the large sums of money paid out annually for persons of that class, we find that in 1947-

48, three years ago, the Government of that day had to pay out for able-bodied relief, that is, relief to people who were able-bodied but unemployed, with no means of earning their living, \$424,000, getting on toward half a million dollars, three years ago! And this year, 1949-50, the fishery noticeably and spectacularly a failure in certain whole stretches of our coasts, as, for example, in Ferryland district, and in other places as well. With the fishery a conspicuous failure, with the Labrador fishery fallen far short of prosperity and success; and again with the woods industry pulling in its belt, so to speak, we find this fall and prospectively this coming winter an even greater increase in the numbers of able-bodied men who, with their families, must have some help if they are to live, if even they are to survive. And it is estimated that for the months of October, November, January, February and March, an amount of somewhere between a million and a million and a half dollars will be the cost of relief or dole for able-bodied persons and those who will need a helping hand, but no one apparently but the Government can give it.

Now, Mr. Speaker, that is an old and all too familiar story. In the very first session of our House of Assembly in the year 1832 one of the first bits of business that that House had to transact was a petition from some part of Newfoundland petitioning the House of Assembly for the issue of relief for destitute people in whatever part of Newfoundland that was—in 1832. And I doubt if ever there

was a session of the House of Assembly from 1832 on when the House of Assembly was not called upon to do something about destitution in Newfoundland. It is an old and all too familiar story, and we are back again to that same situation. Now it would be futile for any one, quite futile, for any one to say to me "I told you so," because before those who would taunt me with the remark said it themselves I had said it on this very floor, in this very Chamber, in the National Convention; every Newfoundlander of any thought at all knew, he could not help knowing, that short of large scale new industrial or commercial development, short of such development, there would have to be unemployment and destitution in Newfoundland in the months and the years to come just as we had a year or two years ago. For, what has happened in Newfoundland, Sir, in the past fifteen years, since the first day that the Commission of Government was sworn in and took office, what has happened in Newfoundland to change it, to eliminate unemployment, to eliminate the need of public relief in some form or other for the unemployed? What has happened is this: that there was a War; that hundreds of millions of dollars of American and Canadian and some British money poured into Newfoundland for base construction. That is all that happened, except that toward the latter part of the war some of our primary products came into great demand and fetched better prices. Take iron ore and other products. Now that is all that has happened since the Commission of Government

took office on February 16th — I believe — 1934, not one single new industry had been established in Newfoundland; and the only thing that has happened in the last fifteen years was the War, the base construction, and the better demand and better prices for some of our basic raw materials and some of our semi-finished products. Now, as we know, the base construction has stopped and the demand for at least some of our basic raw material is not as great, so that fundamentally no change whatever. Now we know that today, and any man knowing that, knew just as well then as he knows it today that there has to be unemployment in Newfoundland and with it the consequent destitution, and with that consequent need, an unfortunate need, for a helping hand for those who become destitute. This government has been in office for six months. During that time we have bent our backs to the task of solving the problem in the only way it can be solved with any degree of reality or permanency; and that is, to bring about new or expanded industrial development. And I am glad to tell the House today that we have no fewer than eight different industrial projects under consideration at this moment, and have had for some weeks past.

We cannot guarantee that even one of these eight will come to pass. It is not given to mortals to command success, but they can do better; they can deserve it, and this Government is trying to deserve success in its effort to bring about industrial development and industrial expansion of this Pro-

vince. We are doing our best to deserve success by working, night and day, and I doubt if ever in Newfoundland history there was a government that spent more time at work than this government has done. There are men in this Cabinet whose day begins at nine in the morning and never ends until midnight, and that is seven days a week. That is hard work when you keep it up for weeks on end.

Now you cannot grab a man by the throat and compel him to invest his capital and start a new industry. But you can entice him; you can coax him; you can persuade him; you can throw the full weight of the government and its services behind him; you can give him assistance and information and collaboration for in every way possible, and put it behind any attempt to get a new industry going. And that is as much as we can do.

We might even go a step further; we might take some of our surplus (when I say "our" I mean our Newfoundland surplus, not our surplus as a cabinet, not our surplus as a Government, not our surplus as a House of Assembly, but our Newfoundland people's surplus) we might even take some of that, if that is the only way it can be done, and put it behind some movement for the development of this province, the development that alone can create permanent and profitable work and wages for the people of Newfoundland. That is the only permanent solution of this age-old problem which began officially in 1832 and has never ceased except during the First Great War and during the Second Great War.

That is the only permanent solution.

But, Mr. Speaker, in the meanwhile, while we strive to bring about that kind of permanent solution, we have tens of thousands of our Newfoundland men, women and children, this afternoon, while we sit here, in need of a helping hand. They have failed at the fishery; there is no work in the woods; for one reason or another they are out of jobs; they cannot, they cannot earn their living. Now governments of the past, with the exception, I believe, of the Squires government in the early 1920's, with that one exception I believe, the governments of the past, certainly for the last half century, have met the problem by issuing dole. That is, if a man were destitute, nowhere to go and nowhere to turn to get a bite of food for his family, he would go to the Relieving Officer, who took his application that he was destitute, and the Relieving Officer gave him a note on some grocer to go and get as much food as that note authorized. That has been the method. It has been criticized again and again; if you would do what I have done, take the files of our newspapers and go through them methodically, for the last twenty years, you will find in them many hundreds of letters to the editor, editorials, pieces of foreign writers, all along the same lines: that dole was wasteful, that it demoralized and humiliated the men who were forced to take it, forced because it was either that or starve.

And, again and again, writers and speakers have argued that instead of issuing dole and spending in a year a million and a quarter, a

million and a half, two millions a year, hard cash, out of the public treasury, instead of that what ought to be done is to start public works—far better, they always said, far better for a man to work for what he gets. Then you have two results: one is that the public, the whole public of Newfoundland, gets some value to show for the money that has been spent to help the unemployed, and the destitute, and secondly the unemployed themselves are not reduced to a stage or condition of humiliation and degradation.

You might recall at this moment the famous gramophone record of Sir Richard Squires in the election of 1928. "Dole is Degradation" and I can hear it now ringing in my ears. And it is true, Dole is degradation, and the greatest degradation about it is that when a man has been receiving it, before long he ceases to realize that is the utmost degradation of that is the utmost degradation of all, when a man and a family can be receiving the dole so long that they accept it as the normal condition of life, and no longer suffer any feeling or humiliation. God protect any people from getting as low as that! But, is the answer of all the governments, virtually all governments in the past, the answer to that argument that dole was degradation, that dole was humiliating, that dole was wasteful, that dole not only degraded the man who got it, but was a waste of public money because the public got nothing back in return, the answer of most governments to that argument has always been this: that "we cannot afford."

Now, Mr. Speaker, I am not one lightly to cast aside that reply of past governments, because if we

are going to be realistic about it, let me ask this House a straightforward question, and each of you give a straightforward answer in your minds, a straightforward answer, if you take five thousand men in Newfoundland today and put them to work for the next month, for the next two months, for cash wages, then Christmas comes; how long after the New Year will it be in the normal state of affairs, how long will it be before four thousand out of the five, or some number of them, will be back to the very government that had given the employment for cash wages, will be back to them in the New Year needing, and in any case seeking, the dole again. It was that possibility that caused past governments to say that dole was the cheapest way to handle it, and we have not got the kind of money, they used to say, that will enable us to do both, to give work and also to give the dole.

Well, personally, I have never been satisfied to accept that answer. I see the difficulties; I see that the problem literally bristles with difficulties. None the less I have never been satisfied in my own heart to accept that position; whether we like it or not we have to resign ourselves always to dole, and if not always then certainly to that undefined and undetermined day in the future when there will be enough work for all.

In the meantime, the only way to handle destitution is to tackle the dole, or the "wack" as most of our people call it. I have never been able to accept that as a final answer.

This Government, Sir, for weeks past has met and wrestled, not perhaps always prayerfully, but wrestled with that problem. Night

and day we discussed it, hammering it out, and the more we discuss it, I assure you, the more you discuss it, the more difficulties you see, the danger being that action in the matter is lost in the pale cast of thought, that you talk about it so much, and debate and discuss it so much that you get further than ever away from doing something about it. We faced that danger, and I think we have overcome it.

Now, Sir, perhaps, perhaps in launching out into the deep, as we propose to do, we are feeling brave because the next election is quite a long distance away; perhaps if there were an election just on the horizon, perhaps we would not have the courage to do what we propose to do. We have some time before the next election; we have some time in which to experiment, and that is what we are going to do, we are going to experiment with work in place of dole. Now it is an experiment; it has not been tried in Newfoundland but we are going to try it. From the first of November it is "Good-bye dole and bad riddance." We are going to substitute in its place a programme of public works, and if a man is on the dole on the 1st of November he goes off the dole; and if a man is about to go on the dole in November or in December, or January, February or March, he does not go on the dole, no more dole. Well, he says, what am I going to do? Go to the representative in your district, and he will give you a note, but it will not be a note on a grocer; he will give you a note to somebody who will put you to work, and you will be paid in cash for your work.

Now, Mr. Speaker, when you talk of public works in Newfound-

land, I suppose that ninety-nine people of a hundred think at once of roads, and ninety-eight never go any further; ninety-eight out of a hundred, they do not only think at once, in the first place, of roads, but that is where their thinking begins and stops; all that they can think of in connection with public works is roads, road-building, road repair, whether it is local roads or secondary roads or highroads, that is all they think of—roads.

But, Sir, our conception of public works must be broader than that. I am prepared to admit that in the final run it will be necessary, especially this fall, that unfortunately a large part of our public works programme, all have to take the form of road work; for two reasons, perhaps even for three reasons: first, because the time is so short before the dead winter is upon us that there is not the time to devise and to plan out all the kinds of useful public works in sufficient number and variety; and secondly because perhaps roads are at bottom the most outstanding and the most obvious form of public need in most of our communities; and third, because it may not be possible in the time left between now and the first of November to work out exactly the kind of efficient headquarters and local organizations necessary to make a programme so far-flung as this the success that we would all like it to be.

I suggest therefore that it may be quite likely, quite likely, that when this story is told, when the final report is written of the first wide-scale, far-flung, public works project programme for Newfoundland, is written, and tabled in this

House, I suggest that my honourable and gallant friend from Ferryland could have the time of his life, if he wanted to do it, I suggest that my honourable friends of the official Opposition, sometime, maybe next year, when the full and final report of this vast programme of public works is tabled can have the time of their lives, criticizing, making fun of it, ridiculing it, pulling our legs, making us a laughing-stock throughout Newfoundland. But as I say, the next election is a long time off. Perhaps he who laughs last, laughs best, and perhaps it will not be the laughing done at us next year that will count so much in the election four years or so from now.

Mr. Speaker, what I am trying to say is this: That we realize, we in the Government, we have debated the matter for hours and hours and days on end, none realizes more than we do the dangers inherent in this plan. Plans, however, we got together, plans involving the putting to work of eight or nine thousand men in our rather late season of the year. No one realizes better than we of the Cabinet what a hazardous project that is, but our feeling is this: In the first place, that it is an experiment. We are confronted by this, to begin with, Mr. Speaker, that one million or one and a quarter million or one and a half million dollars of your money and mine, our public moneys, will have to be spent on dole between now and the end of March, if it is dole we have. We start off on that, somewhere between a million and a million and a half dollars, for dole. In the second place, our feeling is that from this vast ex-

periment, which may indeed cost the Treasury more money in the six months than dole would cost—more money I say, not more humiliation for those who get it, not more degradation for the unemployed amongst us, but more money from the Treasury—It is an experiment; we will learn from it. Next year if we have to do the same thing if the need for assisting the destitute and the unemployed is present with us, at least we will have this year's experience to help us.

Now those are two reasons why we have decided to proceed with it. We hope as a Government, we hope that every possible and progressive and patriotic Newfoundland, outside this House scattered in our thirteen hundred settlements along a six thousand mile of coast-line will also help us. We are so anxious to have suggestions and ideas and proposals from all the clergy of Newfoundland; from the school teachers of Newfoundland, from the doctors of Newfoundland, from the thoughtful, progressive, patriotic citizens in all settlements, from them we would like to have suggestions of what we can put men to work at, rather than give them dole. What work can they do, that will make Newfoundland a better province? make the very settlement they live in a better settlement when they have done that work?

I will give the House an example of what I have in mind, and it is only one. I had a visitor in my house last night from the town of Bonavista, where there are, I believe, twelve schools of the different denominations all put together. Bonavista is a

town of four thousands souls. The late Philip Templeman when he died left a large field, virtually in the centre of the town, which became available as a playground, as a community playground for all of the children of Bonavista town. Some public spirited man went forth and collected a few dollars to buy the field, and it was bought. From that day to this nothing has happened, and that playground is not there. I suggest, Mr Speaker, that Bonavista will be a better town if those in that town now getting relief, or those who will need relief during this fall and winter, were put to work levelling off and clearing it and making it a decent playground for the children of Bonavista.

And the same observation can be made of dozens, if not hundreds, of settlements throughout our far flung coast. Why do not all the schools in Newfoundland have playgrounds? If there are trees on the land now, let us take them off. If there are stumps, let us take them off. If there are boulders, let us remove them. If they are not fenced, let us fence them in. If the approach to the school is rough, and if often is,—rocks and boulders and stumps, bogs and marsh, let us beautify it. If the school is open underneath and the storms of winter can whistle underneath it, let us remedy that. If we can plant some trees around the school, let us do it. If there are public buildings, the property of the province in the settlement, let us beautify the approach to these.

I know, Mr. Speaker, I know how this could be ridiculed. I

know how our legs could be pulled. Oh, yes! And as we suggest other things that can be done, only by way of letting the general public know the kind of work we want; if I could speak to all the clergymen in Newfoundland and the teachers and the doctors, and the other prominent, public-spirited men and women, I would say this to them; look about your settlement; what are the things that ought to have been done many years ago and none ever troubled to do them. Let us have a list of them. Let us have an estimate of how long it would take, for so many men, or how many men it would require for so long a time. Look around your place. May be it is to smooth out the road that runs through the settlement, east and west and north and south, or zigzag or anything else; maybe that is a big part of the job—to do the local roads. But whatever it is that will make the settlement a better place to live in, for the men and the women and the children, let us do it, and then the men who live in these settlements will be working on them, improving them, making their own settlements a better place for themselves and their families and all families.

We propose to begin at the first of November. Some men will be given one month; some will be given the working days of two months, and some the working days of three months, depending upon circumstances, about which I need not dwell at this time. The rate of pay on public works in Newfoundland is fifty-five cents an hour, with, I think, one or two trifling exceptions, geo-

graphical exceptions. The rate of pay paid by the Department of Public Works, I believe the Minister, my colleague, will confirm me here, is fifty-five cents an hour.

Now we have in Newfoundland two ways of doing roads, of building roads or repairing them; one is through the Department of Public Works, and these jobs of course are highroads and secondary roads. The other way is through the local road committees. Now, Sir, as we learned in the National Convention, some years ago there was introduced into Newfoundland the system of local road committees, and as we learnt at that time there were approximately four hundred places that have local road committees. Now there are approximately five hundred places. There are in Newfoundland today five hundred places with local road committees, which undertake the job of carrying out any road work to be done within half the cost while the Government contributes the other half. That works out in this fashion, that if a man in the community is not in a position to work on the roads—he is perhaps a shopkeeper, a merchant, or a civil servant, or perhaps he is a working man outside the settlement in the woods or somewhere else—

AN HON. MEMBER: In the House of Assembly—

MR. SMALLWOOD: Those who cannot—We are not supposed, Mr. Speaker, to take any official notice whatever if we were. Well, perhaps we could sometimes but we will not. Those who cannot

themselves work on roads contribute cash, and those who can contribute free labour, and those who contribute the labour do it in this way: If they work six days a week, they get paid for three, and they contribute three, which means that the rate they actually receive is twenty-seven and a half cents an hour, actual cash, but the rate of pay is fifty-five cents an hour.

We propose to follow the same practice, because not to means this, that if we do not follow that practice, we can now say good-bye to five hundred local road committees in Newfoundland today, and this Government is not prepared to take this responsibility for abolishing or deliberately causing the disappearance of five hundred organized community committees, organized for the purpose of making a positive contribution to their own community welfare. We are not prepared to abolish them, or bring about conditions which will cause their disappearance. And to pay on any basis other than the basis existing with the local road committees. For that reason we propose to pay fifty-five cents an hour, cash, and we propose also that for every day the unemployed man works at fifty-five cents an hour, cash, he will contribute one day free labour and that the work will run in some cases for a month, in others two months, and in the remainder three months.

Now, Mr. Speaker, I do not know that there is anything further I can add to the statement at this time. We still have the job of setting up an organization. We hope that each individual member of the House will co-operate ac-

tively and gladly with the organization that we set up. That organization will be provincial in character; that is, at headquarters, and it will be sub-divided according to electoral districts, so that honourable gentleman will represent not only a district in this House of Assembly, but a public works district; and we invite, we urge, every member to collaborate with the headquarters organization of this public works programme, and with his own constituency organization as well. The member therefore knows more than most of us about the district as a whole, and he has sharper eyes frequently as he gets around through his constituency; he gets to see its needs; so we most sincerely invite their assistance.

Let us not, Mr. Speaker, let us not for a moment get or allow this matter of relief for our destitute Newfoundlanders to degenerate in any degree into party politics. Let us not play party politics with hunger. For our part, on this side of the House, we want to be as honest as the daylight over it. If there is to be any political advantage out of it, let it be an advantage that comes to all of us on both sides of the House; that here we have a House made up of men who, whatever differences there might be in political ideologies, when it came to meeting the needs, the human needs of hungry men and women—I will not say children—we dropped all thought of party politics and played the game as men, and above all as Newfoundlanders. I move that the House at its rising do now adjourn until three of the clock tomorrow Tuesday.

House adjourned accordingly.

Tuesday, October 18, 1949.

The House met at three of the clock.

MR. SPEAKER: I have to inform this Honourable House that yesterday I received a communication from the Honourable Myron C. Davies, the Speaker of the Ontario Legislative Assembly in which he informs me that he will be visiting this Assembly in the very near future, perhaps next week, in order to present an Address from the Legislative body of the Province of Ontario.

Presenting Petitions:

Hon. the Minister of Labour
from Howley Re Roads.

Reports of Standing and Select Committees:

None.

Notice of Motion:

None.

Notice of Question:

MR. J. G. HIGGINS (Leader of the Opposition): I give notice that I shall ask the Premier or the appropriate Minister:

(1) Is it the intention of the Government to allow pensioners living outside Newfoundland the bonus that is allowed to pensioners living in Newfoundland?

(2) If the matter has been considered by the Government, it is asked that the reasons why no change has been made in the payment of the bonus be made public.

(3) If the matter has not been considered by the Government, is it the intention of the Government to consider it?

MR. MILLER: I give notice that I will on tomorrow ask the Honourable the Premier:

Will the present means test in the application for relief be somewhat relaxed or modified to permit men borderline cases to avail of the employment plan, by way of establishing a minimum net income for the past season for such men?

MR. SPEAKER: The Honourable the Minister of Finance asks leave to introduce a Bill "An Act Further to Amend the Alcoholic Liquors Act, 1933."

Leave granted. Bill read a first time and ordered to be read a second time on tomorrow.

MR. SPEAKER: Question No. 76, in the name of Mr. Fogwill, addressed to the Honourable the Premier.

HON. O. L. VARDY: Mr. Speaker, with reference to question by the honourable member for St. John's West, who asked the honourable the Premier to inform the House in detail of the arrangements made or to be pursuant to term thirty-nine of the terms of union between Newfoundland and Canada and of note twenty-two of the memorandum attached to the terms, in respect of pensionable service of employees of the Government of Newfoundland, who, since April 1st, 1949, have been transferred to the service of the Government of Canada.

It is assumed that this question refers to particular to sub-section Two of Term 39 of the Terms of Union which reads as follows:

"Canada will provide the pensions for such employees so that the employees will not be prejudiced, and the Government of the Province of Newfoundland reimburse Canada for the pensions, or at its option make to Canada contributions in respect of, the service of these employees of the Government of Newfoundland prior to the date of Union; these payments or contributions will be such that the burden on the Government of the Province of Newfoundland in respect of pension rights acquired by reason of service in Newfoundland will not be increased by reason of transfer."

The arrangements to which the Member refers are presumably those with which this sub-section deals. The reply is that no arrangements have yet been made, or are in contemplation. As soon as any such arrangements are made, the House will be so informed.

MR. SPEAKER: Orders of the Day. Third Reading of Bill "An Act to Amend the Insurance Companies Act."

HON. LESLIE R. CURTIS (Attorney General): I would ask, Mr. Speaker, that this Order be further deferred. We are still waiting for the final draft from the printers.

Order deferred.

MR. SPEAKER: Committee of the Whole on Bill "An Act Further to Amend the Department of Natural Resources Act, 1934."

Speaker leaves the chair.

Mr. Courage takes the chair of Committee having passed the Bill.

Committee rose, having passed the Bill. Bill to be read a third time on tomorrow.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Provide for the payment of a Superannuation Allowance to Matthew Gilbert King, Retired Secretary and Registrar of the Council of Higher Education."

Speaker leaves the chair.

Mr. Courage takes the chair of Committee.

Section 1 read and passed.

MR. HIGGINS: I would like to draw attention to No. 2. Do I understand that when Mr. King became Registrar he was forced to withdraw from the Pension scheme, was he?

HON. S. J. HEFFERTON (Minister of Education): No. He could leave his pension there and continue paying his premiums until he came of retirement age, if he wished to do so.

MR. HIGGINS: As Registrar he would get no pension; therefore he was forced to withdraw it.

MR. HEFFERTON: No, he could have left his pension there.

MR. HIGGINS: He could still have got his pension.

MR. HEFFERTON: No, that is a different thing. He could have left his pension there, and when he retired he could withdraw it then.

MR. HIGGINS: But he would not have got his pension; he would only have got the amount he put

MR. HEFFERTON: That is right.

Committee rose and reported having passed the Bill. Bill to be read a third time on tomorrow.

MR. SPEAKER: Second Reading of Bill "An Act Respecting District Courts."

MR. CURTIS: I move, Mr. Speaker, that the Second Reading of this Bill be deferred.

Second reading deferred.

MR. SPEAKER: Second reading of Bill "An Act Respecting Mothers' Allowances."

HON. DR. H. L. POTTLE (Minister for Public Welfare): As a preliminary in moving the second reading of this Bill, I should like to make some comments of fact and points of view, inasmuch as the Bill, as I suggested yesterday in this house, represents altogether new legislation for this province, and inasmuch as the Bill in its own right contains certain characteristics to which I think we should give certain heed.

We may ask in the first place: What are Mothers' Allowances? We should bear in mind that throughout the Dominion the plan is followed that Mothers' Allowances are essentially child welfare legislation; they represent child welfare legislation, and are designed to assist towards a reasonable standard of living those children who belong to families where there is no breadwinner, either through death or other accident. The Bill then is designed to give effect to certain scales of payments, made up in part of a basic grant to the widowed mothers or

a mother who is in effect a widowed mother, and in part a basic grant to each child.

Now, Newfoundland, as the newest province of the Dominion, is likewise the latest province on the list to introduce legislation of this kind. Our neighbour, Nova Scotia, introduced her legislation on Mothers' Allowances in 1930. I think it is necessary, Mr. Speaker, at the beginning to offer certain cautions with regard to hopes that may be raised in the minds of people regarding the persons who may benefit from this Bill, if and when it should become law. These allowances which are the allowances provided under this Bill, are not pensions; they are not necessarily given for all time, for the life of the person receiving the allowance. They are, as the phrase, as the word, suggests, allowances in the sense that they are given according to need, and when that need no longer exists, or exists in a lesser degree, then the whole question of whether the person is eligible to receive some or anything at all is reviewed. Furthermore, it should be said to correct, if nothing more, a statement which I saw in one of the daily papers a few days ago—it is necessary to say that not all widows will qualify under this Act. Not all widows qualify under any Mothers' Allowances Act where means tests are invoked, are being practised and means tests will be applied in the case of this legislation. Not all widows will qualify, but rather those who will meet the requirements of the Act or the regulations based on the Act.

No, Sir, the chief purpose of legislation of this kind is to achieve something which I mentioned when

I introduced legislation relating to the Department of Welfare some months ago, viz., that this legislation is designed to do what we like to think, in Public Health, for instance, is a desirable thing, and that is to prevent distress. I find it easy to draw examples from Public Health, because they are so obvious to us all; that Public Health has now arrived at the position where its main program is one of prevention. Welfare, on the other hand, in Newfoundland, has been too long a matter of little remedy, if remedy at all, after the trouble has developed to the point where it is difficult even to solve the problem at any time, once it is taken in hand. By that I mean that this legislation is designed more to prevent suffering than to try to cure it after it has gone on for some time. This legislation has relation to the children in homes that we know about both here in St. John's and throughout our constituencies at large. This is no matter of theory. This is a Bill which will have life and meaning in terms of better living and better security for many homes of dependent mothers and dependent children throughout the province. It is a child welfare Bill and it is designed to keep children in their homes. Its plan, its design, is to guarantee that we shall do in practice what we uphold to be solemnly true in our theory, viz., that a child's first place is in its own home, not in a foster home, not in an institution. At best, these are substitute homes. This Bill is designed to enable a child to enjoy more fully than he otherwise might the liberties and securities of his own home, and no child should be taken from his home merely because of poverty.

This Bill, further, without raising too much hopes, will in fact, none the less, bring a little nearer to realization the ideal stated by our Premier, and the hope that has been expressed by the Liberal Party, that there will be no hungry child in Newfoundland. It brings nearer to actual realization that grand hope, that worthy ideal.

We can ask, as we approach more practically the specifics of this Bill, who are eligible? Who may receive an allowance under the provisions of this legislation? Hon. Members may refer in their text of the Bill to clauses 2 and 3, where it will be shown that those who are eligible will include not only needy widows, in the ordinary sense of the term "widow," but the word or term "widow" is itself extended beyond its ordinary meaning, to include the wife of a man who has lost his ability to work, either through loss of physical or mental faculties. Moreover, a widow for purposes of this Act will be the wife of a man who is an inmate of anyone of our institutions, and will include a woman who has been deserted by her husband for at least two years before the date of her application for assistance, as well as a woman to whom a court has granted a separation or divorce. And there are other classes included under the generality of widow.

The Bill goes beyond even these classes to consider other classes and we name them under clause 3, particularly in sub-clause (2) and following of clause 3: Where a mother who qualifies for an allowance has a husband who is incapacitated and who is unable to work because of physical or ment-

al illness—the husband in that case may be regarded as a child, and may receive an allowance as if he were a child.

Moreover, a woman may receive an allowance as if he were a child. Moreover, a woman may receive an allowance under this Act who is the stepmother (mother of course, as well) or adoptive mother of one or more orphan children; and the provisions of this Bill will extend also to include allowances to mothers who are looking after children born out of wedlock. Allowances are also made possible to the children of parents when the father is incapacitated, provided the mother is not living in the home, for such reasons as her being in an institution, or being no longer alive, or having deserted the home. And furthermore, we expect that with this new legislation, Mr. Speaker, there will be other classes of individuals whom we cannot think of just now, who will have a proper claim upon the provisions of this Bill, who will legitimately claim to benefit by legislation of this kind. We cannot think of all the various classes now, but we are inserting a general clause as 3 (7) which provides in such cases as we are presently considering that a special provision will be made; and these too, in case they are declared eligible by the Lieutenant Governor in Council, will receive benefits under this Act.

Now, we shall proceed to clause 4, and the immediately following clauses, and ask how the Act will be administered. A Mothers' Allowances Board, you will observe, is provided whose duties will be mainly to receive applications and

determine eligibility. Decisions of the Board are final and are "not subject to review by any court of law or otherwise." The Board will be composed entirely of persons from the community who will give their services voluntarily apart from the Chairman who will be an official of the Department of Public Welfare, the public official of the Department of Public Welfare and he will be assisted in the administration of this Act by two or three or more persons from the community.

Now, an important principle is involved here, and that is, that we are anxious to see to it that the Department of Public Welfare knows the needs of the people who make application. In order, therefore, to ensure this fact the Department of Public Welfare has provided that we shall tap the community, and bring talent from the community who, and we hope again, voluntarily will give their services to enable the Department, in the first instance, to know the needs and—more than that—conversely for us to acquaint thereby the community with the kinds of the needs there are. It will be one way of acquainting the people from year to year, responsible people who are prepared to give their time to a work of this kind; it will give them an opportunity to know what public welfare is all about; and our Department, Sir, will be glad to share with the community at large a responsibility of this kind.

Now, that is a partnership in public welfare which was foreshadowed long ago in the days of the late Dr. Mosdell, who framed

the Health and Public Welfare Act in 1931, and made it possible, and expressed therein the functions of the Department of Public Health and Welfare, that it would be prepared at all times to collaborate with voluntary charitable and social agencies. That is how it is stated, to the end that the resources of the State might be distributed as equitably as possible among those people who might properly profit from the benefits of the State, from the allowances of the State.

We are trying to bring that ideal into practical fulfilment in a way such as this, and it will not be the only way: there will be other examples to follow. The Board provided for under this legislation will have the final authority in making decisions regarding the rates of allowances. These rates will be set out in the regulations as they are in practically all the provinces. These will be laid before the House in due course.

I wish now to come to the very practical question of cost. In doing so I should like to acquaint the House with the rates that are now being paid for persons in these circumstances, for let it be known that the Department of Public Welfare, formerly the Department of Public Health and Welfare, has had this class of person under consideration, and under practical consideration for a goodly number of years now, and has been paying something, at least, towards their maintenance and care. The present regulations with regard to widows,

whether they have children or not, are:

- (a) A widow with no single able-bodied sons over the age of 17 years receives \$60 per annum, payable quarterly, \$5 per month, that is to say; and in addition if the family are eligible to receive public relief, each child may receive \$5 per month in addition.
- (b) A widow with one able-bodied son over the age of 17 years receives \$40 per annum, payable quarterly \$3.33 per month; and the fact of relief in addition applies here too.
- (c) A widow with two single able-bodied sons over 17 years of age is not eligible for any allowances.

Now, it is fair to say that in addition to these allowances, such as they are, supplies of coal and clothing are given upon the recommendation of the local investigator, who is normally the local Relieving Officer.

Last year we calculate that we spent \$76,800 on these items on behalf of widows with children, and it is widows with children to whom this Act characteristically applies. But, there is one administrative weakness about our present procedure. Among other weaknesses there is one, namely, only those are assisted, even with small allowances, who make application. Let me explain: The State is not obligated at present to assist every widow who should be assisted because all widows do not make applications; and possibly they wait a long time before they do make applications. There is no overall

what we call coverage, of the province, and it is quite possible, therefore, that in many parts of the Province, and I expect we know such cases, there are many people quite eligible to receive government assistance who have not made application, and, because there is no legislation, the State does not therefore, take its full responsibility in covering the whole Province. And there is more to it than that. A piece of legislation such as this will ensure that widows of the same needs, wherever they are in the Province, will receive the same consideration, and that, from the point of view of Welfare, is a very important consideration. We do know that from our figures there is a higher proportion of widows receiving widows' allowances in one district than another. The ratio varies very widely from one district to another. There may be very good reasons that no legislation can change or can take any effect upon, but it is to be hoped, and in fact it can be readily realized as desirable that under legislation of this kind, needs, wherever they are, of the same kind, will be dealt with in the same way.

Now, the scale of \$5 per month, or \$3.33 per month, or whatever the case may be, will be obviously increased. There will be a basic rate for the mother, as I have said, and a basic rate for each child up to a certain maximum. The rate has not been set by the government as yet. We have not yet even considered the rate seriously in the Committee of Council, but it is conceivable that a person instead of getting \$5 a month may receive something like \$25. I just mention that figure as a goal. And

even at that, that will be the lowest rate given for a mother with one child, with the exception of Saskatchewan, I believe, anywhere in the Dominion. One can look down the list and can see for P.E.I., \$25, \$27.50; as we go West, \$35, and \$50; \$35, \$48; and these go up to a maximum of possibly a mother with seven children—\$90 in one place, again \$137; and in another place, \$101 per month. Obviously our maximum will not reach these heights. But it is our thought that within the limits of our resources, the scale of payments for needy widows and their dependent children will be subsequently increased. What will they cost? We ask again. The answer to that question of course depends upon the scale we shall adopt. We have provided with the amended estimates up to one half million dollars. I have based that on Nova Scotia's figures. Last year Nova Scotia spent about one million dollars on mothers' allowances. Now we are, for all practical purposes, about half of the population of Nova Scotia. On the one hand, it is likely that a greater proportion of our widows will qualify than in Nova Scotia. It is possible, on the other hand, that our scales will be lower. Whether one fact being positive and the other being negative will cancel each other out, we do not know, but we have estimated that it might be somewhere in the neighbourhood of five hundred thousand dollars for one year.

Now Mr. Speaker, these are points of factual interest, more or less, but I would not have this House consider this Bill necessarily alone from its financial angle, though I am bound to say that in considering legislation of

this kind and considering the impact of legislation of this kind upon the country at large the financial consideration in itself is not a little one. We have known what great values of other kinds have been created, how personality, if you like, has been enriched, how lives have been made happier in ways we cannot measure because of the introduction, for instance, of family allowances and the old age pensions and blind persons pension. Now, in the same way the creation of more security, of a better standard of living, for these needy classes will likewise create values and elevate life in ways that we cannot measure, nor but dimly anticipate. This child welfare legislation, and the essential concern in all of this in which dollars and cents are part is the protection of our needy children. We declare in our better moments that the children of this community, or any community, are our fundamental assets. Well, here we have a practical demonstration that the state believes that, and will make it vivid, and convincing at large. We believe in our thoughts, in our private lives, that our children are are our greatest resources. Well, then, we acknowledge that fact in a practical way by making possible, I say, a measure of this kind. In doing so, Sir, we align ourselves, I think, with all civilized peoples of the liberal—capital "L" or little "l" tradition. For it is not too great, is not too general a thing to say, that the civilized level of any people may very well be determined by the attention it gives to its needy people. I think that there is

something very, very deep and abiding here, and one can wax, if not eloquent, at least enthusiastic about a measure of this kind, and I foresee no opposition of any account to the principle of this Bill. I believe that the honorable Opposition would be enthusiastic, if not about the details, at least about what I am setting forth now, viz., the point of view of this Bill, and it gives us, as a Liberal Party, as a government, a great deal of gratification to be able to introduce a bill of this kind. We align ourselves, I say, with all civilized peoples when we produce a document and an intent of this nature. Was it not President Roosevelt who said, that "if anywhere" it's put negatively, but still it is forceful, that "if anywhere in this country," (that is the United States of America) "if anywhere in this country any child lacks opportunity for home life, for health protection, for opportunity for education, and for moral and spiritual development, the strength of the nation and its ability to cherish and advance the principles of democracy are thereby weakened." Here, Sir, I stand to express, as well as I know how, something of the core of the Liberal tradition. And here is one of the benefits which undoubtedly have been brought about by Confederation. I humbly suggest, but with no less conviction for that reason, that those who go up and down the length of this Dominion, whether thoughtful voices or not, that Confederation has brought us unmixed evil, I think they do no great service to this Province. And here is one of the products of Confederation in which I think this House should

be not only seriously concerned, but for which it should be profoundly thankful, and it gives me, as a member of the Government, considerable satisfaction to be able to speak for the Government, as I know I do, in this behalf.

This is not all, Sir. Within a few days we shall be introducing a Dependents' Allowance Bill, and thus I forestall very good questions from people who will be saying, "What about the widows without children? And what about cripples, and what about other types of dependent people; other classes of chronic unemployables who cannot help themselves?" We hope that we shall be able to bring in that Bill next week. I should like to have been able to introduce it at the same time as this but that has been impossible because of the nature of the Bill. There is nothing like it in the other provinces because they have municipalities to take care of a great many of their classes of dependent people. Here the province has to do it all, all within reason, and consequently I shall seek a great deal of assistance from welfare offices in the other provinces and from friends who I know could help me to evolve the kind of legislation which we need in Newfoundland, and very shortly we shall round out more our system of security for various classes of dependent people when we bring in for the consideration of this House a Dependents' Allowances Bill. In all of this, Sir, I have been trying to crystalize in a few words, though probably too many words, the Liberal policy with regard to all of this, and it is surprising and indeed reassuring from many sources there come reinforcements,

there comes a backing up of the kind of thing that we are trying to do today.

I recall a statement of the redoubtable, of a very wise Churchill who, as far back as 1908, in addressing the workmen of Aberdeen, expressed sentiments relating to our present theme which I think are quite pertinent. He was referring to the long social history of England and in particular to the efforts of the labouring poor to come into their own. And here he says something like this: "Our labouring poor, with the ever haunting fear of insecurity upon them, have not learned thrift, even though they knew betimes they might perish miserably in the workhouse. Thrift springs from hope, as well as from fear, for where there is no hope, believe me there will be no thrift." So Sir, we trust that through this measure before us now, the life of some of our people may be enriched and enlarged by a dimension of hope which is caught up and expressed in a Bill of this kind.

I now move its second reading.

MR. HIGGINS: Mr. Speaker, I do not agree with the thought of the honourable member that this Bill is the result of Confederation. I do not think there is any necessity of bringing that matter in at all. Times have changed since we last had Responsible Government in this country. Social services have changed; social services have been increased in recent years. The Family Allowances of Canada started in 1945, and not as it did in Australia and in Belgium in 1920 or 1921, and there is not the least doubt at all that this would

have happened if Responsible Government had come back. There is a little too much propaganda going on in this House about certain things. We in this country know well enough that we are just as much ahead in Christian principles as they are in Canada or the United States or anywhere else, and members of this House, if Responsible Government had been returned would certainly have moved that family allowances have been paid in this country. The honourable Minister has told us that there has been a certain amount paid for each child in case of necessity; we had Old Age Pensions here, which were not increased at a time when the country become prosperous we should have had a heavy increase in the old age pensions, commensurate with the times. As a matter of fact, the old age pensions were not increased to meet the cost of living at all.

Yesterday we were told—the Premier said it was no use saying "I told you so." I am not going to enter into any argument about the position of this country if Confederation had not come. I am not going to do that. But I know this much, that perhaps halcyon days have not come and the promised land has not yet been reached. The only thing, after six months of Government here, it is to find that we sit down and discuss some substitute for dole.

Now we have no objection to this Bill; we have just as much liberal principles—I say this with a small "l"; if the other side wish to take the big "L" it is up to themselves—just as much liberal

principles as they have. I must say there is one thing I do think is necessary in this country, that the people should be taught to live; there is plenty of food in this country if it is looked for. You can go to some parts of Newfoundland and find people living well; they have fish of all kinds out in the sea, and most of that fish is thrown away; there are berries which are thrown away, and I think it would be very much better if people were taught to live instead of spending money on T. B. hospitals. A T. B. Hospital is necessary for certain people, but what is the good of spending three or four million dollars on hospitals in a place like Corner Brook, for instance, for the purpose of treating people who have got T. B. through certain conditions, and then send them back to the same conditions to die. It would be very much better if the people of this country were taught how to use the food and how to live in their houses, and I think that would be a very fine idea for House to try to get into effect and teach people how to live. They have fish, and they have ground, and they have berries; they have plenty of things they can use if they knew how to cook them.

I think it would be very much better, and this Bill would bring a better mode of living in the various houses in this country if the few dollars extra that they would get would mean that better living for the people and better conditions for the children, so we have healthier children, I think that alone would be a wonderful thing for the country, and it would save money for the country. We would have less money to be spent

on hospitals for T. B., and after all every patient that goes to Hospital with T. B. is a heavy expense to the State, and if he is cured permanently it would be a wonderful thing and worth the expense, but it certainly is not worth the expense if he is cured and sent back to the same conditions which brought about that T. B., so that he will be brought back to the Hospital again.

I agree with it, but there are some things here in the Bill which I shall have to get some explanation for when the matter comes in Committee, because I think there is some wording here which is rather doubtful. In the meantime I have nothing further to say in the matter, except to say that it is time this propaganda ceased.

MR. COURAGE: I have great pleasure in rising to support this bill, courageously introduced and eloquently explained by the honourable Minister of Public Welfare.

It is fitting that I should support this bill because the district which I have the honour to represent, Fortune Bay — Hermitage, probably has more widows for its population than any other part of Newfoundland, and this is because most of the people there have to make their living as bank fishermen, which is a precarious and a dangerous trade. The reason why so many widows are in Fortune Bay and Hermitage Bay, is because of the fog and the heavy swell of the Grand Banks, and the treacherous rocks of the Labrador.

During my time as a teacher in

the outports I often had to take upon myself the sad and unhappy task of breaking the news to a woman that her husband would return no more. But even sadder was the fact that not only would the husband return no more, but that the means of sustenance for that family had been cut off; that from now on the children had not only lost a loving father, but had very little to look forward to in the way of provision for that family. Kind neighbours would do what they could and the government could do its best, but that was very little. And I knew too that many young men who would have been a great asset to this country have had to curtail school and go to work in order to take upon themselves the job of being the man of the family. I know only too well what it is to grow up in a family that has been bereft of its father. My father died when I was 13 and the eldest of a family of four. I was more fortunate than some people in that my mother was able to keep me in school, but as a teacher I have seen many children who were not so fortunate and who had to leave school.

I believe, Sir, that this bill will do much to do away with these conditions. It is true, as the poet who so ably put it in his poem on the fisherfolk, "For men must work, and women must weep." But today we realize that the government, the state, the country, whatever you care to call it, has a stake in the interest of its children. We realize that we must do our utmost to have happy homes and happy children, and that is why this bill has been in-

troduced, to forward these conditions.

And, Mr. Speaker, I have much pleasure, I am proud to associate myself with the Minister who has brought in this bill today and with those who will support this bill.

MR. JANES: Mr. Speaker, I would like to take issue with the Leader of the Opposition over our berries and fish. It is not impossible that the people of Newfoundland have lived a little too long on berries and fish. Now, there are good berries and bad, perhaps, but they grew monotonous, like everything else; people get tired of them.

Newfoundland is a country of very little social legislation; the only social legislation which I know of has been the Old Age Pensions of \$18 quarterly, which was the maximum, and the famous Widows' Mite, and it is just as well for us to face that. We have not had any, and this is the first piece, other than the Old Age Pensions, that the government, the legislative assembly of Newfoundland has had the privilege to endorse. We are far behind the other countries of the world. We are far behind Canada. We are far behind the other provinces of Canada. We are far behind Great Britain in social legislation of every form. Like I said of the Old Age Pensions and the Widows' Mite, the bit of sick relief, and the bit that the cripples get, has all been a matter of departmental regulations and has never been given to the people of this country as a right. There might be

some scratching of heads about where the money is going to come from. Can we afford it? I do not think we can afford to talk about that any longer. Rather should we say, can we afford to do without it. Let us do it and go out and find the money afterwards.

As far as Confederation is concerned, living standards have gone up in this country considerably since Confederation, and we have to thank Confederation for it. And I have great pleasure, Sir, in endorsing everything the honourable Minister of Public Works said.

MR. SPEAKER: I would like to say at this juncture that while the honourable the Minister was introducing this Bill, proposing the second reading, there were one or two comments in which he referred to sums of money which were clearly anticipatory of future legislation. In the narrow sense that was not strictly pertinent to the discussion of the principle of the Bill. However, I permitted those remarks to be made, because of their informative nature, which I am sure would be welcomed both by the members of His Majesty's Loyal Opposition and the Government side of the House. But let me remind all honourable members that at the proposal of the second reading of a Bill it is competent to discuss only the principle of the Bill, the principles involved.

MR. MILLER: Mr. Speaker, as a member of the Opposition I rise to state my appreciation of a firm standing on these things, particularly when in any speech a contentious subject is introduced. It

is a very unfair method of dealing with a thing in public where one person has the privilege of making certain statements, and the other has not got the advantage of a rebuttal. I would go on right at this time to make reference to the matters which were introduced on the motion to adjourn by the Premier on previous occasions. These were contentious questions; they were introduced on the ground that they were important, serious and of interest to the public, that the privilege of dealing with them was afforded. Now if these things are so important that they can get special consideration, then I think the opinion of each and every member of this House, whether he is on the Government side or on the side of the Opposition, is worth having, and I certainly decry the method whereby anyone in this House can talk about a thing on the motion for adjournment whilst other members are deprived of dealing with it. I take this occasion to thank you for the privilege of dealing with this matter.

MR. SPEAKER: I would like to make clear that there is a difference between making a motion to adjourn in order to discuss a matter of urgent public importance and a statement made in the House. If a member rises and moves the adjournment of the House in order to discuss some urgent matter of public importance, then every member in the House has the right to speak either for or against. When a statement is made, however, the case is not exactly the same. The statement, of course, may be re-

ferred to at the Second Reading of Bills which result from that statement or during the Committee stage, and again let me remind members that when the proposal is being made for a second reading of a Bill that the discussion from both sides should be confined strictly to the principle of the Bill.

Bill read a Second time. To be referred to a Committee of the whole House on tomorrow.

MR. SPEAKER: Second reading of Bill "An Act to Amend the Standard Time (Newfoundland) Act, 1935."

HON. JAMES J. SPRATT (Minister of Provincial Affairs): Mr. Speaker, in moving the Second Reading of the Bill "An Act to Amend the Standard Time (Newfoundland) Act, 1935," I have merely to say that this is more or less a formal or routine matter.

Since the union of Newfoundland with Canada, the Canadian Broadcasting Corporation made representations to the Government that a large measure of confusion, and incidentally expense, was caused by the fact that whereas standard time in Newfoundland is not uniform with that obtaining in the Maritime Provinces, while Daylight Saving Time is not uniform in all of those provinces in general. It commences on the last Saturday or Sunday in April, and ceases on the last Saturday or Sunday in September. Hitherto the period fixed for Daylight Saving Time in Newfoundland has been from the second Sunday in May until the

first Sunday in October. It is not anticipated that any difficulties will be experienced in connection with the proposed change, which I have no doubt will be welcomed particularly by industrial and commercial communities, which have close connections with the Maritime Provinces, and whose dealings will be facilitated by bringing Daylight Saving Time in Newfoundland in conformity with that obtaining generally throughout

interference with Newfoundland Standard Time. I do think it will be a great advantage to have this amendment to the Act made. Therefore, I have much pleasure in moving the second reading of this Bill.

Bill read a second time. To be referred to a Committee of the Whole House on tomorrow.

MR. SPEAKER: Second Reading of Bill "An Act Respecting Sawmills."

HON. EDWARD RUSSELL (Minister of Natural Resources): I move that this Order be deferred until tomorrow.

Order deferred.

MR. SPEAKER: That is the end of the Orders of the Day.

On motion the House adjourned until tomorrow, Thursday, at three of the clock.

Adjourned accordingly.

Thursday, October 20th, 1949.

The House met at three of the clock.

Presenting Petitions:

Mr. Drover from Seal Cove, White Bay, Re Road.

Mr. Morgan from Jackson's Cove, Re Road.

HON. JAMES J. SPRATT (Minister for Provincial Affairs): Mr Speaker, in reply to question asked by the honourable member for Ferryland and which appeared on the Order Paper of Friday, October 13th, and which at a subsequent sitting I informed the honourable gentlemen that the matter was not in my department. Since that time I have made further investigation, and have today the following reply to this question, which is as follows:

(1) No contract was entered into by the Commission of Government in this regard. The Delegation was merely authorized by the Commission to employ ". . . two qualified experts, one to advise on certain aspects of the financial relationships between Canada and Newfoundland arising out of Union. . . ."

(2) The amount paid to Mr. Thompson in respect of services rendered under 1 above was \$16,500 plus \$1,660.54 for expenses.

(3) Mr. Thompson's report was rendered to the Delegation, not to the Commission of Government.

(4) The services of Mr. J. Thompson and Partners of Peat, Marwick, Mitchell and Company, were engaged for the purpose of reviewing the financial position of the Province, the determination of the amount of the surplus, the organization and administration of

the various public Departments in the interests of economy and efficiency, and to report their findings and recommendations thereon. It is estimated that a period of three months will be occupied in this work at a cost of the order of \$15,000, plus expenses. I have much pleasure, Sir, in tabling this answer.

MR. SPEAKER: Question No. 77, standing in the name of the honourable the leader of the Opposition and addressed to the honourable the Premier or the appropriate Department.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, as the House knows I was not here yesterday when this was tabled, and I am seeing it now for the first time, and I will read it and get an answer in.

MR. SPEAKER: Question No. 78, standing in the name of Mr. Miller, and addressed to the honourable the Premier.

MR. SMALLWOOD: "To ask the honourable the Premier will the present "Means Test" in the application for relief be somewhat relaxed or modified to permit men—border line cases—to avail of the employment plan, by way of establishing a minimum net income for the season for such men.

The honourable gentleman who asked the question is not here; if he were I would say to him that the Government and the administration which it proposes to set up to handle this whole matter would take into account every relevant factor that could properly be taken in, in the interest of the

men concerned, and I would hope that the honourable gentlemen who asks the question would understand and appreciate that reply.

MR. SMALLWOOD: I give notice that I will on tomorrow move the House into Committee to consider resolutions in relation to the establishment of an Industrial Development Loan Board for Newfoundland. Copies of the resolutions have been circulated among some relatively minor amendments will be proposed from this side as a result of a further consideration given to the Resolutions at a meeting of the Government this morning, and also I may add that Paragraph 10 will be deleted from the resolutions as they stand now.

MR. CASHIN: Mr. Speaker, I would ask the honourable the Minister for Provincial Affairs the balance of the question regarding the Housing corporation. I take it is in course of preparation, is it?

MR. SPRATT: In course of preparation, yes.

MR. SPEAKER: Orders of the Day.

HON. LESLIE R. CURTIS (Attorney General): I beg to give notice that on tomorrow I will ask leave to introduce a Bill Entitled "A Bill 'An Act to Amend Chapter IV of the Consolidated Statutes of Newfoundland (Third Series) Entitled "Or Promissory Notes'." I might say for the information of the House that copies of this Bill are now being circulated.

MR. SPEAKER: Third Reading of Bill "An Act to Amend the Insurance Companies Act."

MR. CURTIS: Mr. Speaker, before this Bill is read a Third Time, I beg leave to make certain purely formal amendments. I have given my learned friend the Leader of the Opposition, a copy of the Bill as amended. The changes that I would move, Mr. Speaker, are purely formal. We refer to the Insurance Companies Act as being Chapter 194 of the Consolidated Statutes, and we refer to the amending Act as the Act 9-10 George V, Chapter 41, "41" in numbers. I would also ask leave, Mr. Speaker, to revert to the original wording at the end of paragraph 12 (a). The original draft said that this company "does not have to deposit with the Minister the moneys or securities required to be deposited." We feel in my department, Mr. Speaker, that the words would be better if they read "does not have to deposit with the Minister the moneys or securities required to be deposited." These are purely formal amendments, and I would move, inasmuch as under our Rules we are allowed to amend in Third Reading, that these amendments be incorporated and that the Bill as amended be now read a Third Time.

MR. SPEAKER: Does the House give leave to incorporate these amendments in the Bill for its Third Reading?

MR. SPEAKER: Third Reading of Bill "An Act to amend the Department of Natural Resources Act, 1934."

Bill read a third time and passed.

MR. SPEAKER: Third Reading of Bill "An Act to Provide for the Payment of a Superintendent Allowance to Matthew Gilbert King, Retired Secretary and Registrar of the Council of Higher Education."

Bill read a third time and passed.

MR. SPEAKER: Committee of the Whole on Bill "An Act Respecting Mothers' Allowances."

Speaker leaves the chair.

MR. CASHIN: Mr. Chairman, I am sorry indeed that I was not here the other afternoon when this Bill was being read a Second Time. I am going to ask the honourable Minister if he can give the House any idea of what this is going to cost.

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Chairman, if this matter is a charge on the Treasury, I was not here, remember; I do not know what the Speaker ruled out of order. I thought it was some other extraneous matter that he ruled out of order, but this is a Bill that calls for money, the expenditures of public funds, and in its introduction I feel that the House should be made aware of what the anticipated or estimated cost this is going to be on the Treasury of the country. I do not think that is out of order.

THE CHAIRMAN: That matter was ruled out of order by the Speaker, who said that it would come up in Committee of Supply.

MR. CASHIN: I know. I quite

understand that, but I cannot see that it is out of order. However the matter will come up in Supply, when we ultimately get to it, but this Bill will have passed, and supposing, for argument's sake, the House thinks it is too much charge on the Treasury of the country, it would be in a position to wipe out that amount out of the Estimates, if it thought fit. But nevertheless, with all due respect to the Speaker's ruling, I do not think the thing is out of order.

MR. SMALLWOOD: Mr. Chairman, if I may, this is a Bill, an Act to set up a system of payment of Mothers Allowances under certain conditions that are laid down in the Act. It is not worth the paper it is written on, unless and until this House—

MR. CASHIN: He is not here this afternoon!

MR. SMALLWOOD: Until this House votes the money to carry out the Bill. As I see it, therefore, it is not a money bill. The money bill will come later, when the Government comes in, when the very Minister who is piloting this Bill comes in here and asks the legislature for money to pay out to the widowed mother. That will then of course be a money bill. The House may agree to give him the money for which he asks, or may give him a lesser amount, or may decide to give none at all; but he is at the mercy of the House in that regard. But to set up the legislative formula does not of itself make it a money bill surely.

MR. CASHIN: I quite appreci-

ate the Premier's point of view, but—

MR. HIGGINS: Mr. Chairman, since the honourable member for Ferryland was not here yesterday, I do not see why he should not be given the information which the honourable the Minister gave to us yesterday, namely that in his estimation the costs would amount to about \$500,000 a year. That is what he told us yesterday, and I do not see why the member for Ferryland should not get the same information.

You told us that yesterday, that the approximate cost would be \$500,000 a year.

DR. POTTLE: I see no reason, Mr. Chairman, if the House does not object, to the information being repeated. I did say that it would cost in my estimation anything up to \$500,000 for the full fiscal year, and the House will recall also that I went into the question of cost at some length, probably rather innocently, with regard to the ruling from the Chair, but I was going by Clause 8 of the Bill, which states expressly that payment for the implementation of this Act would be a charge against the public funds. I am prepared to agree with legal ruling, that the discussion of costs at this stage is irrelevant.

MR. J. G. HIGGINS (Leader of the Opposition): Oh, no, I did not say a word about that at all. What I did say was that the honourable Minister passed that information to us, and just because Mr. Cashin was not here yesterday, that is why he requires the information now. I do not see any reason why the information should not be

given to him, either in the House or by the Minister going over and telling him, because it was made public property yesterday.

THE CHAIRMAN: I agree, but I do not think we should continue this as a debatable point.

Section 1 read, passed.

Section 2 read passed.

MR. HIGGINS: There is one matter, Mr. Chairman. Take Section (j), what about the mother of children grown up and gone outside the country, gone abroad, gone to the mainland, or even gone beyond the jurisdiction of this country, as, for instance, the United States or England: what happens in that case? Does she get any allowance at all? And also under like conditions with regard to an incapacitated father.

DR. POTTLE: Mr. Chairman, this Bill will be confined in the main to widows with children, rather than those who have no little children.

Section 3 read.

MR. HIGGINS: What is the effect of No. 7? Under what conditions does that arise? Is it rather broad, "in the case of any special circumstances." What would they be? Have you any idea?

DR. POTTLE: We have no idea at the present time, Mr. Chairman, but we do know that it is quite possible that just as soon as we begin to work this Act a new situation may arise and we would not want to come to have this Act amended right away, but we believe that this whole section is very comprehensive in itself. We know that, but so that we shall not be held up in case special

circumstances arise, as indeed they may, this sub-clause provides for it.

MR. FOGWILL: Mr. Chairman, under this section—I am going to question this too—what came in my mind was in the case of a widowed mother, a mother of a child or children who maintains the child in an institution in order that she may go out and enter employment. I was wondering what the position of a mother in that case would be,—if the mother contributes to the support of the child in an Orphanage, I mean, so that she could go out and enter employment?

DR. POTTLE: In reply to the honourable member for St. John's East, Mr. Chairman, we cannot say beforehand just what would happen in a case like that. It would depend upon the circumstances of the mother. You have already defined her circumstances by saying that she has to go outside to work; that in itself however would not decide whether she needs assistance from the Government. Now, on the other hand, the Government is already paying a grant towards a child in an institution, and we have to take that into consideration, too, in assessing just what she should receive under the Act.

MR. FOGWILL: The reason I ask the question, Mr. Chairman, is that I know of such a case.

DR. POTTLE: Yes. Well, if she qualifies under the Act, no matter where the children are, no matter what the Government is doing for the children,—she may get assistance in her own right.

Section 3 passed.

Section 4 passed.

Section 5 passed.

Other section read, passed.

Preamble passed.

Committee rose and reported having passed the Bill. To be read a third time on tomorrow.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Amend the Standard Time (Newfoundland) Act, 1935."

Speaker leaves the chair.

Mr. Courage takes chair of Committee having passed the Bill.

Committee rose and reported having passed the Bill. To be read a third time tomorrow.

MR. SPEAKER: Second Reading of Bill "An Act Respecting District Courts."

MR. CURTIS: Mr. Speaker, I would ask that this Order be further deferred.

MR. SPEAKER: Second Reading of Bill "An Act Respecting Saw mills."

Order deferred.

MR. CURTIS: Second Reading of Bill "An Act Further to Amend the Alcoholic Liquors Act, 1933."

HON. H. W. QUINTON (Minister of Finance): Mr. Speaker, in moving the Second Reading of this Bill, I want to make one or two brief remarks to point out the principle involved in the amendment. It has been circulated, I believe, Mr. Speaker. The main Act, The Alcoholic Liquors Act, 1933,

in Section 28 as amended by the Act, No. 4 of 1935, provides first for the issuance of permits, personal permits free of charge by the Board for the purchase of spirits in the electoral districts of St. John's East and St. John's West. Such permits were valid only for the purchase of spirits at a single branch, specified on the permit, and also for the filling of orders for persons residing outside the districts of St. John's East and West. Now the Alcoholic Liquors Sales Restrictions Regulations, dated the 7th July, 1942, were made under the Emergency Power (Defence) Act of 1940, and these provided for a charge of fifty cents for the issuance of a personal permit and for the rationing of spirits at two bottles per week per person. Now this was repealed in March, 1949, but the rationing of two bottles per week was maintained under Section 3 (1) of the Alcoholic Liquors Act, 1933. That was of course also amended by Act No. 33 of 1934. The personnel permits issued by the Board in 1948 will cease to be valid at the close of business on Saturday, the day after tomorrow, October 22nd, and in the amendment to Section 28 of the Act of 1933 we propose to make provision whereby the Board may fix fees payable upon the issue of a personnel permit. I should like to inform the House that it is proposed that this fee shall be increased from fifty cents to one dollar in the case of a resident permit, and this will be valid for twelve months from the date of issue. For non-resident permits there will be good for one month

from the date of issue. Now we also propose to eliminate the requirement that personal permits shall be good for purchase only at a single branch, and that a permit issued by the Board now shall be valid for purchases at any store in any electoral district in Newfoundland where a branch of the Board has been established. The permit, I might say, will be in the form of a card bearing a serial number and the original signature of the holder, witnessed by a person authorized by the Board. Now the balance of the draft Bill, referring to sub-sections of Section 28, simply provide for the filling of orders for persons residing outside any electoral district in which there is a branch of the Board, and of course there are penalties for infractions of the Act. I move, Sir, that this Bill be now read a second time.

MR. HIGGINS: Mr. Speaker, I know that on Second Reading it is a question of principles; the Board has a right to fix the fees payable on the issue of permits, and the honourable Minister states that when the Board is appointed the fees payable will be fifty cents and a dollar, so I presume he knows who is behind the Board. I am rather sorry to hear that. When that has been done, I hope we will not get any of that very poor stuff they get on the mainland; that they will not be cheating the people with the thirty per cent underproof, or when they sell a flask of whiskey, they will sell it with the ordinary honest Newfoundland notion that half a flask is either twelve ounce or a thirteen ounce. But up in Canada they

sell half flasks that are only ten ounces. I found that out to my cost because I noticed it was very much smaller, and I measured it out and it was only ten ounces.

Now there is one part of this Act which is very important and rather serious. We all try to be honest when we can, but sometimes the law forces us to be a bit dishonest. This Act is to come into force on the 15th October, 1949; this Act is retroactive; that means that everybody who buys a bottle of rum or a bottle of whiskey or a bottle of gin, or whatever it is, on a permit under the old Act commits an offence. This Act is to come into force on the 15th October, and if on the 16th October I bought a bottle of whiskey under the old system, I commit a breach of the law. I was just wondering why this Act was to come into force on the 15th October. Why not have it the 20th day of October, or whatever day the licenses are going to be issued? You cannot create an offence unnecessarily. It is not dignified for this House to try to make people commit offences.

MR. QUINTON: We could make it the 21st.

MR. SPEAKER: I believe the change of date referred to properly belongs to the committee stage.

MR. HIGGINS: I just raised the point. It is not in accord with the dignity of this House to try to create offences unnecessarily. I look upon it as a question of principle, because if you keep that 15th in, I would vote against it

on principle. I would vote against the whole Act on principle.

Second Reading passed.

With consent of the House, the Bill passed to committee stage.
Speaker left the chair.

In committee date of application of Act changed from October 15th to October 21st.

Preamble passed.

Committee rose and reported having passed Bill with Amendment.

MR. QUINTON: Mr. Speaker, in view of the urgency of this particular piece of legislation and the pressure that must ensue in the stores of the Board of Liquor Control between now and the time the permits are sold, I should, with the unanimous consent of the House, move that the Bill be now read a third time.

Standing Order 261 suspended and Bill read a third time and passed.

MR. SPEAKER: That is the end of the Orders of today.

HON. JAMES R. CHALKER (Minister of Health): Mr. Speaker, I move the adjournment of the House in order to inform the honourable members of a matter of public importance.

MR. CHALKER: It is felt that the House might be interested to have some comment in the nature of an interim report on the extent to which my Department has been able to take advantage of the financial grants for the extension of Health services made available

by the Federal Government to the Provincial Government. I am glad to say that very satisfactory progress has been made in the utilization of these grants for Newfoundland. The total grant available for the financial year 1949-50 is \$923,518.00.

This sum is divided into nine separate headings with individual appropriations under each heading. These individual appropriations vary from approximately \$16,000 for the crippled children grant, for the V. D. Control Grant and for the professionals training grant to the larger sum of \$334,000.00 for hospital construction, \$176,000.00 for Tuberculosis control and \$132,000.00 for general public health. The sum of \$122,000.00 is also available for the extension of Mental Hospital services; \$90,000.00 for Cancer Control and \$19,000.00 for the conduction of a Health Survey.

I am advised that the other Provinces of Canada were on the average able to utilize only about 30 per cent of the grants available in the first year but we feel that Newfoundland will be able to utilize a much greater proportion than this in the first year the grants are available here. The position at the present time is that projects under the various headings have been prepared to the following extent:

Most of these projects have already been approved by Ottawa and others are under consideration: As I said before there are nine specific projects. For instance under the Crippled Children grant the amount available to this

Province is \$15,944.00.

Crippled Children Grant

Under this grant provision has been made for certain equipment for use in rehabilitation procedure. A Physiotherapist has been provided for the Orthopaedic Hospital and training course has been provided for the Occupational Therapist.

Under the Professional Training Grant Technicians who will do laboratory work and x-ray technique for the cottage hospitals are now being trained in St. John's at the General Hospital, the Laboratory and the Tuberculosis Division. When trained they will be sent out to the various cottage hospitals to supervise the work in those places.

Three Departmental nurses have been given post graduate courses at Toronto University.

Training has been provided for an Assistant Instructress of Nurses and a Ward Supervisor at the General Hospital.

Post graduate training has been provided in public health techniques and in internal medicine for two qualified medical men.

Post graduate training has been provided for the Supervisor of Nurses (Medical) for the General Hospital. Degree courses in public health nursing have been provided for two senior public health nurses.

Hospital Construction

Sums of \$205,500.00 for the Mental Hospital, \$100,000.00 for the West Coast Sanatorium and \$142,000.00 for the St. John's Sanatorium have been applied for

under this grant.

V. D. Control

This is a matching grant by which the Dominion pays half the cost of V. D. control procedures. It is expected that the total amount of \$15,000.00, nearly \$16,000.00 made available under this grant will be utilized this fiscal year.

Mental Health Grant

The training salary for a electron telegrapher which is rather a difficult word to pronounce, but it has something to do with the measuring of electrical impulses to the brain, and a technician has been provided for that treatment. Extra record clerk, occupational therapist and social workers have been provided. Special research procedures related to the local aspect of mental problems have been approved, and an additional psychiatric nurse has been arranged at McGill University. Occupational Therapy equipment has been enlarged. Full time dentist for the Mental Hospital has been engaged and special provision made for the post graduate training of physicians from the Institution in Psychiatry.

Tuberculosis Control

An additional medical health officer has been appointed at the Tuberculosis Dispensary. Equipment for a Thoracic surgery or Chest surgery unit has been ordered for the Sanatorium. An increased subsidy has been provided to the Notre Dame Bay Memorial Hospital to insure free treatment of Tuberculosis in that institution. A post graduate course in Thoracic Surgery has been provided for the surgery at St. Anthony's

Hospital and a rehabilitation service for Tuberculosis cases is to be initiated.

General Public Health Grants

A second qualified Radiologist has been added to the staff of the General Hospital. Four cabin cruisers have been provided to improve medical services on the South West Coast. I may say those cruisers are now under construction. An assistant Pathologist has been appointed to the General Hospital.

Courses in Public Health nursing, social work and health education have been provided. Under this grant also comes the payment of technicians for the cottage hospitals have been increased and a Director of Health Education has been appointed for the nursing services.

Cancer Control Grant

Some ninety thousand odd dollars is potentially available here, and it is expected that we shall be able to utilize about \$40,000.00 of this, with a possible further utilization before the end of the year.

Health Survey

An amount of approximately \$20,000.00 has been made available for a survey of the health needs of this country. A technical committee to conduct this survey has been appointed and the full amount of this grant is expected to be utilized. It will be noted of course that certain grants have not yet been utilized to the full, but projects to utilize the balance of most of these grants are under consideration and by the end of the year any possible benefits re-

ceivable under the health grants will be planned for.

In certain cases, particularly with reference to the mental health grant and the hospital construction grant, it is not possible to take advantage fully of the amounts as it would mean that the province would have to enter into large expenditures to receive the necessary preliminary amounts from the Federal Health Grant.

Mr. Speaker, I would like to mention the Honourable Paul Martin, Minister of National Health and Welfare in Ottawa, through whose assistance many of the grants have been made applicable to this province. I know that the honourable Paul Martin may be considered an exceptionally fine friend of Newfoundland, because under the Act covering many of those grants I am sure that he has looked far beyond the limitations in granting some of these amounts to this province.

Report received and laid on the table of the House.

The House adjourned accordingly.

Friday, October 21st, 1949.

The House met at three of the clock.

HON. J R. SMALLWOOD
(Prime Minister): Following upon my statement in this House on Monday the 17th, in which I stated that because of certain questions that had risen relative to Freight Rates and the interpretation and application of Term 32, Sections (1), (2) and (3) of the Terms of

Union the matter in issue was being submitted to the Board of Transport Commissioners; certain comments have appeared in the Press to which it is felt a reply should be made. It is only because of the possible confusion that might result from the reading of these commentaries and the consequence prejudice to Newfoundland's case, that this supplementary statement is being made.

There are two matters in difference between the Province and the C N R. One relates to the Freight Rates being charged on through traffic moving between North Sydney and Port aux Basques from points outside the maritime region to Newfoundland. The other relates to the ratio of rates being charged on intra-provincial traffic.

As to the first, it is the contention of this Province that traffic moving through North Sydney-Port aux Basques is an all rail route and that Newfoundland is entitled to the same rate as obtains in the Maritime Provinces on similar movements subject only to the additional mileage charges. For example, the practice in relation to traffic moving from Upper Canada into the Maritime Provinces by rail, is to apply a basic freight rate from the point of origin to Saint John, N. B. and then to add what is known as an 'arbitrary' from Saint John, N. B. to the point of destination in the Maritimes.

The distance between Saint John, N. B. and Sydney, N. S. is 509 miles and the arbitrary applied on Class 1 goods per 100 pounds for this mileage is 13 cents. For the same movement—that is

on freight of a similar description, carried over the same system into Newfoundland by the Sydney-Port aux Basques route—the comparable arbitrary is \$1.18 per 100 pounds. This arbitrary is charged for a movement from North Sydney to Grand Falls (a distance of 371 miles) which establishes a differential against the Newfoundland receiver at Grand Falls of \$1.05 per 100 pounds.

It is the contention of the Province that this difference is not justified under the Terms of Union. Further, it is quite apparent that the handling charges across the Gulf of St. Lawrence have been added to the freight rate structure, in order to compensate the railways for these additional handling costs—something that was never contemplated when the all rail route principle was considered and accepted.

In 1948 the total tonnage brought into Newfoundland was 1,221,737. Excluding bulk cargoes, 260,482 tons of general merchandise came from Canada and the United States of America. Of this, only 25 per cent or 65,727 tons were handled through North Sydney and Port aux Basques by the Newfoundland Railway.

On the basis of computations based upon the difference in the freight rates charged to Newfoundland consignees in contrast to that being charged to residents of the Maritimes, there is a differential of approximately \$12.00 per ton being charged to the Newfoundland receivers. This alone would account for three million dollars overcharge to Newfoundland receivers on that portion of general merchandise to be moved

from Canadian shipping points into Newfoundland, assuming that because of Confederation the U. S., Market is practically closed to us as a source of supply.

By getting the benefit of the Maritime rate, this difference would be saved to the Newfoundland receiver, irrespective of whether the movement into the Island was made by the C.N.R. or any other service.

It follows that the maintaining of the present freight rate over obtaining in the Maritime region is costing this Province millions of dollars and this, irrespective of whether the freight is moved by the C.N.R. or any other system.

The second matter in issue relates to traffic moving within the Province. A like study has shown that on movements of similar products within Newfoundland, a higher ratio of rates is being charged than for similar movements within the Maritime Provinces. For instance, pulpwood movements are being charged an over-riding 10% more in Newfoundland than for similar movements in the Maritime Provinces; and ore concentrates from Buchans and Millertown Junction are similarly out of line.

It is not a question of the application of the Maritime Freight Rates Act with which we are concerned, it is a question of obtaining the same treatment as our Maritime neighbours.

By Term 32 (2) the Island of Newfoundland is constituted a part of the Maritime Region of Canada for the purpose of railway rate regulation and by Term 32

(3) all legislation of the Parliament of Canada providing for special rates on traffic moving within, into and out of the Maritime region, will as far as appropriate, be made applicable to the Island of Newfoundland. It is felt that the words "as far as appropriate" are being relied upon to justify a higher freight rate structure on traffic moving into and within the Island because of the narrow gauge railway system presently in use in Newfoundland. It is the contention of the Province that this is not justified.

It has been suggested that Newfoundland is confusing the application of the Maritime Freight Rates Act to inward movements as distinct from intra-provincial and outward movements. This is not so. It is fully appreciated here that the Maritime Freight Rates Act applies only to movements within and out of the Province.

Further, it is not the contention that the Canadian National Railway is charging the Province millions of dollars in excess freight rates, but it follows from the fact that railways have imposed a freight rate structure higher than that obtaining in the Maritimes that receivers in this Province are paying to all type of carriers, including water transport, a ratio of rates much in excess of those that they should have to pay if the Terms of Union are properly implemented.

MR. CASHIN: Mr. Speaker, I do not want the House to feel that by asking the Premier a question in this manner that I am trying

to do anything that would be detrimental to the interests of Newfoundland, but I would just like to ask him this question. He was one of the delegation to Ottawa at the signing of the Terms, when this thing was signed. At that time, is it correct or not correct, that you did not discuss the matter at all with the C.N.R.; you just discussed it with the Government, and that it was after the Terms of Union were signed that the C.N.R. came in here and set up their own schedule, on their own—as they interpreted the Terms of Union and as you pointed out, Mr. Premier, "as far as appropriate" and that they interpreted it that, because the Newfoundland railway was a narrow gauge, I imagine, and that we could not haul as much tonnage on our railway as they could on the C.N.R. or C.P.R., that consequently they put a higher schedule here in this Province than applies in the Maritime Provinces. Now I realize that freight rates are lower in our Province today than they were prior to Confederation, considerably lower, I understand, although I have not gone into it—

MR. SMALLWOOD: Not enough lower—

MR. CASHIN: No, that is what you contend. I noticed in the press the other day, I think it was there stated that we were getting fleeced some four and a half millions of dollars, because of freight rates being higher than they should, according to these Terms of Union. Well, the total freight collected by the railway prior to Union was not four and a half million dollars annually. Do I take

it therefore that all freight moving into Newfoundland from the Maritime Provinces of Canada, and that is quite a lot now, because the United States is out, that if it comes in by boat or schooner or some other means of conveyance, that in order to carry out the Maritime Freight Rates Act, that the Canadian Government, the Federal Government, would have to subsidize these ships for the difference in the freight rates between the Maritime Freight Rates Act and what we pay on the boats?

MR. SMALLWOOD: Mr. Speaker, let us get one point quite clear to start with. The Maritime Freight Rates Act applies to Newfoundland, because under sub-section (1) of Section 32, Newfoundland is included in the Maritime region, and thus we are now part of the Maritime region or the Select Region; the Maritime Freight Rates Act applies fully to Newfoundland, and in fact as in theory. We are now presently getting the benefit of the Maritime Freight Rates Act. If that Act were not in effect here, the freight rates we are now paying would be twenty per cent higher than they are. That is not the overrides everything else. Newfoundland by the Terms of Union, Term 32, is placed in the Maritime region for purposes of railway regulations; fairly and squarely dumped right into the Maritime region for that purpose, the purpose of railway regulations, and what applies to the Maritime region, so far as freight rates are concerned, automatically applies to Newfoundland. Now that is the first point. That is sub-section (1), I think it is, of Term 32.

No, I am wrong, it is sub-section (2).

Now, sub-section (3) sets up an entirely different position, not in conflict with sub-section (2), but an entirely different matter. It says this that all legislation of the Parliament of Canada providing for special rates in the Maritime region shall as far as appropriate apply to Newfoundland. Now in fact the only legislation of the Parliament of Canada which provides for special rates for the Maritime region is the legislation known as the Maritime Freight Rates Act, and it is that Act, that being the only one, which applies to us "as far as appropriate." The words "as far as appropriate" can be used to qualify only the provisions of sub-section (3). Sub-section (2) says "Newfoundland for the purpose of railway freight regulations shall be in the Maritime region." It does not go on to say "as far as appropriate." The words "as far as appropriate" occur in sub-section (3), not (2), the sub-section which deals with legislation of the Parliament of Canada providing for special freight rates, which legislation consists in fact only of the Maritime Freight Rates Act. It is to that, and that only, that the words "as far as appropriate" apply. But to this main thing of all, which is that we are placed fairly and squarely in the Maritime region, sub-section (2), in that main thing of all, we hope, and we are quite satisfied that we can establish, that we get what the Maritimes get, no more, no less, in the way of freight rates. Now that applies with a special force to the question of through traffic. Let me

put an instance which is touched upon in the statement I just made. Let me illustrate. A shipment of goods leaves, say, Toronto, for Sydney, Nova Scotia, by rail. The rate on that from Toronto to St. John, N.B., is so much a hundred pounds. How much it is depends upon what class it is, Class 1, Class 2, Class 3, up to Class 10, but whatever the classification is, there is the rate from Toronto to St. John, N.B., per hundred pounds. Now from St. John, N.B., to Sydney, N.S., there is what is called an "arbitrary," under and by which they add to the freight charge on the run from Toronto to St. John, an additional amount based on the mileage. Now the mileage from St. John, N.B., to Sydney, is somewhere about five hundred. The arbitrary therefore is approximately so much per mile, a fraction of a cent per mile, so many cents altogether for the five hundred miles, laid down at Sydney. Now if we are in the Maritime region, the same arbitrary should apply on the same goods if they are shipped from Toronto to St. John's, let us say, or Grand Falls, mile for mile, on the additional miles beyond North Sydney, as on the mileage between St. John and Sydney. Is that clear?

MR. CASHIN: I quite understand that.

MR. SMALLWOOD: But it is not. Let me have that statement again. Take a look at it for a moment. I believe it is not proper to debate this. I am merely amplifying the statement in reply to a question.

MR. SPEAKER: Let me remark that it is, of course, not proper to debate a statement of that kind, and all questions and answers would more properly take place immediately before the Orders of the Day are entered upon, but since the question asked by the honourable member is a very important one, I think the honourable Premier may be permitted to complete his answer.

MR. SMALLWOOD: When these statements are made, I take it, Mr. Speaker, that questions are not too many, I understand, but if the House desires further information on the subject matter of such a statement made at the outset or at any stage throughout the sitting, further discussion may be had by someone making a motion to that effect.

MR. SPEAKER: Yes, in certain cases.

MR. SMALLWOOD: Five hundred and nine miles from St. John to Sydney, the arbitrary rate which applies on Class 1 goods over that five hundred and nine miles is thirteen cents a hundred pounds, to move it from St. John to Sydney, thirteen cents. Now from Sydney to Grand Falls is a distance of three hundred and seventy-one miles, and the arbitrary on the goods, the same hundred pounds of goods that, except for the occasional stops at the various railway stations, have come continuously from Toronto, remember, to Grand Falls, via St. John, via Sydney, across the Gulf, to Grand Falls, the same goods, in the same trains, same classification, the arbitrary on that same

hundred pounds, thirteen cents from St. John to Sydney, a dollar and eighteen cents from Sydney to Grand Falls, for a much lesser distance, thirteen cents as against a dollar eighteen, or a dollar and five cents to our disadvantage. Now that has nothing to do with the Maritime Freight Rates Act. That is, we hold, a violation of sub-section (2) of Term 32, which says that for purposes of railway rate regulations Newfoundland is in the Maritime region.

Now let us apply that to the thousands of tons of goods coming in, and the honourable the House will see how much money can be involved in the course of a year on railway freight alone. Now when you remember that ocean rates, the competitive way of bringing freight into Newfoundland, are determined, at least in part, and perhaps to a large part because we saw what happened the other day on this shipping movement from St. John and Halifax into Newfoundland, the freight rates by water are determined to a large extent by the freight rates by rail, because it is a matter of competition between the two.

MR. CASHIN: In other words, Mr. Speaker, if I might say the C. N. R. are soaking us for taking the freight out at North Sydney, putting them aboard a ship, bringing it across to Port-aux-Basques, and taking it out again and putting it into cars there. That is their idea.

MR. SMALLWOOD: But they are ignoring the part of the Terms of Union which says that the haul

from Sydney to Port-aux-Basques is an all-rail route, that is, it is the same as a couple of iron tracks across the Gulf, and the fact that in point of actual physical fact it is a water route, it is an all-rail route, and it is a through traffic route. What do we care if in fact Mother Nature has put water and not land between Sydney and Port aux Basques, when the fact is that under the Terms of Union it is an all-rail route.

MR. CASHIN: That is a million and a half dollars a year, roughly.

MR. SPEAKER: Before we go on with the Order Paper I wish to inform the House that I have received a letter from the Rt. Honourable Mr. Forde, High Commissioner for Australia, in which he asks me to think the House for its courtesy and kindness to him during his visit here.

Presenting Petitions:

Mr. Vardy presented a petition from the St. John's Municipal Council asking for the enactment of a Bill entitled "An Act for the Termination of the Exclusive Franchise of the Golden Arrow Coaches Limited, to transport Passengers forward by Motor Omnibus in the City of St. John's and for other purposes."

The following Gentlemen were appointed a Select Committee to consider the said Petition:

Hon. the Attorney General

Hon. the Minister of Provincial Affairs

Mr. Vardy

Hon. the Leader of the Opposition

Mr. Fogwill

HON. W. J. KEOUGH (Minister of Fisheries and Co-Operatives): Mr. Speaker, I give notice that I will on tomorrow ask leave to move the House into Committee of the Whole to consider Resolutions in relation to the establishment of a Fisheries Loan Board in Newfoundland. I also give notice that I will on tomorrow ask leave to move the House into Committee of the Whole to consider resolutions in relation to a Bill to establish a Co-operative Development Loan Board in Newfoundland. The honourable members will find copies of the proposed legislation on their desks. I think it is proper to inform the House that if and when the House goes into Committee of the Whole I shall move to request certain deletions and certain additions from the printed form. Most of these will be for purposes of editing, but some will have a somewhat greater significance than that, but none of these additions or deletions which I shall request will alter it in any fundamental manner from the Bill as printed. I may say that the principal changes which we have in mind are in the Bill relating to the Fisheries Loan Board, to request the deletion of section 11 and section 12 (2), and in the Bill relating to the Co-operative Development Loan Board, to request the deletion of Section 10 and section 11 (2), and in the instance of both bills to ask that there be added as a final clause "The accounts of the Board shall

be audited at least once in each year by the Comptroller and Auditor General."

MR. SPEAKER: There is a Notice of Motion standing in the name of the honourable the Premier.

MR. SMALLWOOD: I beg leave to make that motion, Mr. Speaker, and His Honour the Lieutenant Governor recommends these resolutions to the House.

MR. SPEAKER: Honourable the Premier moves the House into Committee of the Whole to consider Resolutions in relation to a Bill to establish an Industrial Development Loan Board for Newfoundland. His Honour the Lieutenant Governor recommends these resolutions to the House.

Speaker leaves the chair.

MR. SMALLWOOD: Mr. Chairman, I am not too sure as to just how much latitude we are allowed at this stage in the progress of a Bill before the legislature in the matter of debate. My understanding is that in Committee of the Whole on Resolutions we are virtually at the stage of Second Reading of a Bill in the ordinary manner; that is, that we deal with the principle of it, and that it is the duty of the mover to outline the Bill in principle. Well, these are Resolutions to the effect that a Bill, and the Bill which is annexed, be brought before the Legislature to accomplish the purposes named. And the purposes are to create, subsequently by appropriation, if the Legislature should so desire, a fund of money out of the public funds of the province to

be known as an Industrial Development Loan Fund; and secondly to set up a Board to administer that fund, to be known as the Industrial Development Loan Board for Newfoundland.

Now, Mr. Chairman, it may not be entirely proper to refer to the fact that the honourable the Minister of Fisheries and Co-operatives has just given notice of his intention to move this House tomorrow into Committee of the Whole on two resolutions, one to set up a Fisheries Development Loan Board, the other to set up a Cooperative Development Loan Board, but the House will have noticed the great similarity, at least in the titles, of the three Bills, the one presently before it, and the two of which the honourable the Minister of Fisheries and Co-operatives has today given notice. And, indeed, there is more than a superficial similarity in them. Newfoundland has in its possession a certain sum of money known as the surplus. That is X amount, twenty, thirty, forty, million dollars. We will know a little later in this House the exact size of that surplus. We know, too, that under the Terms of Union it is necessary for the Province to earmark one-third of that total surplus for purposes of meeting the ordinary month to month and year to year fiscal needs of the government of the Province. We have a right to deposit that one-third, so earmarked, with the Government of Canada, to receive interest at the rate of two and five-eighths per cent, and if we deposit it with the Government of Canada, or other howsoever, we earmark and segregate it, whether at inter-

est or not, we are permitted for the first, I believe, eight years of Union, to withdraw from that one-third only for the purpose laid down in the Terms of Union, that is to say, the purpose of assisting the Government to meet the ordinary month to month and year to year needs of the Province.

That accounts for one-third of the surplus, as to what has to be done with it. There remains two-thirds of an amount which will run somewhere between twenty and forty million dollars in all—two-thirds, and again, the Terms of Union lay it down as to what may or may not be done with the X amount, namely two-thirds of the total. The terms of Union lay it down that this money, which also we may deposit with the Government of Canada at two and five-eighths per cent interest, shall be used for development purposes, and it is with that second, that latter amount, that I am dealing at this moment, and out of which these three sets of resolutions arise.

Mr. Chairman, we have been in our thinking in the Cabinet deadly afraid that the months and years would pass by, and that in the absence of a plan, in the absence of a blue-print, the money in the two-thirds portion of the surplus would be going for this and that and the other; that in a year or two or three the legislature here and the public outside might wake up to discover that six, eight, ten, twenty millions of it had gone without having made any basic change, any fundamental change, in the Province's over-all economy. And so, to avoid that very danger, our

thinking is running along the line of budgeting for the two-thirds of the surplus which are under the Terms of Union to be devoted to development purposes; that is to say, to take the whole of it, divide it up in certain proportions for certain purposes. Let us say for the sake of argument that the total is twenty-five million dollars; Two-thirds of the whole would amount to twenty-five million dollars available for developmental purposes. Well of the twenty-five million we should earmark so much for schools or the extension and improvement of existing schools; so much for schools; so much for hospitals: (a) cottage hospitals, (b) hospitals of other types;—so much in all for the construction or extension of improvement of hospitals. And then again, so much for fishery development; so much, perhaps for agricultural development; so much for development along this line or that line or the other line. First of all, to take the whole amount, if it is twenty-five million, break it down, divide it up, into so much for this, so much for that, so much for the other; and then, having decided that a total amount in the next five years, shall be spent for hospitals; to sub-divide it further in this way: so much in each of those five, six, seven or eight years. In other words, if you are going to have a million dollars, let us say, for hospitals, not to spend it all in the first year and find that in the remaining seven years you have none left for that purpose. In other words, Mr. Chairman, to budget the whole amount under general headings and purposes, and then still further to budget it on a time basis.

These three regulations, one of which is presently before the Committee, are in pursuance of the idea, of budgeting for the part of the total surplus, which we must, under the Terms of Union, devote to development purposes.

Now, if I may be permitted to say so, I happen to be personally the father of the thought written into the Terms of Union that our whole surplus should be so treated. It was at my suggestion, and indeed my insistence, that there came to be put into Terms of Union this thought that the surplus shall be devoted to specific purposes; (1) one-third of the ordinary purposes of the Government, and (2) two-thirds of it for developmental purposes, so that the surplus would not be frittered away, spent on things which seem from time to time as one item or another came before us for decision to be a good item at that moment, but not in relation to an overall plan—to avoid that.

Well, now, this first one, the one presently before us, is an Industrial Development Loan Board, which would have custody of the fund which would be appropriated later by the Legislature for those purposes, which would make loans from the fund, to industries, large or small. I may say, Mr. Chairman, that the thought was at first to have what we were calling a small Enterprises Loan Board, to which the small man, the small industries; for example, the saw-mill owner who wanted to add a planer or a matcher to his mill, would go for a loan; and then, secondly, an Industrial Development Bank through which the bigger man in-

volving a proposition for twenty or thirty or fifty thousand dollars, or maybe more, would go; two separate ones, one dealing with bigger things and one with smaller; but both are now envisaged and comprehended in these present resolutions. To it both the big and the little man would go, seeking a loan. Now the idea would be that these loans of course would be properly secured; that they would be at a reasonable rate of interest, and that generally they would deal with a type of enterprise with which the ordinary chartered bank does not, and indeed by its very charter, is not permitted to deal, in the same way the Federal Government of Canada has set up the Industrial Development Bank, with headquarters at Ottawa, to deal with industrial development in need of capital with which the ordinary chartered or commercial banks cannot, will not, or are not permitted to deal.

Now, Mr. Chairman, the purpose is to have three boards—three Loan Boards, each with a membership of five men, but that does not mean fifteen men, because the thought is, and the hope is, to have the one man as Chairman of each of the Boards, and the one man as Secretary of each of the Boards, and then each Board would have three men, in addition to the Chairman and Secretary, but they would be three different men for the three different Boards, the idea being that, for example, in the Industrial Development Bank, in addition to the Chairman and the Secretary, we will be able to draw on, or we hope we can draw on, if we can

secure their interest, three men, three Newfoundlanders, who have had outstanding, outstanding, experience in industry, to serve as members of the Industrial Development Loan Board. I would think of such men—no approaches have been made—but when these approaches come to be made, they would be made to such men as, and I think now as I am on my feet only, such men as Mr. Ches Crosbie, as Mr. C. C. Pratt, as Mr. Lewin, the manager of Bowaters, as Mr. Gruchy, the Manager of A.N. D. Company, and men of that calibre; just as in the Co-operative Development Loan Board the personnel would consist, in addition to the Chairman and the Secretary, of three men who have had a particular experience in dealing with the co-operative movement, just as the Fisheries Development Loan Board, the three of them, would consist of men who have had a particular experience in dealing with the fisheries.

I do not know that there is anything I can add at the moment. Of course, if the House, if the committee here adopts the resolutions, its adoption of them implies that there will come before the House a Bill embodying these terms, and then in committee of the whole of the House on the Bill as a Bill the details can be ironed out, and if the gentlemen opposite would give us the benefit of their individual experience in their own fields of activity and endeavour in life we would be most appreciative. We have hopes that this departure, if it may be so termed, will redound to the good of the province, as a people,

and as a province, in Newfoundland.

I have only one other thing to add and that is that there are certain ways, well defined, whereby a province may obtain from the Federal Government certain financial grants, contributions, and loans, but that these can be obtained, some of them only when the province requiring or requesting them has already set up a Board of the type pictured in these resolutions, through which the Federal money in question may be administered. As an example, there is the Fisheries Loan Board which can get definite sums of money from the Federal Government to assist our fishermen in Newfoundland to build or otherwise acquire boats, and even fishing gear under certain conditions for purposes of the fishery.

I move, Mr. Chairman, and on this motion do not misunderstand me, any gentleman desiring to comment in any form within the rules upon the resolutions may do so, but to bring the thing to a head I move that the committee rise, report having considered the resolutions, and adopted same as read, at which point we can have a free-for-all if we like.

Committee agreed to the resolutions. On motion the Resolution were read a second time and concurred in. Moved and Seconded that the honourable the Premier have leave to introduce a Bill based on the said Resolutions. Leave granted. Bill read a first time. To be read a second time on tomorrow.

MR. SPEAKER: The honourable the Attorney General to ask leave to introduce a Bill "An Act to Amend Chapter IV of the Consolidated Statutes of Newfoundland (Third Series) Entitled 'Of Promissory Notes'."

Leave granted. Bill read a first time To be read a second time on tomorrow.

MR. SPEAKER: The Orders of the Day. Third Reading of a Bill "An Act Respecting Mothers' Allowances."

Bill read a third time and passed.

MR. SPEAKER: Third Reading of Bill "An Act to Amend the Standard Time (Newfoundland) Act 1935."

Bill read a third time and passed.

MR. SPEAKER: Second Reading of Bill "An Act Respecting District Courts."

HON. LESLIE R. CURTIS (Attorney General): I move, Mr. Speaker, that this Order be deferred.

Order deferred.

MR. SPEAKER: Second Reading of Bill "An Act Respecting Sawmills."

HON. EDWARD RUSSELL (Minister of Natural Resources): Mr. Speaker, I move that this Order be deferred until tomorrow not see why this government

Order deferred.

MR. SPEAKER: That is the end of the Orders of the day.

MR. SMALLWOOD: Mr. Speaker, I move that the House at its rising do adjourn until tomorrow, Monday, at three of the clock.

House adjourned accordingly.

Monday, October 24th, 1949

The House met at three of the clock.

Presenting Petitions:

Mr. Drover from St. Anthony Re Road.

Reports of Standing and Select Committees.

Hon. the Attorney General presented the Report of the Select Committee appointed to consider the Petition of the St. John's Municipal Council, as follows:

TO THE HONOURABLE THE HOUSE OF ASSEMBLY

The Committee appointed to consider the Petition of the St. John's Municipal Council asking this Honourable House to pass a Bill declaring the Franchise of the Golden Arrow Coaches Limited to be determined, begs to report and recommend as follows:

- (1) That Notice of this Petition and of this Report be published in the Daily News and Evening Telegram on Tuesday the 25th, and Thursday the 27th instants.
- (2) That any comments be submitted to the Clerk of this Honourable House on or before Monday, October 31st, at noon.
- (3) That a copy of the Petition, advertisement and proposed Bill be served upon the

Company at its Head Office, Merrymeeting Road, St. John's, forthwith.

- (4) That the Council report to this Honourable House when these instructions have been carried out and when service upon the Company has been effected.

Dated at St. John's, this 24th day of October, 1949.

(Sgd.) Leslie R. Curtis
John G. Higgins
Frank D. Fogwill
Oliver L. Vardy
James J. Spratt.

Notice of Motion and Notice of Questions:

HON. H. W. QUINTON (Minister of Finance): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill "An Act to Amend the Life and Accident Insurance Agents' (Licensing) Act, 1944."

HON. DR. POTTLE (Minister of Public Welfare): Mr. Speaker, I give notice that I will on tomorrow ask leave to present a Bill "An Act Respecting Allowances to Dependent Persons."

MR. CASHIN: Mr. Speaker, there are questions standing over there in my name for some time, one directed to the Minister of Provincial Affairs, and one I addressed to the Finance Minister; they have been there some time, and I was wondering whether there was any answer forthcoming.

MR. QUINTON: Mr. Speaker, I have to inform the honourable member in answer to question No. 69, which generally concerns "screech", that we regret that it

is not in the public interest to give this information at this time. I have the answer to Question No. 68 asked by the honourable gentleman from Ferryland, Paragraph 1 of the question asks "The total amount of cash surplus to the credit of the Exchequer account in the Bank of Montreal at St. John's, this amount to include any conversion of sterling balances to dollars recently, and to give the amount of such conversion; also this total amount to include the collection of income and profits taxes to date on account of 1948 and outstanding amounts." The answer to (1) which I have just read is:

(1) Newfoundland Exchequer Account Balance, as at September 30, 1949:

Balance, Bank of Montreal\$21,136,064

(Note: The above unaudited figure, which is subject to adjustment, includes \$7,655,290, full conversion of blocked sterling into dollars and \$8,538,245. Income and Profit Taxes collections 1/4/49 to 30/9/49).

Credit ÷ Balances, United Kingdom, as at September 30th, 1949:—

- (i) Interest Free Loans\$9,068,000
- (ii) Newfoundland Exchequer a/c£310,368
- (iii) Reserve for Debt Retirement (cost of bonds plus interest£ 71,000
- (iv) Agency Accounts\$71,000

With regard to (i) above the loans stand to the credit of New-

foundland and are repayable on demand. It is the intention of the Government to obtain interest.

(3) "Has the Government discussed any policy with regard to the outstanding loans to fishery concerns with respect to the establishment of sinking funds to redeem such loans at maturity?"

The matter is still under consideration.

(4) "In addition to the Exchequer balances, what amounts are shown as surpluses to the credit of the Board of Liquor Control and the Newfoundland Savings Bank? The answer is:—

Surpluses, Board of Liquor Control and Newfoundland Saving Bank:

- (i) Amount of surrendered trading profits, Board of Liquor Control, as at 31/3/49\$1,158,201
- (ii) Amount of reserve fund, Newfoundland Savings Bank, as at March 31, 1949\$1,037,238

MR. CASHIN: Pardon me, Mr. Speaker, the amount to the credit of the Board of Liquor Control as at March 31st, has any of that been transferred since?

MR. QUINTON: Transferred?

MR. CASHIN: To exchequer account?

MR. QUINTON: I am able to say that without Notice of Question.

MR. CASHIN: No, but my point was, in addition to the Exchequer Balance, what amounts were shown as surplus to the Liquor Control, and that question means, what at that date?

MR. QUINTON: As at October 12th?

MR. CASHIN: Yes.

Revenue and Expenditure as at September 30th, 1949, excluding Income and Profits Taxes Collections
 April-September April-September

Department	Revenue	Expenditure
Finance	\$5,533,396	\$ 889,142
Assessor of Taxes	1,157
Home Affairs	12,822	251,595
Education	51,105	2,178,849
Justice	20,691	642,553
Natural Resources	168,937	737,604
Public Works	758,186	3,293,882
Public Health and Welfare	312,817	4,617,576
Board of Liquor Control	1,300,000	78,998
Supply	520	32,302
	<hr/>	<hr/>
	\$8,158,474	\$12,723,658
	<hr/>	<hr/>
C. F. Services		
Interest on Public Debt	421,787
Salaries under Statute	917
	<hr/>	<hr/>
	\$8,158,474	\$13,146,362
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I have the answer, Mr. Speaker, to question No. 77 on the Order Paper; question asked by Mr. Higgins. The answer to the first part of the question is "No." The Government does not consider—this refers to the Cost of Living Bonuses payable to pensioners—the Government does not consider that the same need exists outside Newfoundland, and part 3 of the question does not arise.

MR. CASHIN: Mr. Speaker, I

MR. QUINTON: I shall have to bring that tomorrow.

(5) "Give a statement of revenues and expenditure under the various headings as at September 30th, 1949; this statement not to include any revenue from the collection of Income and Profits Taxes on account of such taxes for 1948." The answer is:

thank the honourable the Minister of Finance for his reply, but with respect to the one that he says is not in the public interest, might I just make a remark in connection with that, if it is not out of order—I do not think it is—that is, that I feel it is in the public interest, for this reason, I was prompted to ask that question by statements made in the House with respect to the high cost of living and that people were profi-

teering. Now this is the greatest profiteering of the bunch of them; the Board of Liquor Control is making five hundred per cent profit at least—

HON. J. R. SMALLWOOD (Prime Minister): Is that all?

MR. CASHIN: At least five to six hundred per cent, and I doubt very much whether the honourable the Premier will have that included when he appoints his Royal Commission to investigate profiteering in the country. Why the greatest profiteers of the bunch are the Government.

MR. SMALLWOOD: You have the right only to ask a supplementary question, and if he is not satisfied with the answer, it is the answer, and if he is not satisfied with it he can take the proper steps at the proper time in the proper way, which is not—

MR. CASHIN: Thank you very much, Mr. Premier. I will take the proper steps at the proper time and tell the truth about it, which the Government is ashamed to tell. They are robbing the people.

DR. POTTLE: Mr. Speaker, I give notice that on tomorrow I will ask leave to introduce a Bill entitled "An Act Respecting Relief Works Administration."

HON. JAMES J. SPRATT (Minister for Provincial Affairs): Mr. Speaker, I have to inform the honourable the member of Ferryland, with regard to the information he sought in connection with the *Housing Corporation*, that I contacted the chairman of the *Housing Corporation*, and he

said that the answer was in course of preparation, and owing to the fact that there are many individual interests concerned in the compilation of the statistics that it will take some time, a few days more, to have the necessary reply in the proper manner made. I hope at the next sitting of the House to have the information.

HON. W. J. KEOUGH (Minister of Fisheries and Co-operatives): Mr. Speaker, I move the House into Committee of the Whole on the resolutions in relation to a Bill to establish a Fisheries Loan Board for Newfoundland, and I have to inform the House that His Honour the Lieutenant Governor recommends this Bill to the House.

Speaker leaves the Chair.

Mr. Courage takes Chair of Committee.

MR. KEOUGH: Mr. Chairman, I am going to follow the precedent that was set by the Premier when speaking to the Industrial Loan Board Bill in some detail at this juncture. It will be five months come next Thursday since this Government was elected to hold office. They have been for the Government months of some considerable activity, and months of some honest searching of what might most advantageously be done to advance the welfare of the people of this Province, and we feel that our efforts in that direction have not been without some worthwhile consequences, and we feel that we can point to, among our accomplishments, some legislation of some significance, which we do hope and which we do believe will be for the augmentation

of the prosperity and happiness of all who live in this land.

I have the privilege this afternoon of introducing some resolutions for the consideration of the House. They have to do with further legislation which we believe to be of the same calibre and in the same category. This is another one of several pieces of fisheries legislation that we have in mind which we hope in the aggregate will have the result of leading to better circumstances of life and of living for the fishermen of Newfoundland.

The introduction of this particular piece of legislation will not, of course, cause any surprise; it was written into the Speech from the Throne in July that there would be a Fisheries Loan Board, and indeed it has been on the cards since long previous to then, that there would be some mechanism considered in legislative form to provide loans to fishermen; that was one of the promises that we made when we asked the people of this province for a mandate last May. And indeed it was on the cards long before that; actually it has been on the cards since those first days when he who is now the Premier first began talking about the toiling masses, began talking about improving conditions of what has come in the meantime, we have come to this hour and to the institution of this legislation for establishing a Fisheries Loan Board.

You may search the record of all the past, I think, for such similar legislation as this, and I doubt very much if you will find it, for this proposed legislation is some-

thing revolutionary to us, and our thought whether in the result it was or was not, revolutionary; in the economic field it was for the most part the reincarnation of a pattern for years and days without end. When in 1948 the people of this island voted for a change of that pattern, and we are not going to seek to avoid the consequences of that mandate. Now I should perhaps go on a little further and try to make clear what I have in mind when I say a mandate to change the pattern of the past. I do not mean by that that we have a mandate to try and tear up our roots, to bring down any of our institutions, to despoil any of the things that are valued and that are dear to our hearts in this land. But I do say that we have a mandate to build what we can in five years, to try to change the economic pattern of life in this island, to try to make better the circumstances of life and of living of the ordinary folk of this island, and I go further and I say this, that unless we do that in some way this Government will not be back again in five years, but rather it will have given its place to another administration charged with exactly the same thing.

I remember long, long ago, when I was much younger than I am now, I remember a man who was looked up to as one of the leaders of the country in that day, describe the Newfoundland people in this fashion; a simple people, you know, who are content with earnings of about \$150 a year and the vegetables that could grow in their gardens and the fish they could put up for the winter. Just in case

anybody is still of that same opinion, let me say for his disillusionment that those days are gone forever, and that if by any chance our people were satisfied with such a meagre portion in the past, they most certainly are not going to be satisfied with such a meagre portion for the future.

This proposed Fisheries Loan Board is part of the formula which we have in mind for arriving at a changed pattern of life. Now before we are able to say what it is all about let me begin to say, first of all, what it is not all about. We do not contemplate setting up this Fisheries Loan Board so that the government could go into the fishery supply business. We hope that this Loan Board will make loans to finance ships, but it will not make loans to finance shoes and sealing wax and cabbage. Loans for flour and tobacco are out of the question, and I am afraid that they had better disillusion themselves right now. We are sorry. We would like to be able to do that, but we just simply do not have that kind of money. We are afraid that loans for such purposes would have too high a rate of uncollected revenue, and that the funds that we intend to provide from this Board would soon be poured down an endless drain.

What, then, is this Fisheries Loan Board all about? It is all about a problem that I have had occasion to mention more than once before in this Chamber in the three years when I have had occasion to speak here since 1946. And the problem is the problem of what is the future of that spare, gaunt, neglected figure whose shadow is

across all our history, the figure of the shore fisherman in Newfoundland. Those of us who know fishing and know the fishing industry will readily admit two things about the present position of our shore fishermen, one, that their instruments of production are outmoded; the trawl and the trap are now no longer adequate to the production output for our fishermen, that would result in a decent standard of living. "The red-headed Tory out there in the dory" can no longer hope to make ends meet with merely a squid jigger and a handline; he would be a much happier red-headed Tory if he was out there in a dragger instead, even though Smallwood may now sit where Squires once sat. And the second thing that will be admitted will be that his whole discouraging position is very precarious.

The Newfoundland fisherman, shore fisherman, has been historically free at least in this, the ownership of his own fishing boats, witness to a considerable centralization and mechanization of our fisheries for purposes of mass production, and the historic problem in the way of such centralization and mechanization has been that shore fishing populations have disappeared unless some measures were taken to see that they survived. As far as I am concerned, the most adequate measures could be taken to see to the survival of our shore fishing population would be to provide some other form of ownership and such new form of fishing structure as may arise in this island for participation in ownership. This Fisheries Loan Board that we propose is one of the

measures that Government has in mind for enabling our shore fishermen to fish world markets in this Twentieth Century. The honourable members will have already read the proposed draft and are aware of what specific loans, the type of loans, are contemplated; loans to fishermen for the purchase of boats and motor power and gear of many sorts; and loans to supply the fishermen for these items and also for a constructive plan.

The Resolutions that are envisioned in this Bill, provide for a wider definition. Definition may be made by regulation to provide loans for wider purposes, and just exactly what the scope and extent of our loan programme will be cannot be envisioned at this particular moment. That is something that will have to be arrived at by time and experience. One thing we do intend to do; we intend to go slowly. We do not intend to rush in where angels and where bankers would fear to tread.

Now the Premier has already indicated in what manner we propose to implement this legislation. The fund will be created out of surplus. I am not in a position to say at this immediate moment at what time that fund will be created, whether it will be provided for in the amended estimates that will be brought in shortly, or the Estimates that will be brought in next Spring. But this I am prepared to say, that one of the first things that we are not prepared to do and that we are not able to do, is to dish out loans, right, left and centre, for everything from a dory to a dragger, and from a needle to an anchor. Our whole

programme, if it is going to make sense at all, must be so geared as to promote, to seek to promote, the use of new instruments of production our fishermen need, and not to perpetuate in their hands and in use the antiquated instruments with which they now proceed to sea. And that will mean that before they can arrive at the most judicious use of this new instrument that we are bent on creating, it must be first preceded by a programme of experimentation that would show just what kind of boats and just what kind of gear can be used most advantageously just where, and in the meantime we will have to be as judicious in our making of loans as we can in the light of what information may be available as to what loans may be best made available for.

There is one other thing that I should point out, that this creation of this instrument will put us out in line to take advantage of the Federal Ship-building bounty of a hundred and sixty-five dollars a ton which the Federal Government pays on vessels of long-liner and dragger type and during the past few days I have been told of the idea that once this Board is instituted perhaps the Federal Government could be prevailed upon to broaden out the basis upon which they would pay that bounty to include vessels of such construction as the province pays a bounty on. I am sure that would be a most welcome measure in the province and a godsend to those who build boats in our midst.

And let me finish in this fashion, that for my own part I am

convinced that this can be a most useful and a most excellent instrument, and that if it is used with discretion and with wisdom and with vision it will be for the regeneration of many and an instrument for the augmentation of happiness and prosperity throughout this land. I move the adoption of these resolutions.

MR. FOGWILL: Mr. Chairman, I feel that I am not at a loss to say much after listening to the rather eloquent speech of the honourable Minister, but nevertheless I do believe that this Bill itself is designed probably for two purposes, (1) to relieve our many fishermen in this Island of the burden of toil in catching and processing and perhaps the other purpose is to increase the quantity of fish caught. I speak mostly of the salt codfish industry.

I feel that the objects of the Bill are worthy of the support of all of us, but nevertheless I think that the administration of the bill itself is surrounded with a great many difficulties. I think it will take a lot of clearing to overcome. Perhaps a few facts would not be amiss at the moment, with regard to our salt cod in Newfoundland has averaged just about 1,180,000 quintals, and for the information of the House in 1857-1860 the average catch was 1,160,000 quintals, and the export value was \$4,216,000; and that average has been maintained throughout the whole past ninety years with the exception of a very few years, I believe in 1906 to 1910, the catch was increased and the value was increased, with the exception of the years of 1916 and 1920, when

the average catch was 1,600,000 quintals and the export value was \$17,800,000.00. From there on it declined, until the end of the four years, the four years ending 1940, our catch of salt cod was 1,066,000 quintals and the export value was only \$4,600,000—just a little more than it was for the same amount of fish which we caught and processed in Newfoundland ninety years ago.

Now then, if this Bill is designed to help the fishermen, who I believe need it, it will have the support of everyone here; it will serve the purpose, as I said before, to lighten the burden of toil of the fishermen, but nevertheless the main object of the Bill, I think, is to increase the production of salt cod in Newfoundland, and if you do that you have got to ally yourself with another programme, and that is to find a market for it. Salt cod is a cheap article of food and it is consumed by people whose economic condition is just as precarious as our own; it is eaten by the people in Greece, Italy, Portugal and Spain and by the people in the West Indies and all those hot countries, but nevertheless, I want to point out this fact, if the Bill is designed to increase the production of salt cod, first you must find a market for it. If you intend, if the Government intends to increase it to fifty or a hundred per cent you must sell it cheaper, you must have it processed, of good quality, and then sell it to the people who want it and sell it cheaply to them. I just want to point out those two or three facts. In the last ninety years of the

salt cod industry in Newfoundland; but if the Government has those things in mind, that they are going to lend the fishermen, groups of fishermen money, and co-operative societies money, that is the societies that are engaged mostly in the fishery industry, must keep that in mind, that if you are going to increase the catch of fish, you must find a market for it first, because it so happens in Newfoundland during these past years and years, that we have been left in the spring of the year, when the new fishery starts, we have been left with two and three and four hundred thousand quintals of salt fish here in Newfoundland which we could not sell. Now you can find a method, a method to sell the fish, somewhere, if you can ally this project with a sound, sensible sales organization, then perhaps you will be doing some good, but I feel a little fearful of the result of perhaps it may be pertinent to say at this point in closing, to repeat a phrase of the honourable Minister himself, it is possible that this Bill itself will go down in history as "The Bill of Cape St. George."

MR. J. G. HIGGINS (Leader of the Opposition): Mr. Chairman, the only objection I have to this Bill is the lack of necessity for reviewing the fact that to have already a Bill called the Industrial Development Loan Board. I do not see why this Act could not cover both propositions, and that the same Board should run it. Section 7 of the Industrial Development Loan Board reads:

"The Board shall, in accordance with the regulations, ad-

minister the Fund and such other moneys."

And so on,

"developing and improving industries based primarily on raw materials which are the product of Newfoundland, particularly, but not so as to restrict the generality of the foregoing, by making loans to persons, partnerships, associations, or companies engaged in processing manufacturing fish."

I presume that fish is a raw material. If not that section could be changed a little bit, and the only objection I would have to the Bill would be the fact that the Bill could be covered, or at least the objects of the Bill could be covered, in the Industrial Development Loan Board. Now it may be said that these matters concern two Departments, one Public Utilities and the other Fisheries, but the Premier himself has told us that the Industrial Bill would cover different organizations, different departments, that it was comprehensive for the whole Island and for everything dealing with the Government. Consequently I do not see the necessity of having a separate bill for this with two separate committees or two separate Boards.

MR. CASHIN: Mr. Chairman, I want to compliment the honourable Minister on his presentation of this Bill. If I have got him right, he said in effect that it would be one of their ideas to protect the shore fishery. Well, I am going to make a statement now, and that is this: that there is only one way you are going to protect

the shore fishery. You have got to do it internationally. During recent years we have had trawlers come out here from the other side, France, Portugal, I think some have come from Spain; we have them here, our own, the shorefishermen's analysis of the whole situation way ahead of any a biologist can produce, because I represent a constituency which lies close on the Grand Banks of Newfoundland, where bankers come in there, and these trawlers have been keeping the fish off the land; sweeping it up; they have cleaned up the banks off the United States; they have cleaned them up on Canso Bank, and now they are going at the Grand Banks. I feel, Mr. Chairman, that we should do everything possible in our power to expedite the fisheries and encourage the fisheries; that has been an old story that has been going on ever since this House was built; it is going to go on after all of us fellows have passed out; every politician that came in here was doing everything for the fishermen, but I feel that this is an international matter, to protect the shore fishery, particularly up on this part of the coast, because, as the honourable member knows, this year in Ferryland district we have had the worst fishery as long as I can remember, and I can remember roughly fifty years, and this year we have had the worst.

Now, another matter. In advancing money in the form of loans to build boats and so on, that is a very excellent idea, but we must remember that the Commission of Government advanced over a million dollars in loans, and I have asked several ques-

tions pertaining to that. There has been no guarantee that the Government is ever going to get it back, none whatever; the loans were given for twenty years; there was no provision made whereby a sinking fund was created in order to pay off these loans. I think one of the companies has paid something off now, that fifty per cent of that money will never be returned to the Treasury. I am as sure of that as night follows day, that fifty per cent of that \$1,000,000 that have been loaned to these industrial organizations for the development of the fisheries will never come back to the Treasury. Now, remember, Mr. Chairman I am not trying to knock in any way, shape or form the encouragement of the fishery, but let us look at the fishery for next year. The salt codfish industry, that has been averaging around a million quintals a year right down through the years. What is the position? We are fortunate this year in Newfoundland that it turned out as it did. Sterling depreciated twenty odd per cent. What is going to happen to the salt cod fishery next year? If sterling keeps down to the same level as it is today, \$3.08 3/4 to the pound, what is going to happen to the fish? I predict now, and I regret to have to say it, that salt cod fish will be down this year, and the late part of it may be down four or five dollars a quintal, particularly for European markets, which has not been sold, a hundred or a hundred and fifty thousand quintals by next spring when it is going to be thrown on the market, because as Mr. Fogwill pointed out, a lot of our fish is held over

from one year to another and it is not disposed of before the next fishery begins. Well, now, if that is not sold,—as I understand it, about a hundred or a hundred and fifty thousand quintals not sold,—you are going to lose a million or six hundred thousand dollars on it right there.

Not, Mr. Chairman, because of any fault in the sellers here; they have done their best, but because of the depreciation in sterling currency, and there is no indication at the present time that sterling is going to come back in a hurry, although, if my guess is right, and this is contradicting myself, if my guess is right, sterling will be back in a year, but, on the other hand, it is only a guess; but if it stays where it is, cod fish will be down four to five dollars a quintal next year. If we therefore increase the catch of codfish, what are we going to do with it, as Mr. Fogwill says: find new markets, which I hope we will. Now it may be the policy of the Government or the policy of those who are going to be interested in these things here, to get more fresh fish. Well, there is only one market left on this side of the Atlantic for fresh fish, and that is the United States of America, and we see every day in the papers, we see every day in the newspapers, practically every day, how the Boston fishermen through their representatives in Congress and in the Senate and everywhere else, I think, kicking up an awful noise because our fish is going in there and competing with fishermen in the United States of America. And remember this, Mr. Chairman, that most of the fishermen that are fishing out of the United States of America are Newfoundlanders, most of them; out

of Gloucester, Boston and New York, principally Newfoundlanders, and you can go out on the West coast of Canada and probably right down to California, and you will find Newfoundland fishermen fishing there. And these are kicking against our fish going in there. Now we have nothing to deal with with the United States today, because it has to go through the Federal Administration in Ottawa, and if they are not able to make a deal in a general way with the United States to absorb more of our fresh fish, how can we produce more, if we cannot sell it. I have heard people say, some of these organizations that we have promoted here in Newfoundland, they can sell any quantity of fish. I question that. But I do say this, that the draggers and the trawlers on the Grand Banks of Newfoundland are going to ruin the shore fishery on this coast, and unless some international agreement is made restricting them in some way or another, we are going to find ourselves in the same position as they found themselves in the United States and in Canada—the Grand Banks are going to be depleted, and, mind you, Mr. Chairman, I also understand that during the War, that during the War when we had never taken it into consideration at all, that torpedoes, submarines killed an awful lot of fish, but remember that there were millions of tons of shipping crossed the Grand Banks of Newfoundland, going from west to east during the War, that millions of quintals of fish were possibly killed by explosion and so forth. We have all these trawlers sweeping the Grand Banks, sweeping it up, not only catching the fish, but hundreds can be killed in addition; and how much do they throw away?

These are matters that have got to be dealt with, not by us as a provincial legislature, but by the Federal authorities at Ottawa, and sooner or later they will have to do it.

Now the principle of the Bill I agree with, but I have brought these points to the attention of the honourable the Minister in order that the Government might think it over, if they might make representation to the proper authorities at Ottawa to try and use their influence to create some kind of a meeting between the various people that are killing all the fish on the Grand Banks to come together and make some kind of an arrangement is finished. This year in Ferryland and Placentia and St. Mary's Bay are concerned, the shore fishery is finished. This year in Ferryland alone, traps, and my friend the Minister knows this, some traps got as high as three and four quintals per trap. Well, what is the reason for that? The caplin came to land, but the fish did not follow because they were swept up by trawlers on the outside. The caplin came. And that existed right from Petty Harbour—right from Trepassey except in Portugal Cove; some of them got a good deal of fish there. But, generally speaking, we could write off the shore fishery in Ferryland this year as not worth talking about. The result is that many of the poor, unfortunate people are up against it at the present time. And I blame it, and I have talked with old fishermen, and I take their word against any biologist or scientist you are going to put up against them, that he knows more about the fisheries than the whole lot of them thrown together.

MR. KEOUGH: Mr. Chairman, I am glad that the honourable member drew attention to the fact that this matter of the protection of our waters against the encouragement of foreign trawlers is an international matter and therefore a problem for the Federal authorities; there is of course nothing that we can do at this level, that is the Provincial level, other than to make representations; and if the understanding I have is correct, I believe that the Federal authorities are already at work on trying to shape up international discussions in that respect.

There is one other point the honourable member made to which I should like to refer. I believe when I was acting as Minister of Natural Resources, I answered a question in the House here with regard to the loans for development of the fisheries that had been made in the days of the Commission of Government; and if I remember correctly the information that I was able to give the House at that time was that these loans had been repaid with respect to any arrangement with regard to the payment of principal and interest up to the date of March 31st. I believe that up to the date of March 31st of 1949, interest and any payments of principal that were called for.

MR. CASHIN: Some of them paid nothing, and I go further, Mr. Chairman, and that that some of them are not going to pay anything, and do not intend to, and you cannot collect.

MR. SMALLWOOD: Mr. Chairman, there were one or two points made that I think do call for a reply. The honourable the Leader

of the Opposition, speaking in favour of the resolutions, wondered nevertheless why there should be two boards and not one. There were the resolutions adopted here on Friday, I believe, to set up the Industrial Development Loan Board and now he says we are confronted by another Board for the purpose of making loans to the fishing interests of Newfoundland. Why not have both types of loan made by the one Board? I think I have fairly interpreted his viewpoint. He might have gone a step further and referred to a third loan board which, as I indicated here on Friday, is to be set up, namely, the Co-operative Development Loan Board. In a sense all three Boards are to be one Board, because there is to be the same chairman for all three of them. They will differ from each other in personnel only as to the remaining three members of each board, and the idea of that is this: Here is a letter from an industrial concern here in St. John's, who say that they can put to work fifty people; here are jobs in an industrial enterprise if they have the capital to do it with.

Now the consideration of that proposal to put these fifty people to work in an industrial establishment here in St. John's, which indeed would compete in the sale of its output with firms on the mainland making the same product, is surely a matter calling for a rather different type of knowledge and background and experience, and even perhaps of outlook, from a proposition to make a loan to a fisherman or a fish firm or merchant to enable him or them to acquire a fish plant of some sort or

other. Surely two different types of knowledge, background, experience, and even of outlook, are required in dealing with the two almost entirely different types of loans. Now one thing is required for each type, and all types, in common, that the Chairman of all the Boards shall be a man of such catholic, such wide, such universal experience in finance as to be able to consider all of them in the light of certain basic, sound financial principles. Therefore, if your Chairman is a man of that type, if he is, for example, a banker with twenty, thirty years' experience in actual banking practice, he could bring to the consideration of applications for loans made to the Industrial Development Loan Board, to the Fisheries Development Loan Board, to the Co-operative Development Loan Board, he could bring to these the basic outlook of the trained banker. Now, that is not enough; that is not enough to have. It is necessary that when loans are applied for, for fisheries purposes, whether it be—and the House committee will recall that, as I pointed out here on Friday, the original intention had been to have two, one for fishermen, a fishermen's loan board, and the other a fisheries loan board for the purpose of dealing with mercantile firms, but they have been consolidated in this one series of resolutions before the committee at this moment. But clearly what is needed is that some of the men on the Board should be men with particular experience in fishery matters. If the Chairman be an experienced banker, let the other members of that Board be men with specific, practical, down-to-earth knowledge of fishery mat-

ters, whether they appertain to fish firms, merchants, or to individual fishermen or groups of fishermen who wish to avail themselves of the opportunity presented by this board. I think the honourable and learned Leader of the Opposition will see that point and will on reflection perhaps, and I certainly hope it is the case, agree that this is the better way to do it. His point, I believe, is well taken, and I think the basic reply is that it is virtually one board, because you have the one chairman, the one secretary, of all three boards, but you have also each of the three boards made up in part of men with specialized knowledge in the particular field in which these loans are to be made.

Now the honourable gentleman, the junior member for St. John's East, gave us, as he has done on other occasions in this Chamber, the result clearly of some personal research, and that is always a matter which meets with my own personal appreciation. I like to see personal research done. He has gone back for a period of ninety years, and he is just a little perturbed that the creation of this bank, or this loan board, will have the effect of increasing the output of what—Of codfish, and all his remarks were addressed to that one point, codfish. Well, in Newfoundland if you mean any fish other than codfish you have to say so, and if you say "fish" you mean codfish; unless particularly specified you always mean codfish; so much has codfish been the fishery of Newfoundland that we have that position. Why I remember in the largest fishing settlement in Newfoundland, the largest in all this

island, a few years ago, being present when in the trap, codtrap, of one of the fishermen, they caught a tuna fish. They brought it ashore, and they wondered what, if any, oil they could get out of that fish. They cut it up, and there were two men in that large, very large, fishing settlement, who were daring enough, courageous enough, to take it to their homes, to cook it and take a chance on eating it. Tuna fish! Worth what? A dollar and a half a pound in any fashionable restaurant on the mainland. Fish is codfish, our waters I know, positively know as a matter of positive knowledge, contain many other kinds of fish, and we must stop in Newfoundland, we must stop thinking and meaning only codfish when we speak of fish at all. We have other kinds of fish. Why how many men in this Chamber previous to five years ago ever heard of rosefish? How many? I confess candidly I never did. Rosefish. To-day, millions of pounds of fresh frozen fish are being shipped into the United States, millions of pounds. Rosefish is one of the means of enabling the shippers to get rid of codfish. They will take codfish only if you can give them rosefish and other types of fish. I think that even on the ground on which he spoke, increasing codfish, I think there is room for more codfish even, but it does not necessarily have to be salt dried codfish.

Now I come to my eternal and unending friend, the honourable and gallant member for Ferryland, and he was terribly, terribly pessimistic this afternoon, about our getting back that one and a half million dollars which the Commission of Government in its wis-

dom loaned to a number of large merchant fishery firms in Newfoundland;—one and a half millions to some six or seven or eight, large concerns, and he was pessimistic about our getting that back. He said that we would be lucky if we got half of it back—

MR. CASHIN: We'll see.

MR. SMALLWOOD: He says now we'll see. And he amplified that afterwards by saying that so far as some of them were concerned we will not get any of it back. But I hold him to his general statement, fifty per cent—we would be lucky if we got fifty per cent of it back. Well now, pessimism rather flows off me like water off a duck's back in this respect, for this reason, that I saw him once very recently in this very Chamber, in this very session, express the gloomiest of gloomy pessimism about our prospects of getting back the blocked sterling out of the United Kingdom, and since he spoke we have got back some seven million dollars—

MR. CASHIN: I know you have.

MR. SMALLWOOD: Yes, we have it back, and that seven millions was the money which the honourable and gallant member was quite certain we could kiss good-bye to. I have heard him say a dozen times—

AN HON. MEMBER: What rate was it converted at?

MR. SMALLWOOD: At par.

MR. CASHIN: No, it was not.

MR. SMALLWOOD: Oh, yes it was.

MR. CASHIN: Four and a quarter.

MR. SMALLWOOD: Well, that is par.

MR. CASHIN: Four eighty-six is par.

MR. SMALLWOOD: Oh, that is the old par. We got our money back and furthermore what money we have in the United Kingdom at this moment we will get back.

MR. CASHIN: I hope so.

MR. SMALLWOOD: And furthermore if we wanted it back tomorrow morning we would have it back tomorrow morning. So all the gloomy prognostications of the honourable and gallant member so frequently and so eloquently and so convincingly expressed in this very Chamber and elsewhere have proved to have absolutely no foundation at all. Now I like to see a statement have at least some foundation to it, but all his prognostications and gloomy forecasts have turned out to have completely no foundation whatsoever; and I go so far now as to say this, that when he says we would be lucky to get back half of that one and half millions, we will get all of it back. I am quite convinced of it. None of it is in arrears; none of it is in default. All interest due has been paid; all payments of principal repayable have been repaid. None of it is in default. I speak subject to correction, but that is my definite impression, and perhaps the Minister of Fisheries and Co-operatives can confirm that. As at the 31st of March past these were the firms to whom the Government

loaned two and a half millions between them, in the aggregate, have not defaulted on a single dollar, and furthermore my faith in firms such as Crosbie & Co., Job Bros., Harvey's, Monroe's, Moores in Carbonear, and the others to whom—

AN HON. MEMBER: Penny—

MR. SMALLWOOD: Penny of Ramea—my faith in these men, in Newfoundland—

MR. CASHIN: Changed a lot since two years ago.

MR. SMALLWOOD: My faith in these particular men as merchant princes, as business men, as industrialists, has always been high, has never wavered, and is high at this minute. What I think of them politically is another matter. Some of them have long been in business and not in politics. I have no doubt that these people will repay to the last farthing.

Well, Mr. Chairman, it is delightful to see the honourable and gallant member back on the job again. I have been wondering what had happened to him during the last couple of weeks. He has not said a word here, and we have been going along very quietly, and it has been very monotonous—just the old legislative machine grinding out the legislation, and I was wondering when the honourable and gallant member was going to put a bit of spice and a bit of life in our deliberations.

MR. CASHIN: Mr. Chairman, I want to thank the honourable Premier for his remarks. Now I was absent from the House the other afternoon, when my friend

the Premier I think intimated that the surplus was somewhere around forty million dollars.

MR. SMALLWOOD: Was it?

MR. CASHIN: Well, you intimated that a part of it had to go to be disposed—at least I read it in the newspaper—part of it had to be deposited in Canada, or the mainland, with the Federal Government, at two and three quarters per cent or something of that kind; and that that thirteen million will assume was for the purpose of paying debts—

MR. SMALLWOOD: I did not say that.

MR. CASHIN: Well, words to that effect. The balance of twenty-seven millions was to be allocated for specific purposes. Now I am going to make another prognostication, to use the word the Chairman of the Convention, one of our chairmen of the Convention, he used that word quite a lot, "prognostication"—I am going to tell you that twelve or thirteen million dollars which would be sent to Canada on deposit, if that is the money which is going to be used to pay any deficit, provided you put on no taxation, that in a year and a half that thirteen millions is gone. Why, Mr. Chairman, paper tabled in the House to-day indicate to me that for a period of six months you will have a deficit on current account of five millions of dollars, and it was bolstering it up and creating a wrong impression to the public by adding somewhere around eight million dollars of Business Profits Tax or Income Tax in order to show a surplus, and on the other hand you show that Profits Tax money as a part of your

surplus, and at the same time revenue. Now that is impossible. Now with respect to my statement that half that money would not be collected, and with respect to my statement that the blocked sterling would not have been, the blocked sterling had a motive behind it. If I felt that I had a motive whereby I felt that if I did it would bring publicity, you would get that seven and a half million dollars back; and you did get it back within thirty days. Why? Because they felt that here is a fellow down there saying we are not able to pay our debts. Well, remember, Mr. Chairman, it is not the first time that Great Britain did not pay its bills. In 1919 right along, right up to the present time, they failed to pay their bills. They have not paid the interest on the indebtedness at any time, and they paid us now. Yes, because the Canadian Government cashed that sterling money for us in order to pay the provincial government here, and that is what is going to happen to your interest-free loans also; they will probably do the same thing. Why? Because you are going to need them to pay your deficits within the next three years. And I go further now and state, that within the next three years every dollar of that forty million dollars will be gone. And I'm not here to preach blue ruin; I am here to try to tell what I think is correct.

Now with respect again to these people that owe these moneys to the Government, I have no personal axe to grind with these individuals, but I would say this, that when a loan is granted to an organization or a company, like a bonded indebtedness—we will take Bowaters, for instance, Bowaters made a lot of money in the country

and outside of the country, but what happens? They have got to find a sinking fund each year to redeem that loan when it matures but there is no sinking fund for these five or six or eight individuals who got these moneys from the government, no sinking fund whatever. What have you got? You have got their plants and steamers as security. Well, what condition are these plants and steamers going to be in twenty years' time. They are not creating a sinking fund to pay it off, and if they just pay the interest annually, which they have been doing, and one or two of them have paid a small amount on account, if my memory serves me correctly, but most of them have paid nothing. One or two of them at least have paid nothing. I have not got the figures here at present, but I know they have paid nothing; and I go further, and I say they are not going to pay anything, and that you will have to collect your mortgage.

MR. SMALLWOOD: There are none in default

MR. CASHIN: I beg your pardon.

MR. SMALLWOOD: There is not a dollar in default.

MR. CASHIN: There is not a dollar in default for the simple reason that the money was loaned on property; that when the Commission of Government loaned that money to those individuals they should have seen to it that a sinking fund was created in order to repay these moneys when they mature, but they did not do that. What is the result? In twenty years no sinking fund, but just paying the interest annually. If they were putting away an amount each year

to pay of that indebtedness at the end of twenty years, then that loan would be justified, but they are not doing that. What are you going to have? A bunch of scrap to pay it off in twenty years. In some instances you have scrap now, because one or two of the industries which they helped to develop by these loans have not made a dollar since they have been operating, not fifty cents. They have been going behind year after year, and the Premier knows that what I am saying is correct.

MR. SMALLWOOD: If I may, you will be happy I am sure to hear that the one you have in mind has ceased going behind, and has begun to go ahead, and I am referring to the making or losing of profits; now making a profit. You will be very happy to hear that.

MR. CASHIN: I am delighted, but I put a question on that Order Paper, and I understand that the Government is discussing between themselves the idea of creating sinking funds to pay off these loans. For instance, in this Bill here, the same thing will apply. If I go there to the Government to get a boat a twenty-five or thirty ton Western boat, and they advance me six or seven thousand dollars in order to build one of these trawlers or whatever you like to call them, surely they are not just going to give me that boat and say, "Here, Cashin, you carry on with this boat; we have her as security," and let me operate; they are going to see to it—if they are business-like they are going to see to it that I pay so much annually on account until such time as the principal is paid off. I take it that is the idea, is it not, Mr. Minister?

That is the proper way. But in the other case that the Premier refers to, no effort whatever was made by the Commission of Government or your Government up to the present time to see to it that a sinking fund is created in order to redeem these loans at maturity; and these moneys, remember, form a part of your surplus. And the same thing applies to what the Premier is going to tell me now, that he is going to get six million dollars between themselves and the Municipal Council out of the Housing Corporation—

MR. SMALLWOOD: I would not say in full—

MR. CASHIN: No, you certainly will not, and I make the prediction that you will not get three. You have in there ninety houses that you cannot give away, let alone sell them.

MR. MILLER: Mr. Chairman, I am not for a moment going to criticize this, because any moneys that go into the fishery of this country I am interested in, and the Government proposes many ways that they are going to try out, and I am sure they are not going to go into them all. The main thing, as I see it, is to keep the fishermen fishing, and if the Government does lose some money from now on in the fishery of the country, well it would be even happier than it was in the past. If we remember the fact now that from now on the fisherman is considerably more so a taxpayer than he was in the past, but one point arises in the remarks made by my friend the honourable the Minister, and I know he has gone into this with close study with re-

gard to all aspects; he said in relation to supplies, as I take it, these were his words, that the Government would not touch that, because there is a high rate of uncollectability. Now I would like to hear the honourable Minister to say that that remark passed without his notice; that he did not say it in close study, because we all agree that we must all sit tight together over the next few years in this country, and anything that would undermine any position, even if it is a faulty one like the mercantile position is held up to be, anything that would undermine the things that are presently good unless they are replaced is not helpful, and I feel I would be much happier if the Minister said that was a slip remark; that he did not on close study consider that the supply system altogether, even if it were handled by the Government, would bring in too high a rate of uncollectability.

Resolution adopted. Committee rose, and reported having considered the resolution and having approved same.

Report received. Resolutions read a second time and concurred in. Moved that a Bill be introduced based on these resolutions. Carried. Bill read a first time. To be read a second time on tomorrow.

On motion the Resolutions regarding Co-operative Loan Board was deferred.

MR. SPEAKER: I feel I should at this point make reference to the fact that when we opened, the honourable the Leader of the House was wearing his hat and several of the members have questioned me about it; it is quite

correct, according to May, and Newfoundland Standing Order 43.

MR. SMALLWOOD: Mr. Speaker, if I may, I came in at the last minutes before the House—the bell rang and I hurried in, and thought it was a good occasion to preserve a very old tradition. The late Sir Michael Cashin very frequently wore his hat in the House when he was seated; of course when we are standing it is not permitted, and it is an old tradition and if we are in the House at wore my hat today for that reason, and I may do so again, and I hope the honourable and learned leader of the Opposition, who is so careful regarding old traditions, will help in the preservation of this one.

MR. HIGGINS: In England, when you address the House, you put on a hat, which you tell me is wrong; but that used to be the old rule; in order to address the House you had to put your hat on. I think it is a very salutary rule for those of us who have gone beyond the middle age but have not yet attained the three score and ten but I am sure the way medicine carries on now three score and ten is not the age of dying, and if we are in the House at three score and ten we will be very glad to put on our hats, and I am pretty sure we will speak less because we will not want the public to know we have bald heads.

MR. SPEAKER: We are not debating the point, but for the benefit of members who are not satisfied with the explanations given we may consult May, 14th Edition, page 572, and Campion on page 163 and the Newfoundland Stand-

ing Order No. 43. I hope we do not set any new styles in hats.

The Order of the Day, Second Reading of Bill "An Act respecting District Courts."

MR. CURTIS: I move that this Order be further deferred:

Deferred accordingly.

MR. SPEAKER: I have to say here, with reference to the second item, Second Reading of Bill "An Act Respecting Saw Mills," we are placed in rather a difficult position, trying to decide whether this should be introduced on Resolution as a money Bill or not. We find that in 1914 a similar Bill came on on Resolution, but in two other instances, in 1919 and I believe in 1922, an exactly similar Bill came in without resolution made. I would call the matter of this double precedent to the attention of the members of the Standing Orders Commission. I think they should outline the procedure to be followed. Second Reading of Bill "An Act Respecting Saw Mills."

MR. SMALLWOOD: I think, Mr. Speaker, in the absence of the Minister of Natural Resources, who I think is outside, I ought to say that the Bill is in the hands of the printer; we have gone through the proofs, but the actual printing has not been completed and I think perhaps he will be ready tomorrow for Second Reading if the printers can have it ready for that time, and for that reason I would ask to have the Order deferred.

Order deferred.

MR. SPEAKER: Second Reading of Bill "An act to Establish an Industrial Loan Board for Newfoundland."

MR. SMALLWOOD: Mr. Speaker, in view of the fact that this Bill first appeared as a Resolution in Committee of the Whole on Resolutions, and that I gave a rather extended explanation of the principles involved in it, there is now no need for me to say much more about it, and for that reason I submit the motion for Second Reading.

Bill read a Second time.

MR. KEOUGH: Mr. Speaker, is it in order now to make some comment on Second Reading.

MR. SPEAKER: The Second Reading has been passed.

MR. SMALLWOOD: It has been passed, and I do not know what we could do, Mr. Speaker, to accommodate the honourable gentleman. Could we revert it? Is that in order? Would the honourable gentleman's remarks do at Second Reading, or are the remarks dealing with the principle of it which would not be in order at the committee stage? Would they have to be delivered now at Second Reading?

MR. KEOUGH: No, I do not think so, not necessarily.

MR. SPEAKER: If they are not entirely, purely on the principle, he could express it in Committee.

MR. KEOUGH: No, they are on the details of the Bill.

Motion carried that Bill be referred to Committee of the Whole House on to-morrow.

MR. SPEAKER: Second Reading of Bill "An Act to Amend Chapter 94 of the Consolidated Statutes of

Newfoundland (Third Series) entitled "Of Promissory Oaths."

MR. CURTIS: Mr. Speaker, this is a Bill "An Act to Amend Chapter 94 of the Consolidated Statutes, which is entitled "Of Promissory Oaths" not "promissory notes" as some of my colleagues are trying to impress upon me. The promissory oath affected, Mr. Speaker, is the oath of allegiance, and if my learned friend and honourable members will refer to the Consolidated Statutes they will notice that in the Consolidation the words at the end of the oath appear as the "Colony." Now the only alteration is to refer to Newfoundland as the "Province" of Newfoundland. I do not think there is any need to explain the Bill any further. The new oath will read, "I . . . do swear that I will well and truly serve our Sovereign Lord King George the Sixth in the office of . . . , and I will do right to all manner of people, after the laws and usages applying in the province of Newfoundland instead of "in the colony of Newfoundland" "without fear or favor, affection or ill-will; so help me God". It is a necessary amendment, Mr. Speaker, and one which I do not think needs any further explanation. I move the Second Reading.

Bill read a second time. To be referred to a committee of the Whole House on tomorrow.

MR. SPEAKER: That is the end of the Orders of the Day.

On motion of the Premier the House adjourned until tomorrow, Tuesday, at three of the clock.

House adjourned accordingly.

Tuesday, October 25th, 1949.

The House met at three of the clock.

Presenting Petitions:

Mr. Miller from Peter's River, Re Road.

Presenting Reports of Standing and Select Committees:

MR. FAHEY: Mr. Speaker, under this heading, about two weeks ago the matter was brought up here by Major Cashin of the Hansard, or the report of the proceedings of this House. I think that that matter was referred to the Internal Economy Commission. I have not heard any report on that since. I would like it if the House could be enlightened, if the Speaker could enlighten the House, as to what has been done in this matter, of printing the reports of the House and the publishing of the Hansard.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I could perhaps throw a little additional light on the situation. I was referring, when the matter was last mentioned here, to the stenotype, and the possibility of securing a stenotype or two for use in this Chamber. I contacted the distributor of the stenotype for all Canada; he is in Toronto, and he wrote back sending a description of the machine itself and of the course of instruction that goes with it. The cost is even less than I had understood it to be, something less than \$200.00. That is for the course of instruction and the machine combined. Unfortunately, I asked him if he could locate for us anywhere in Canada a skilled

operator, who would come here, operate the machine to take down the speeches in the House here for the Hansard, and when the House was not in session, to teach, to train a couple of Newfoundlanders in the use of the machine, so that after he had gone we would have at least two trained operators to operate the steno-type. He wrote back to the effect that they were extremely hard to get that would be available. There are lots of them but hard to get one that would be available to come to Newfoundland. However, he was searching and he hoped, and indeed believed, that he would get a skilled operator, and as soon as he did would communicate, stating the man's name and how much he would want. Now since then I have heard of a young lady, a Newfoundlander in Brooklyn, New York—the name escapes me at the moment—from St. John's here, who took a course of instruction in the steno-type and bought the machine, and is now doing custom work, that is, she goes and reports conventions and other meetings on a custom basis. But, unfortunately, she does not want to come back to Newfoundland until next spring. If she were willing to come back here now, being herself a trained operator, we would be delighted, I suppose, as a House to have her come in and take down the speeches on the steno-type, and at the same time train some other operators in the use of the machine. If anyone knows a better method than the present one, I, as much as anyone, will be happy to see it installed. We cannot get stenographers, competent to do this work. That we find is im-

possible. If anyone can suggest persons I have no doubt that Mr. Speaker as head of the Internal Economy Commission would approach them and endeavour to get their services, but personally I have every reason to suppose that there is not one in Newfoundland to-day who is competent to do the work who is available to this House.

MR. SPEAKER: At this moment, and since the opening of this sitting there is a competent typist typing the speeches of the first part of our session.

MR. FAHEY: Mr. Speaker, I would like to ask a question. Has the House advertised for stenographers. We understand that we have an unemployment situation here in Newfoundland. I know, I speak from personal experience in the labour movement we used to have a convention every year; we had no trouble in securing stenographers to take care of that, and the report was written out every year word for word for the week or ten days' convention. Now if that could be done through one channel I do not see why if the Government advertised in a country where we are trying to create employment, why we cannot secure proper stenographers to handle the situation. I would like to ask the House if any effort has been made by way of advertising or otherwise to secure a proper stenographer to take care of this work, or two, if necessary.

MR. SPEAKER: I would inform the House that the Supervisor of Debate, Captain Murphy, has explored every possible channel and interviewed quite a number of so-

called experienced typists and stenographers, and we did have some in here, but they could not do the work, and as I have already said, we have right now such a person who is at this moment typing.

MR. FAHEY: Mr. Speaker, I do not want to keep this discussion going, but I am of the opinion that if this House was prepared to pay the necessary amount that you can secure stenographers. I do not think you will get them for fifty-five cents an hour, or twenty-seven and a half cents an hour, but you can get stenographers to fill the bill—a dozen if you want them, if the House is prepared to pay enough. The point that I brought up is that we have no records of the proceedings; we were told that here two weeks ago, and now we find two weeks later that this machine is not adequate enough; it does not make a true record, and it cannot be copied, and so on, and here we are into a session going along this long without any records or anything for a Hansard or otherwise, and I am under the impression that we can secure people to do this work provided that we are prepared to pay enough.

MR. SMALLWOOD: Mr. Speaker when the Royal Commission on Transportation were here they succeeded in getting three stenographers. Why? Why were they able to get three stenographers competent enough to take down every word spoken on those proceedings? Because they were able to pay, and they did pay, twenty-five or thirty dollars per day per stenographer.

MR. CASHIN: Fifty.

MR. SMALLWOOD: And up to fifty dollars per day. Now if the

honourable gentleman from Harbour Main thinks that by advertising we can create competent stenographers who will work for less than thirty or forty dollars per day, he is quite welcome to that belief. If he has confused Hansard reporters with the ordinary stenographer, then he has, I am afraid, a lot to learn about Hansard reports. There are not in Newfoundland to-day more than five persons who can come in here now and report every word that was said this afternoon, — not more than five. There is Mrs. Finn, who is probably the ablest of them all; there is Mrs. Abbott. Mrs. Finn is not available. There is Mrs. Abbott, who is not available; she teaches shorthand and typewriting, and I believe she is now in the Commercial Department of the Prince of Wales College, as well, in place of Mr. Sergeant. That is two. Then there is Miss Louise Saunders, who is a practising barrister and solicitor. It paid her as such to go reporting on the Royal Commission on Transportation, because the pay was so highly attractive. That is three. There is Mr. Don Dawe, of the firm of Curtis and Dawe, who is a practising solicitor. It paid him for a few days to give up his practice and go before the Royal Commission to take the report, because the pay was so attractive. That is four. And none of these four is available to us. All the advertising in the world will not bring them in here, unless we are prepared to pay them an extremely fancy price, — which they are worth; they are worth that much; it is a highly skilled profession—Hansard reporting. Now the fifth one, or maybe the sixth, would be in the Supreme Court, and I dare say in the lower court; in the Central District

Court, Magistrate's Court, in St. John's, they may have one or two there who are highly competent. And then the dean of them all, the dean of the lot, who is here in this Chamber this afternoon, sitting there right now in the Press Gallery, Mr. Mulcahy, who reports for the Doyle Bulletin on the air, and who can get down every word, no matter how rapidly a man may speak, get down every word, including the interruptions; but again that gentleman is not available for this purpose as he is already well engaged in the magnificent service he carried out for the Doyle Bulletin. So if any member of the House knows of any competent, professional Hansard reporters who are available to this Chamber for less than ten or fifteen dollars a day we will be very happy to hear about them.

MR. CASHIN: Mr. Speaker, I brought this matter up first I think two weeks ago, because we have *not any records of any debates* that went on here; we do not know anything about it, and I agree in a way with the Premier that it is impossible to get them unless you pay for them, but I would say this; that if we had in the beginning probably advertised and paid a decent pay, say, twenty dollars a day—that is what this thing is costing now, I understand about sixty dollars a day—you would have been able to get three stenographers to take it down in relays of twenty minutes, and then they would go out and type that back, and the second one comes on and so on right down; with three stenographers it could have been possible, but these other ladies and gentlemen who were identified with the stenographic work are being paid bigger pay. Mrs.

Finn, whom the Premier mentioned, is going to Ottawa to-morrow or next day engaged at about fifty dollars a day to go up there and do a job. Well, we cannot expect this House to be in a position to pay fifty dollars a day for one stenographer — that would be a hundred and fifty dollars a day if we had three; and neither can we expect these people to forfeit these opportunities for five or six or seven months' work where they would make more money in six months than they would make down here in two years. Nevertheless, this thing here has been proven a failure. We are going to have no records whatever of what has happened in here except you are able to get good stenographers to take it back; you are doing a double job; even if you had these ladies and gentlemen to-day, I question whether they can go down and take down off that machine downstairs the exact words, because I listened to it on one or two occasions, and I could not understand it; I could not understand what I said myself. However, that is the position to-day—

MR. SMALLWOOD If the honorable gentleman does not mind— Oh, never mind.

MR. CASHIN: Go ahead.

MR. SMALLWOOD: I was going to say that sometimes—it is only a joke.

MR. CASHIN: However, that is the position. We are not going to have any Hansard. That is all finished; it is just as well to talk this think out; it is a joke. We are not going to have any Hansard; you have not got any stenographers and there is no reason why we

should be paying \$60.00 a day for nothing.

HON. LESLIE R. CURTIS: (Attorney General): Mr. Speaker, I do think that it is time my friend on the Opposition knew what this system is costing us. He has referred to sixty dollars a day now on several occasions. I might tell the House what this is actually costing us. We pay seven dollars a day for the equipment and for the operator—seven dollars a day. In addition to that, we pay for the tapes, and the tapes, I think, come to about \$7.50 per hour. How he can make sixty dollars a day out of that I do not know. If we are here on an average of two hours a day it is fifteen dollars for tapes and seven dollars for the machine, which is \$22.50. Now how he turns that into sixty beats me, but of course he was a former Minister of Finance, and he may—

MR. CASHIN: I know, and you are now Attorney General, and the position is this, that in answer to a question I tabled in this House many months ago the answer was given, \$7.50 per hour, and they had two machines in here at that time, plus seven or eight dollars a day for an operator; that was fifteen dollars an hour, and the House was sitting at the time roughly three hours a day. That was forty-five, and we sat one or two nights, and if you happen to sit at nights you would have to pay for the extra hours, and I figured it out at that time at between fifty and sixty dollars a day. Well, fifty dollars a day—we will compromise on it—

MR. CURTIS: Well, twenty-five is nearer the truth.

MR. CASHIN: Well, I do not know what it is; that is the answer given to me, Mr. Speaker in the House, so I am only going by the information given to me, not by what is happening; you gave me the information, and that is the information I got; I can bring up a copy of the answer tomorrow; and I can multiply seven fifty by two and make fifteen out of it yet, and I do not have to be a lawyer to do it either.

MR. CURTIS: You can multiply it by four and make sixty!

MR. CASHIN: Yes, and I can multiply it by much more and make it ten thousand, like some people did.

MR. SPEAKER: In a day or two we shall have a report from Captain Murphy, and we shall be able to see for ourselves just exactly how much we have taken down.

Notice of Motions and Questions:

MR. FAHEY: I give notice that I shall on tomorrow ask the Honourable the Premier or the appropriate Minister what amount of money has been spent on public slipways, bridges, cottage hospitals Works such as roads, wharves, and work of such public nature from April 1st to September 30th, 1949 in each of the twenty eight districts.

MR. CASHIN: I give notice that I shall on tomorrow ask the Honourable the Minister of Finance to table the following information:

What prices have been paid for Rum by the Department or Board of Liquor Control. This informa-

tion to show the price of Bulk Rum per gallon in Purchase or Barrels as well as case Rum. To give the amount of duty paid to the Newfoundland Customs Department as well as the duty payable to the Canadian Customs. Also give the prices paid for the various brands of Whisky per case—the duty payable to the Newfoundland Customs and the duty now payable to the Newfoundland Customs and the duty now payable to the Canadian Customs.

I give notice that I will on tomorrow ask the Honourable the Minister of Supply to table the following information:

- (1) Were tenders called for recently for the supply of Picks, Shovels, Rakes, Wheelbarrows, etc.; table a copy of the tenders; also to whom the contract was awarded and if the prices charged were the lowest; and if not why were not the lowest prices accepted.
- (2) If tenders were called for recently for the supply of chocolate powder, table a copy of the tenders; to whom the contract was awarded; and if the lowest tender was not accepted; Why not.

MR. J. G. HIGGINS (Leader of the Opposition): I give notice that I shall on tomorrow ask the Honourable the Minister of Finance the following question, supplementary to Question No. 77:—

Why does the Government consider that the same need for a pensioner living abroad to the cost

of living bonus does not exist as in the case of a pensioner living in Newfoundland.

MR. MILLER: I give notice that I will on tomorrow ask the Honourable the Minister of Fisheries and Co-operatives does the Government propose to reinstate the payment of bounty on repaired fishing boats.

MR. CASHIN: Mr. Speaker, with your permission might I ask the Premier a question— I think he could answer me right direct. This afternoon I had a phone call from Ferryland. I realize I am kind of out of order, but before we go on with the regular Order Paper, I do not think it would be inappropriate to ask this question, that when this work starts that we discussed here the other day, that you spoke of, the distribution of that work, is it to be given just to those who are eligible, we call it for relief or, is it general? Is it general work?

MR. SMALLWOOD: Mr. Speaker, in Newfoundland, when you talk of unemployment, you talk of something which, due to the nature of the Island and its economy, is something rather different from what you mean when you talk of unemployment on the mainland or most of the mainland. Fishermen in thousands, and I believe there are approximately thirty thousand in Newfoundland, who when they complete the fishing season and do not go into the lumberwoods, or get jobs of a casual nature, are, of course, unemployed. If they are not employed, they are unemployed. That has been the case since

Newfoundland began. But you may have thousands of unemployed fishermen who are not destitute and may be far from destitute; they may be comfortable; they may be (a) welloff; (b) fair to middlin'; (c) comfortable; (d) they may be two blocks from being destitute, and (e) They may be destitute. Now there are thirty thousand altogether. Clearly this province, this government, has not got the kind of money that would be needed to employ all the unemployed. That would mean thirty thousand fishermen right off. It would mean so much money that you would use it all up in one year, and the result would be that literally thousands of men who could get through the fall and the winter and the spring until they go fishing again, on their own resources, would have to be employed by the Government if we were to give employment to all who are technically and actually unemployed. So clearly we cannot do that, much as we would like to do it. But it cannot be done. I think the whole House will agree on that. Therefore, this Relief Work Administration is what it says, "relief work," relief work in lieu of relief in lieu of dole for able-bodied persons. Therefore, the as to whether or not a man gets a job for a month, or two or three months, in this relief work programme is this: Is he now or is he likely soon to be in need of relief? In need of relief? Is he a man who, if we were giving out dole, could go on to the Relieving Officer, go through the normal procedures, and be given a dole order. If he is, then he is eligible for work, because are those who

would otherwise be eligible for the able-bodied relief. I think I have explained clearly, and I thank the honourable and gallant member for asking the question, because it does give the opportunity for providing the answer, and through our friends in the Press box the point will probably be made quite clear on the air tonight and in the papers tomorrow.

MR. CASHIN: Yes. Thanks very much, Mr. Speaker. I want to thank the Premier for the information given, and I realize the position the government is in just as well as himself, and I will say this, that we are going to have a lot of people applying for work that are probably not going to get it, because I take it that the Relieving Officer in the various constituencies, in the various places, will have the say-so as to who is going to work and who is not going to go to work. I had an enquiry just before I came to the House this afternoon from one of the clergymen in my constituency, and I told him I would let him know tomorrow; and that is, the policy of the government, that only those who would automatically go on relief are eligible to do this work.

MR. SMALLWOOD: You see, they would number probably ten thousand, the heads of ten thousand families, ten thousand breadwinners, and to provide work for ten thousand is in itself a gigantic task and to pay for that work is a gigantic sum of money, without going outside of those ten thousand,—

MR. CASHIN: I quite appreciate that,—

MR. SMALLWOOD: Now perhaps while the honourable and gallant member is on his feet, he might direct a question to the Honourable the Minister of Public Welfare, who might, if he were asked, care to make a statement on the question of Relieving Officers, whether or not it will be practically possible for all of these ten thousand to get reasonably quickly to a Relieving Officer to be certified for a job on this relief work project.

MR. CASHIN: Yes. Well, Mr. Speaker, I would like the Minister of Public Welfare to make a pronouncement on that matter, and I must say that I would not like to be a member of the Government at the present time and be up against this situation, because everyone now is going to be wanting dole, even if they have fifty thousand dollars in the bank.

MR. SPEAKER: Let me say at this point that the Honourable the Leader of the Opposition has the Speaker's eye next, but this could very well develop into a debate arising out of an oral question asked by the honourable and gallant member for Ferryland; perhaps the House might consider it important enough to move an adjournment to discuss it as a matter of urgent public importance; otherwise, as I see by referring to the Order Paper of today, we shall be anticipating certainly a committee stage, and very possibly a resolution in committee stage.

MR. HIGGINS: I would like to move the adjournment of the House, but not today. It could be put off until tomorrow, and we will hear what the Premier has to say tonight. Is there not an announcement to be made tonight?

MR. SMALLWOOD: Oh, I think perhaps the honourable and learned Leader of the Opposition refers to a speech to be made tonight by the Administrator of the Relief Work Administration.

MR. HIGGINS: I thought it was the Premier. Well, perhaps we could leave this over until tomorrow.

MR. SMALLWOOD: No, there is no announcement today or tonight.

MR. HIGGINS: Well, we could leave this over until tomorrow.

MR. SMALLWOOD: Indeed, yes.

HON. JAMES J. SPRATT (Minister of Provincial Affairs): Mr. Speaker, I wish to table some answers. There are 4, 5, 6, and 7, of the Question asked by the honourable member for Ferryland which appear on the Order Paper of Monday, October 17th.

MR. SPEAKER: That is question No. 72.

MR. SPRATT: Answers to 1, 2 and 3 have already been tabled.

- (4) Number of homes constructed and under construction 240. Cost of these 240 homes as at October 1, 1949, \$2,727,025.

(5) Number of homes sold, 135

Prices Paid

Homes	\$ 1,568,255	
Land and Utilities	132,300	1,700,555
	<hr/>	<hr/>

Outstanding amounts due on above sales		1,464,522
		<hr/>

(Note): Sales 1,700,555

Capital Reduction

Down payments	185,443	
Monthly installments	177,066	
	<hr/>	
	362,509	

Less Interest included in monthly instalments	126,476	236,033
	<hr/>	<hr/>
		\$ 1,464,522
		<hr/>

(6) Number of Apartment Buildings completed (92 Apartments), 10. Cost of above apartment buildings, \$1,321,000. Monthly Gross Revenue received from above apartments, \$6,780.

(7) No completed homes are vacant. Eighteen homes presently rented are available for sale and 87 are presently being completed.

Cost to date of these 105 houses, \$1,033,200. Contracts and sundry expenses to complete the above homes are estimated at \$236,550.

The question of the sale of the entire project or the negotiation of a deal on the proposition has not been considered by the Government.

MR. SPEAKER: Notice of Motion standing in the name of the Minister of Fisheries and Co-operatives to move the House into a

Committee of the Whole to consider certain Resolutions.

HON. W. J. KEOUGH (Minister of Fisheries and Co-operatives): Mr. Speaker, I beg leave to move the House into Committee of the Whole to consider Resolutions in Relation to a Bill to Establish a Co-operative Development Loan Board for Newfoundland. His Honour the Lieutenant Governor has recommended these resolutions to the House.

Speaker leaves the chair.

Mr. Keough takes chair of Committee.

MR. KEOUGH: Mr. Chairman, it is not my intention in moving these Resolutions to speak on the matter of this Bill at any considerable length. I feel that the reasons for its introduction have already been covered rather extensively in previous discussions that have gone on in this Chamber with regard to the establishment of the Industrial Loan Board Bill

and the Fisheries Loan Board Bill, and so I am going to content myself with having a few words to say in the instance of this legislation too, about what it is not all about. This Loan Board, the Co-operative Development Loan Board, which this Bill proposes, it is not our enterprises, and if around this Island today there are a number of groups who are hoping that they will be able to borrow from this Board a hundred or a couple of hundred dollars in order to start, then I am afraid they are going to be disappointed. I said yesterday in the instance of the Fisheries Loan fund which we were going to establish we did not intend to make loans to buy tobacco, to buy flour; so today I say that out of this Co-operative Loan fund we do not intend to make loans to small groups to buy a few "catticks" of tobacco and a few sacks of flour to put them into somebody's back kitchen window and call themselves a co-operative store. We shall be concerned with the making of loans to establish co-operatives that had proved themselves for the expansion of their legitimate enterprises, and for the making of such loans upon the same terms and subjects to the same conditions and requiring the same security as we shall be prepared to make loans to private enterprise. I feel that nobody will have any quarrel with that, and in the instance of this Bill, too I feel that its judicious use will rebound to the considerable advantage of many, and I feel certain that it will have the support of all men of goodwill in this Chamber and throughout this province. Mr. Chairman, I propose the adoption of these Resolutions.

MR. FAHEY: Mr. Chairman, in speaking to this issue, the Fisheries Department now at the present time, Fisheries and Co-operatives, have in the making the setting-up of two Boards, one the Fisheries Board, a Loan Board that would loan money to fishermen and so on, and now we have before us a Board known as the Co-operative Board. I do not see personally the necessity of those two Boards. Other Departments, such as the Public Health, Public Welfare, or the Department of Justice, or any other Department, do not seem to require Boards to assist them in administering the fisheries and co-operatives Department is too large for the Department, or too much for individuals in that Department in administering their affairs. I do not agree at all with the co-operative movement being financed by the State, if you might term it that way—starting at the top and working your way down, right reverse from the way it should be. A co-operative financed by the Government or by the State has the tendency to interfere with private enterprise, and unless we believe in State control I do not believe that we should finance any particular Society in order to compete with private enterprise. If we believe in private enterprise, then the State should not assist in ways that are asked for in this Bill. Then, again, I am afraid that by assisting the Co-operatives financially through a Board as asked for here, that we may interfere with the Premier's merchant princes that he referred to yesterday. I do not see the necessity of all these Boards to assist Departments in administering their affairs. I think that can be done by division set-up in the Department, the same as

any other department. I am not at all in favour of this Board being set up by the Co-operatives made up from men in that section of the country—thirty thousand fishermen. Why they need co-operatives to get in business in competition with private enterprise, to me it looks like that department is trying or assisting to bring the country under what they call Nationalization, we might term it. Therefore I would like to ask, Mr. Chairman, the Honourable Minister to explain to us why the necessity of two boards in this department when other departments that have administration as great if not greater than this department can very well get along without the assistance of Boards. There must be some reason for it, and I would like the Minister to explain.

MR. KEOUGH: Mr. Chairman, the purpose in setting up these Boards it not to help the administration of the department. The Government merely considers it desirable that it should set aside a certain sum of money out of surplus to help in the development of the fisheries, and also set aside a certain sum of money out of surplus in order to encourage co-operatives. Once the Boards are set up and the regulations governing them are passed, the Department will have nothing further to do with the Boards; they will function on their own, except first to exercise some necessary control. Incidentally, while I am on my feet, I cannot agree that government is undertaking to finance co-operatives; the situation is that government is undertaking to finance co-operatives in order to compete with private enterprise. Actually, as far as I am concerned, Co-operatives

are private enterprise carried to its logical conclusion. As I said before here in this Chamber there is no essential difference between ten or twenty or thirty persons organized to carry on a certain piece of business and call themselves a company, and one hundred or two hundred or three hundred organized to carry on the same piece of business and call it a co-operative.

MR. SMALLWOOD: Mr. Chairman, I wonder if I might ask a question of the honourable senior member for Harbour-Main-Bell Island. He is aware, no doubt, that throughout the Provinces of Canada, and indeed many of the States of the United States, there are Workmen's Compensation Boards set up by the various governments to administer Workmen's Compensation. Would he not agree that the setting-up of a Workmen's Compensation Board, of various arbitration boards, of various labour boards, to assist in the administration of the matters assigned to them, or indeed not only to assist, but to complete the administration of those matters, is a sound policy? Would he say that the Government Savings Bank ought to be run by the Department of Finance? Does he not agree that the Board of Governors which runs that Bank on behalf of the Department of Finance is a sound idea? Would he not agree that when War Pensions were the responsibility of the Government of Newfoundland, it was a good idea to have a Board of Pensions Commissioners to operate the legislation which provided for pensions to the War Veterans? Would he not agree that the Government was right in setting up a Tourist Board to oper-

ate under one of the Departments, answerable to one of the departments of government to take care of the matter of the tourist business of Newfoundland? Would he not agree that the government of Newfoundland was right when it set up a Fisheries Board to operate and administer in the matter of the fisheries? What is wrong with this government setting up boards to carry out particular duties assigned to them, if it is right and proper for governments all over the world to do exactly the same thing? What is wrong with it?

Mr. HIGGINS: Mr. Chairman, I myself do object to this Bill. The honourable the Minister said that all men of goodwill would agree with it. I think it is a piece of impertinence on his part to say that. Men of very good will may disagree with him entirely, and if we on this side and the other member appear to oppose any measure he brings in which he thinks is good, it is, I say, an impertinence in him to say that we are not men of goodwill. We are just as liberal, with a small "l" as any member on the other side, but we cannot be liberal going to judge a charitable man by the way he spends his own money and not by the way he spends other people's money. Now I agree with the honourable member for Harbour Main that co-operatives should start from beginning and build up in the course of years, build up shareholders and obtain money. I hold that this Bill is a complete negation of the idea of co-operation. The honourable the Minister for Natural Resources knows the truth of that more than anybody else here; he has been preaching it for years, that govern-

ment money should not run co-operative business; it should be run entirely by the people themselves and it should be clearly independent. If the business is good it would be possible for the co-operative business to raise the money in the same way as any other other business man; that is, through the banks. At this present moment they want to pass an Act giving the government a certain hold on co-operative businesses. Now the honourable the Minister has said in sponsoring this Bill that the government has no intention of starting businesses; they are not going to supply small matters, small money, or tobacco, or anything else. His word is worthless on that, I regret to say, because his words cannot form any part of the Act; they cannot even be a preamble to the Act; the Act must speak for itself, and this Act would give the Government, or any other future government—I am not talking about this present government when I say government; I mean even governments of the future—while this Act lasts they would have the right to carry out the terms of the Act, and the Act would give them the right to advance money in any circumstances in which the Board decides, either to start a co-operative business, to help them while they are starting it or to help them further when it has succeeded. That Act here at the present moment does not say one word about stopping the government from giving money to start a co-operative business, and if this Act is passed as it is, there is nothing to stop the government, in spite of what the honourable the Minister has said, to give money to any place or anybody of people in order to start a business. Now

there are large number of businesses in this city and in the outports, small businesses, and large businesses; large businesses on Water Street; smaller businesses in the outports; these people have been carrying on by their own endeavour, raising money probably at times from the banks in order to carry on their business, and now business is being set up to carry on in competition with them. I do not know the reason for this Act. I do not know whether it is an attempt to make a totalitarian business state or what, but why is it necessary to start a business of this kind unless it is to try to do away with the ordinary business. Now I am not saying any word about the government, as in the past, helping out people to start business themselves and carry on the business without the aid of government money; advice may be good and proper; the government should get the best advice from other countries who have carried on the co-operative business, but it has never been the rule of the government to aid co-operative business by money; it is the very opposite. For that reason I do object to this Bill in that form.

AN HON. MEMBER: Mr. Chairman, I sat here since yesterday with the opposition and listened to compliments from the government on this Bill. I listened to Mr. Keough when he was giving his talk previous to the comments on the Bill, and I do not know how encouraged I am, but what I gathered from this was that the idea of the Bill was to help out the fishermen, to modernize the fishery. That was the conclusion I came to when he was finished with this—

THE CHAIRMAN: We are dealing now on the Co-operative Development Loan Board for Newfoundland.

MR. SMALLWOOD: I think that the honourable member was leading up to that; I do not think he was departing deliberately from the present bill. He began by citing yesterday's Bill and coming on today's Bill.

MR. FAHEY: Mr. Cairman, I understood it is loans to the fisheries, is it not?

MR. HIGGINS: No, that is another Bill.

THE CHAIRMAN: You can later on discuss that—when it comes up in Committee of the Whole or an Second Reading.

MR. FAHEY: I understood this included loans to the fisheries.

THE CHAIRMAN: No, that is a separate Bill.

MR. FAHEY: I am sorry.

MR. JANES: Mr. Chairman, it is evident, Sir, that the honourable member for Harbour Main-Bell Island know very little about either the fisheries or the Co-operatives. It is quite evident to me, I see every good reason in the world why we should have a different board for handling loans to the fisheries and loans to co-operatives. They are two different things; and the largest co-operative in Newfoundland is not among the fishermen; it is right here in St. John's, and these are certainly not fishermen.

Now I think the government is setting up something which is going to be in competition with private enterprise, and as far as pri-

vate enterprise in the outports is concerned being maintained on personal endeavour as the endeavour of the people. It is not the endeavour of any one individual; it is the endeavour of the whole community, and if there is any way by which we can consolidate that by means of education then I do not see the reason why we should not do it, why we should not have a co-operative movement. I see all sorts of good reasons why the Government should make loans to co-operatives. We are not the only country that is doing that. As a matter of fact, we are one of the few countries that are not doing it. The biggest loans made by any country in the world to co-operatives is in the capitalistic United States of America. There were more loans made to the agricultural people through the Farm Bureau administration than any other country in the world, and we certainly cannot say that the United States would set up a co-operative movement in competition with private enterprise.

So far as co-operatives starting small, there is no reason why co-operatives should start small; they started small in this country because the people are small. The people have very little to save with which to start these co-operatives, but with better economic conditions there is no reason why we should not start bigger co-operatives here in Newfoundland, depending upon the size of the community, as they have started elsewhere in the world, and I think, Sir, we have very good reasons for setting up this Loan Board to provide loans to co-operatives if they need them, but I do not think the money should be thrown away

or anything of that sort. I do not think that is the intention of the Government.

MR. FOGWILL: Mr. Chairman, I wish to say a little on this, Sir. We have some co-operatives in Newfoundland, and those I believe had their beginning, small beginnings, and the growth of co-operatives in this country, those who have succeeded in building stores and supplying people in different areas, those who are most successful are the ones that had no aid at all from the Government. Now a few years ago the Commission of Government, did I believe, assist co-operatives in initial stages, in the beginning of their operations, and in some cases with very little success. Now my opinion, Mr. Chairman, is this, that although his Bill may be designed to aid and help, in the opinion of the honourable Minister and the Government; it may be designed to aid and help the building up of the co-operative movement in Newfoundland, but I believe, and it is my opinion, that this Bill if it does pass and what the Bill is designed for, the lending of money to co-operatives, to start co-operatives, and so on, that instead of helping co-operatives it will ultimately ruin and tear down and tear away the very foundations upon which the co-operative movement is built in Newfoundland.

MR. KEOUGH: Mr. Chairman, I regret if in my opening remarks I gave offence to the honourable the Leader of the Opposition. I hasten to assure him that that was not my intention, and I hope he will forgive me for any unintended impertinence. For the rest of the arguments that have been advanced I have to say this that, "What is

sauce for the goose is sauce for the gander." The Government of this Island while it was still a receivership—

MR. FOGWILL: But the gander is gone.

MR. KEOUGH: The Commission of Government saw fit to make certain loans to private companies to the extent of a million and a half dollars, and it is quite likely that this Government will undertake the same thing; we have requests in that direction right now; and I do should not undertake to accommodate its citizens who are organized as co-operatives in the same fashion as it may undertake to accommodate its citizens who may be organized in companies.

Resolutions approved and that a Bill be introduced to give effect to the same.

Committee rose, and reported progress.

Resolutions adopted by the House. Leave granted to the Honourable Minister to introduce a Bill based on the said resolutions. Bill read a first time. Bill to be read a second time on to-morrow.

MR. SPEAKER: The honourable the Minister of Finance to ask leave to introduce a Bill "An Act to Amend the Life and Accident Insurance Agent's (Licensing) Act, 1944." Has the honourable Minister leave to introduce this Bill. Leave granted. Bill read a first time. To be read second time on to-morrow.

MR. SPEAKER: The next item standing under "Notice of Motion" is in the name of the honourable the Minister of Public Welfare to

ask leave to introduce a Bill "An Act Respecting Allowances to Dependent Persons," and I would like to say here again that I am not familiar with the contents of the Bill. We have put through a Bill with a similar title, and I would suggest that the committee on Standing Orders bear this and other points in mind so that we may revise the Rules of the House to cover conditions such as this.

HON. DR. POTTLE (Minister of Public Welfare): Mr. Speaker, may I say that the Bill under consideration is the same in principle as the Act Respecting Mothers' Allowances. I suggest that the same principle might be followed.

MR. SPEAKER: I mention this point because there are precedents both for and against this type of bill, and I think we should clarify our procedure for the future. Has the honourable Minister leave to introduce this Bill "An Act Respecting Allowances to Dependent Persons."

Leave granted. Bill read first time. To be read a second time on to-morrow.

MR. SPEAKER: The next item is a Bill "An Act Respecting Relief Works Administration". This is purely a money Bill. It is going to impose a charge upon the Public Treasury.

MR. CURTIS: I think you will find this Bill, Mr. Speaker purely administrative.

MR. SPEAKER: Not having seen the Bill I can only therefore ask if the honourable Minister has leave to introduce this Bill.

Leave granted. Bill read a first

time. To be read a second time on to-morrow.

The Orders of the Day. Committee of the Whole on Bill "An Act to Establish an Industrial Loan Board for Newfoundland."

Speaker leaves the Chair.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4, (1), (2), (3), (4), (5), (6), (7), (8) read.

DR. POTTLE: Mr. Chairman, the title in full as it is given there is "The Industrial Development Loan Board of Newfoundland." Is it necessary to have the phrase "Of Newfoundland" in the title?

MR. SMALLWOOD: Mr. Chairman, it is not necessary. On the other hand, it does not do any particular harm. I notice often in other provinces they do add the name of their province—The Liquor Commission of Ontario or of Nova Scotia or of Quebec;—it does not really matter; it could be in or out.

MR. HIGGINS: I wonder if we could go back to No. 2. I was reading the Resolutions, not the Act. 2(e), there is a small 'r' for Regulations; it should be a capital "R".

MR. SMALLWOOD: And the same in (a) "bank."

MR. HIGGINS: Yes, in "bank" and "regulations."

DR. POTTLE: We have not been capitalizing "regulations" so far.

MR. SMALLWOOD: Mr. Chairman, the solicitor to the House tells me that in the Department of Justice they now have a book giving the common style throughout the

Provinces, what they call "uniformity of legislation," and what they are doing now in the Acts is to follow that style.

MR. HIGGINS: Then there should be a small "b" for bank and a capital "B" for Board. Board is a definite thing, I see.

Clause passed.

Section 5 read.

MR. SMALLWOOD Mr. Chairman, you will notice that in 4, (7) preceding "Civil service" is capitalized but not in this. Not to be capitalized?

MR. CHAIRMAN: —No.

MR. FAHEY: Mr. Chairman, I want to ask a question here. Dealing with employees, "The Lieutenant Governor in Council may engage" and so on. Just what Department would the wages of those employees come from? From this Industrial Development Department, or from some other Department?

MR. SMALLWOOD: Mr. Chairman, the administration of the Act is put under the Minister of Economic Development. Presumably, therefore, the House would be asked in the Estimates and Supply to vote to the Department of Economic Development the necessary funds to set up the board and to pay the salaries. I imagine, yes it would come under the Department of Economic Development. It comes in the first place from this House; this House votes the money; and votes it to some particular Department to spend, according to the terms laid down by the House.

MR. FAHEY: The point I want to make here, Mr. Chairman, is

this: If the employees are engaged by the Lieutenant Governor in Council and so on, that if the Economic Development Department pays the salaries, I think that Department should be the proper ones to engage the employees not the Governor in Council, the same as any other Department.

MR. SMALLWOOD: Well, all employees of the Government, including all members of the Civil Service, are employed by the Government as a whole; that is, the Lieutenant Governor in Council. The Civil Service Selection Board recommends to the Cabinet, and the Cabinet passes it and says "Ordered that so and so be appointed to such and such a position." All appointments to the Civil Service are made by the Lieutenant Governor in Council, and furthermore members of Boards and Commissions and similar bodies are invariably appointed by the Lieutenant Governor in Council. Now the only persons employed by the Government who are not at the outset initially appointed by the Government as a whole are unestablished non-pensionable public servants, but even they are actually appointed, because, although in certain Departments, say Public Works, or Public Health, certain nurses, aides, watchmen, kitchen help and domestic help in the institutions, although they in the normal course are taken on from time to time by the Department concerned, still is regularly, periodically, every so often, there is a list presented of all such appointments made during the preceding portion of the period.

MR. FAHEY: But, Mr. Chairman, I appreciate the explanation; but

then again, according to this here, any employees of the Civil Service will not be eligible for employment.

MR. SMALLWOOD: No, no. It does not say that.

MR. FAHEY: "except employees of the Civil Service".

MR. SMALLWOOD: No. It does not say that they shall not be employed.

MR. FAHEY: It says, "employees, except those of the Civil Service." Now how can the Civil Service Board recommend to that Department who they would hire when they are not covered as civil servants, according to that clause.

MR. SMALLWOOD: I do not think there is any difficulty there. I think the honourable gentleman is mis-reading it.

MR. FAHEY: "except employees in the Civil Service of Newfoundland."

MR. CURTIS: It just means this, Mr. Chairman, that any Civil Service member of the Board will not be paid. That is the effect of that. There may be civil servants on that Board, they may have some people appointed from the Civil Service; but civil servants will be paid as such for their work on the Board; that is all. It will be included in their other work. But other members on the Board will be paid. I think that is clear, Mr. Chairman.

Section passed.

Section 6 read.

MR. HIGGINS: What is the meaning of the words "or otherwise received?" Now where does

that come in? Is that referring to 10?

MR. SMALLWOOD: Well, that could refer, and does in fact refer to this: The legislature votes a given sum of money; that goes into the fund. Well, that money, or some of it, is loaned. It is finally repaid, and—

MR. HIGGINS: That is No. 10, is it? Just read No. 10. They are read together.

MR. SMALLWOOD: Yes. But there is another point. There may indeed be other moneys received by the fund from other sources; for example, the Federal Government. That is, all moneys voted by this legislature, or otherwise received, will go into the fund.

Section passed.

Section 7 read.

MR. SMALLWOOD: Mr. Chairman, if I may, I would like the committee to know that the thought back of that section is this: The Board will not make loans for trading to businesses or persons engaged in trading—I mean, primarily engaged in trading. It is industry, you see, and not only is it industry but a particular kind of industry; that is, industry based on the use primarily of Newfoundland raw materials. And if any industry—

MR. HIGGINS: And what about fish?

MR. SMALLWOOD: That is a Newfoundland raw material, of course.

MR. HIGGINS: It would come under that then?

MR. SMALLWOOD: It is a matter of decision as to which is the proper fund out of which to make a particular loan.

MR. HIGGINS: Out of both, if necessary.

MR. SMALLWOOD: You might indeed, yes. But as there is a fisheries Development Loan Board, a thing which is outstandingly and clearly and obviously a fishery matter would be dealt with by that Board. But there may be a case where a matter was not too clearly a fishery matter, although fish might be fixed up in it. As I say, the idea is to use this money to assist industries which are based on raw materials which are primarily the product of Newfoundland, such as fish, minerals, wood, leather, wool,—what else?

MR. HIGGINS: Berries.

MR. SMALLWOOD: Berries—anything which is a raw material produced in Newfoundland itself, the thought back of it being that there can be, there ought to be, certain basic Newfoundland industries, based on the raw materials that the province can produce. And it is such industries—in fact, they are limited here you will notice—“based”, I suppose they are limited; the intention was to limit it, “for the purpose of developing and improving industries based primarily on raw materials which are the product of Newfoundland particularly” and then it goes on, “companies engaged in processing, manufacturing, refrigerating, or otherwise dealing with such raw materials.”

MR. HIGGINS: Well, what about the preservation of salmon rivers and forests? Would they come under that? Well, although it does not help them right away, it will in the future,—water power, and such things.

MR. SMALLWOOD: It certainly does, but whether they would come under the Act, under that clause, it would be a little doubtful.

Section passed.

Section 8 read.

MR. SMALLWOOD: Now Mr. Chairman, I might explain that the Board may make its loans in one of two ways. It may make the loan direct to the applicant, or it may guarantee the loan at a bank, in which case the bank would act as the agent for the Board, and in many cases that would be preferable,—when I say “bank” I mean chartered banks, commercial banks—the chartered banks where they do operate have a considerable amount of the knowledge of the background of its own locality and of the various people in it, and where a bank, a commercial bank, is acting as agent for the Loan Board, the Loan Board is thereby given a kind and degree of skill and experience that it might not always possess itself with regard to every application for a loan that might come before it.

Section passed.

Section 9 read.

MR. FAHEY: Mr. Chairman, that clause, does that mean a private company, or private individual—public or private?

MR. SMALLWOOD: I think that

is clear enough, is it not?

Section passed.

Section 10 read.

MR. MILLER: Mr. Chairman, has the Government any power to veto any loan that is recommended. Once the Board approves, is there any authority beyond that that could refuse it?

MR. SMALLWOOD: Well, Mr. Chairman, we are very anxious, we are extremely anxious because we realize the dangers inherent in legislation such as this, extremely anxious that the Boards, the three of them, be kept out of politics.

AN HON. MEMBER: Twenty-five years?

MR. SMALLWOOD: Well, do not forget that that twenty-five years is just a minimum. That is just the start—should be kept out of politics permanently, as long as the Board functions, and that the Board therefore should have almost absolute power, within the meaning of the Act, which Act, of course, can be amended or repealed from session to session of the Legislature; but that within the authority of the Act, the Board shall be supreme, with the purpose of putting it above and beyond partisan politics. Now that, of course, calls for a Board in each case whose personnel, whose personnel, are able, experienced and made up of men of integrity—

MR. FAHEY: Good supporters of the government in office.

MR. SMALLWOOD: I would not say that. Personally I would be very apt to recommend to His

Honour the Lieutenant Governor in Council for membership on these Boards men who, regardless of their political leanings, are able men, and the time will come when everyone in this House will recognize and admit very cheerfully that the way this Government operates in that very matter is perhaps more non-partisan than perhaps any Government ever before in Newfoundland, including even the Commission of Government. We do not draw that line; we look for the best; we look for the best prices; he may be our worst enemy, but if he quotes the best prices, he gets the job. It is public money we are spending; the public put us in here to handle their money. That does not make it our money. It is public money, and we want to get, as far as human frailty will allow—we are not all super-statesmen, we admit that very fearlessly. But as far as our ability will allow, and within the limits of the party system, and it is the party system, traditional, well-established, well authenticated, the party system, within that limit—we did not make the party system, the party system put us here as it put the gentleman opposite there; it is the party system—within that limit we are going to get for the general public—that includes the gentlemen opposite—the general public of Newfoundland, the maximum value for their money that we spend. And that is why it is that I would be very apt to recommend as the personnel of these three Boards men of ability, of integrity, of background and experience, quite regardless of their political allegiance, because,

Mr. Chairman, my own personal faith is this in politics that you do not have to play petty little politics. Be big, be fair, and if the public have long enough to see it, they will see it and they will reward you accordingly by putting you back in power again. But we are not going to play petty little politics. We may do a bit of boasting now and then about the great Liberal Party; well, the honourable gentlemen opposite must not mind that—

MR. CASHIN: Too much boasting.

MR. SMALLWOOD: Oh, well now, I would not say that. Do not forget it is a very great and historic party, just as is the Conservative party a great and historic party.

MR. FAHEY: What are we dealing with now, Parties, Mr. Chairman?

MR. SMALLWOOD: Yes, in reply to a question asked, I think, by the honourable gentleman himself. It is a rather lengthy answer, but he asked for it.

AN HON. MEMBER: But that is not the answer.

MR. SMALLWOOD: It is part of the answer. Of course, remember, when an honourable gentlemen asks a question, he asks it at his own risk. He does not always get the answer that he wants; he always gets the answer that the answerer gives.

MR. FAHEY: It depends on how great the fish is on the other end.

MR. SMALLWOOD: Ah, sometimes—well I will not say it—I am

a person of Christian charity at all times, forbearing and forgiving, a man of goodwill. I wish though that the honourable gentleman, the Leader of the Opposition, had not objected as he did a few minutes ago to that term, or not to the term, but to the use of it by the gentleman who spoke this evening.

AN HON. MEMBER: You should never ask the Premier to give you the answer you want, but he will always give you an answer, and it rarely turns out to be wrong, very, very rarely.

MR. HIGGINS: I might say, Mr. Chairman, following upon what the Premier has said, I would like to tell him that there was one time at a function given by a well-known man, he said, "Do not write the life of a living man," and let us not praise the party too high while it is still in existence and at the height of its power. It is not so many years ago that the great Liberal Party of England was supreme. It is gone now, so we never know what is going to happen. The point I want to raise is this, with regard to (2), is it the intention of this Act to give the Board full power to spend whatever money is allocated to it by the legislature. Have they got carte blanche to do what they like and therefore responsible to nobody? Now if the Minister had some authority over it, the Minister would be responsible here in the House for any question that may be asked, but we can do nothing with these. Now the Minister of Public Health drew attention to what is the meaning of recommendation approved of by the Board. It seems that the Min-

ister of Finance is only a bank.

MR. SMALLWOOD: Would you just move on to No. 11. You will see, I think, that some of your questions are answered in eleven.

MR. HIGGINS: Yes, "prescribing the terms", yes. But they can do what they like under that. They can spend whatever money they wish, and they owe a duty to nobody.

MR. SMALLWOOD: "Prescribing or limiting the amount of any loan", the thing is covered here in eleven, right on down (a) to (k)—

MR. HIGGINS: Supposing they go to the Minister of Finance and say we want so much money; the Minister of Finance cannot refuse them. He will have to give the money.

MR. SMALLWOOD: Yes.

MR. HIGGINS: He will have to give them the money, because it says "shall," "shall be paid." Now is that the intention of the Act?

AN HON. MEMBER: Yes, I think so.

MR. SMALLWOOD: But the honourable and learned Leader of the Opposition will see when he comes to (11)—

MR. HIGGINS: Yes, I see that.

MR. SMALLWOOD: That the power of the Board is not so absolute as it may appear under (10).

MR. CURTIS: The position, Mr. Chairman, is this. You see there is an alternative as to whether you would allow this Board to do its own banking or have it banked

through the Department, and it was decided it would be better to have it banked through the Department rather than appropriate so much money to it and have that much money lying to its credit in another bank. They will have money to their credit, but the credit will be in the Department of Finance.

Section passed.

Section 11 read.

MR. HIGGINS: I would like to ask, Mr. Chairman, about (l), (m), (n) and (o), these throw certain burdens on a bank. A bank is governed by Federal law. For instance, it says if the bank does not take the steps the government wants them to do, well then the government will get after them for the balance of the money.

MR. SMALLWOOD: Well, they can only make such regulations for dealing with the banks as are legal.

MR. HIGGINS: I was just wondering can they do this. Can they turn to the bank and say, although we have guaranteed this amount, now you have to collect it from this man.

MR. SMALLWOOD: Surely it is a matter of agreement and arrangement between the Board and the bank.

MR. CURTIS: The position surely is this, Mr. Chairman, before the bank pays out the money on the *guarantee of the Board*, the bank will make sure it is according to its rules and regulations.

MR. HIGGINS: I do not know enough about Canadian law to know whether you can make a pri-

vate agreement with a bank which may be in contradiction to a Federal law. Have you gone into that matter?

MR. SMALLWOOD: Yes, the solicitor tells me that it is taken from the War Veterans' Business and Professional Loan Act,—the same thing.

MR. MILLER: Mr. Chairman, Section (i) "prescribing and regulating the form and contents of any agreement between a borrower and a lot of complications in the progress of, say a large plant. The contractor and the borrower who would be the person or company erecting that plant might come into disputes, and the fact that the Board lays down narrow lines they must work on third parties must know the position. Now of course that may not be anything to worry about, but it just strikes me that it might lead to very serious complications.

MR. SMALLWOOD: I take it that that means that where the Board lends money to a borrower for the purpose of putting up a plant and the borrower, instead of building the plant himself, gets a contractor to do it, that the Board is here given the right to regulate or prescribe the form and contents of the agreement between the man who borrowed the money from the Board and the contractor who is to put up the building for him. I take it that that is the meaning of the clause. It may not happen that in all cases it would be the thing to do, or it can be done, practically speaking, the Board is given the power to do it.

MR. HIGGINS: In other words, if a man says, "I am going to build a plant providing I can get ten thousand dollars" and he comes in, and the Board says, "That is too much. You cannot have this; you can have that. We cannot guarantee that; it is going to be a failure." That is what it means, is it?

MR. SMALLWOOD: Yes, practically that.

AN HON. MEMBER: Suppose before the plant is finished, the money is exhausted.

MR. SMALLWOOD: Of course, what is the phrase, borrowers cannot be choosers,—a lending institution has tremendous power over those who go to them to borrow money, and they can virtually dictate to you, and so it ought to be up to a certain point anyway, with this Loan Board. If we handed over a million dollars or half a million dollars of your money and mine to lend to other citizens or groups of them to start industries, it is our money still, and it is their duty to protect it and to get all the security they can in behalf of you and me and the whole public. So they should be given all necessary powers. A bank has it. If you go to the bank in the normal course—I have not done much of it, and usually when I did they flung me out, not always, but usually—but I imagine that a bank lending its customers' money to some company or individual holds a very tight rein, especially in a new venture, especially someone with whom they have not dealt over a long period, they would want lots of security and control

AN HON. MEMBER: This would mean, Mr. Chairman, that not only would the Board have to anticipate the earning power of the new industry, but it would have to take into consideration every particular feature, every step from its original stock to market. It will not be too much for them to do, I hope.

MR. CURTIS: Well, that is one of the reasons why we want specialists in each of these various boards.

MR. SMALLWOOD: Of course, you set up a body and you try to anticipate all the things that can happen, and you cannot do it, so you do give them powers, as far as your imagination goes, to cope with almost any situation that may come up, and if you still do not give them enough, then when the legislature next meets, you amend accordingly in the light of subsequent experience. I suppose that is the normal thing, is it not?

MR. HIGGINS: You might say that kind of building would be all right in St. John's, but in some small outport, it would not be good, because if anything happened in St. John's you would be able to sell it and in an outport you would not be able to sell it at all; it would be only a direct loss. It would be a hard thing to decide; they would have to decide on its merits.

Section 12 read passed.

Section 13 read passed.

Section 14 read passed.

Preamble read passed.

Committee rose, and reported having passed the Bill. Bill to be read a third time on tomorrow.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Amend Chapter 4 of the Consolidated Statutes of Newfoundland (Third Series) Entitled 'Of Promisory Oaths'".

Speaker leaves the Chair.
Section 1 read passed.
Preamble read passed.

Committee rose and reported having passed the Bill. Bill to be read a third time on tomorrow.

MR. SPEAKER: Second Reading of Bill "An Act Respecting District Courts."

MR. CURTIS: I would ask, Mr. Speaker, that this Order be deferred.

Order deferred.

MR. SPEAKER: Second Reading of Bill "An Act Respecting Saw Mills."

HON. EDWARD RUSSELL (Minister of Natural Resources): Mr. Speaker, there is really nothing unusual about a Saw Mill Act. There has always been one, so far as I know, in one form or another, and probably the best service I can give the House, in moving the Second Reading of this Bill, is to point out the outstanding differences between this proposed legislation here and the existing legislation relative to saw mills. In each case I shall point out the difference and endeavour to show what defect in the present legislation this Bill aims to remedy.

In Section 1, I would like to point out the first difference. Since 1930 saw mills legislation has been contained in part 7 of a very, very long statute entitled "The Crown Lands Act." It is now proposed

to repeal that part of the existing Crown Lands Act which deals with saw mills, and make a separate Act. That is not very important. There are two reasons for it to which I would like to draw the attention of the House. In the first place, we feel that a saw mills Act should not properly be part of the Crown Lands Act, because in issuing licenses for saw mills and cancelling such licenses, there is no question whatever of the area mentioned—of any title in the land from the Crown, and since the title to the land is not in question at all in the saw mills Act, it seems hardly necessary to have it regarded as part of the Crown Lands legislation. And secondly, the saw mills Act deals with other kinds of land than Crown Lands, and you will find reference here in this Bill to at least three types of land for the purposes of the carrying out the saw mills legislation. There is, first of all, private land, referred to in Section 2, in the Interpretation section. Private lands are lands owned outright by people who own not only the land but of course the timber on it. Licensed lands for the purpose of the Act are lands of which we have a great many in this province where the timber has been licensed, but where the title to the land remains vested in the Crown. Finally of course, there is Crown land, where both the title to the land and the title to the timber remains in the possession of the Crown.

Section 3 is quite standard. It does not make any change from what we already have.

Section 4 the same.

Section 5 does bring in a new thing. The licenses shall specify,

it says (c) in the case of a Crown License the land in respect of which the mill is to be operated, and that is a departure from the present practice. At present, Mr. Speaker, a man who claims a license to operate a saw mill on Crown lands may operate — although the terms of his license defines where he must have his mill located, yet he has a right to cut logs for that mill, which is part of his operations, the cutting of logs, on any Crown lands, anywhere in the province. There is a reference made here to restricting that right, and there will be a further reference made a little later on. The reason why some restrictions—I do not say it is definitely needed in all cases—but the reason why such restriction may be needed, is clear, but I point out just this fact; there are places today in Newfoundland where we have had to give up giving licenses for the simple reason that the timber is practically all cut out. But after refusing to the residents of the cove or harbour the right to operate saw mills in their own harbour, it is rather strange that at the same time people from anywhere around the Island can come in their boats, just because they own a license to operate probably a hundred miles away or two hundred miles, to that same locality and cut such saw logs as may still remain. So we restrict it, or have the power to restrict the area on which saw mill operations may be carried on, and there will be several references made to this later in the Bill. It is a new thing entirely, that is, I do not know the circumstances which long ago, but it is a new thing as far as the 1930 legislation is concerned.

Section 6 just presses home this point and brings in a new one. The Minister may restrict the quantity of timber to be sawn annually in the area in respect of which a license is issued, and the quantity to be sawn, if so restricted—it does not necessarily have to be—shall be stated in the license. The reason for that is purely in the interests of conservation. There are areas today in Newfoundland where we have a great many more applications for saw mill licenses than we feel can properly be given, unless some restriction on the amount that, at least new mills, may saw.

Section 7 is exactly the same as already exists.

Section 8 has a slight change, the change of the end of the saw mill year from November to December.

Section 9 is the same as at present. You will notice there that section 9 requires the posting of a notice for at least one month only in the case of a Crown license; that is not for an application for a license for licensed lands or privately owned lands.

Section 10—and I would like to call the attention of the House, Mr. Speaker, that some of little titles out on the side are wrong and will have to be re-arranged; we can probably discuss that at a little later stage; for instance Section 12 has nothing to do with the removal of buildings from land; the subtitle really belongs to Section 11. Section 10, there is nothing new in that, except Section 10 brings in a new word, the word “renewal” license, and this Bill proposes to deal somewhat differently with renewing licenses than the way the

present law does. Since 1930 there have been well over a thousand saw mill licenses issued. Every one of these licenses is today, unless it was cancelled for some deliberate breach of the Act, practically every one of these licenses is still valid today. There seems to have been no provision made in the 1930 statute for the cancellation of licenses. The result is that we have numerous cases where people were paying licenses back in the early thirties, and have never operated their mill since, but at any time on the paying of a renewal fee, an annual fee of five dollars, they have a perfect right to resume operations. The unsatisfactory thing about that is that we have on many occasions had to reject an application for a saw mill on the grounds that there were probably thirty saw mills in that locality already. The applicant can reply. Yes there were probably these saw mill licenses issued but there are only two in operation. We would gladly give the applicant his license, and we feel that he has a right to it, if we knew that by giving him a license there would be only three operating from then on. But by giving him one at the same time there were another thirty which had been lying dormant for years and they all decided to start up again, especially in a year when unemployment is rather common, and therefore we have to keep a man—we have quite a lot of people who do not quite understand why they are not given licenses, when the reason is even though it would be quite safe to give them a license if only those in operation, in actual operation, continue in operation, but there is the risk of all those who were lying idle for years and years might all

decide to start off again, and of course everything suitable for sawing lumber can easily be built in a few weeks.

Section 11 requires—I do not think it needs much comment—it just says that where a license has been cancelled all buildings and machinery must be removed from the land.

Section 12, an interesting point there—it might be brought out more fully in Committee. Anyone who is the holder of a timber license is not entitled to get a Crown license. That is in conformity with other existing legislation that prohibits the holders of timber licenses from buying timber sawn from logs cut on Crown lands. That is a comparatively new piece of legislation, but since it exists Section 12 just brings this proposed Bill to conformity with it.

Section 12 and 14 require no comment at this moment.

Section 15 gives the conditions under which the Minister may renew a license, and they are rather interesting. Licenses may be renewed if the—Say, the holder of a license, his license expires in December, his year is up, but he may at any time within the next seven months—we made the period long enough in order to give people in far-off parts of the province an opportunity to get their applications for renewal in, and in order, I might say, to give them an opportunity to make up their minds whether they are going fishing next summer or going sawing logs; we want to give them a chance to see what the prospects look like at such advanced dates as April or May, and then decide whether they

are going to operate their mills the coming year or whether they are going to do something else. In (b) you will find there is a renewal fee of five dollars. Obviously the applicant has got to have a good record with the Government and has paid all royalties and other fees payable and has complied with existing regulations. (e) is a new thing. If he has his mill out of operations for more than two consecutive years the Bill proposes that his licence shall not be renewed. It will be cancelled; he is then in the same position as if he never had a license at all, and must re-apply all over again, being subject to the conditions I have already mentioned, including the one about having to pay a thirty dollar fee. I think that two years is long enough for him to make up his mind. You will notice the difference between the seven months and the two years. Seven months is the time he is given to send in a five dollar fee, but even if he sends in a five dollar fee for two years consecutively and still does not operate, then in the next application his fee might well be rejected and he might be told that his license is cancelled.

No. 16. No. 16 increases the royalties. At present the royalties payable on lumber sawn anywhere in Newfoundland, with one notable exception, is fifty cents a thousand. The Bill proposes to "up" the royalties a little, but not on the first thousand feet sawn in any one year. You will notice that beyond that the scale of royalties rises just a little I might say that the increase in revenue obtained in this way will be given back again to the public by the device you will see in a section a little later

on. Section 16 ends up by saying that those royalties are to be paid whether the timber was cut (a) on Crown land; or (b) on—and there is rather an involved sentence there; that would probably have to be read a second time. The wording is that royalty is to be paid even if it is cut (b) on licensed land by a person other than the holder of the license to cut timber on such land in respect of which timber such holder is exempt under the provisions of any contract—as a matter of fact, if there were a case in existence, Mr. Speaker, where a timber licensee had an agreement made with the Newfoundland Government allowing him to cut logs on his own licensed areas, saw them for his own use,—if there is such an agreement making him exempt from royalty this Act just acknowledges the existence of that agreement and says, let it stand. We have gone to all that trouble there to show that we do now intend to violate any such agreement.

Section 17 exempts, of course, an operator on private lands from paying any royalty, but puts the burden of proof on him that the logs which he has sawn were actually cut on private lands.

Section 18 lays certain responsibilities on a licensee to furnish returns, and to keep accounts and try to prevent waste, and to obey such regulations as may be passed to require him to observe proper cutting methods.

Section 19, 20 and 21 are standard. I do not think they require any comment.

Section 22 is a matter for mathematicians rather than legislators.

These are the same figures that have been used in all saw-mill acts for years, showing how many staves per thousand feet. That is, of course, for the purpose of assessing royalties.

Section 23, we have to-day the royalty which is out of sight, Mr. Speaker, of thousands of sawed logs that have been cut years ago and left in the woods when some operator changed his mind as to the importance to him at the moment of getting them out and sawn. Section 23 makes it clear that any such logs left after a period of twelve months will no longer be the property of the man or company that sawed it, and they may be disposed of without—

MR. HIGGINS: Will they be removed? They may be the cause of fire. That is always a danger in the woods.

MR. RUSSELL: We propose to have regulations regarding removal of these. They create a dangerous fire hazard—

MR. HIGGINS: And sawdust on the banks of rivers in the country.

MR. RUSSELL: That is a rather difficult one, too. We propose to make regulations dealing with that.

MR. HIGGINS: It is lying near the rivers in tons.

MR. RUSSELL: That is a terrific problem. In the case of small saw-mills, where the total effect of the mill is not very great, we can take stern measures, but there are instances, in the case of corporations that have a great importance to the country we are doing our best and shall continue to do it by friendly

and I went to say a few words in explanation of it. It gives the Minister negotiations, and we are making a great deal of progress.

No. 24 is entirely a new section, it gives the right to issue a temporary permit to operate a saw mill. To-day, if a fisherman lives thirty or forty miles from the nearest mill, or if all the mills in his vicinity are too busy to attend to his needs, and he wants a few lobster laths, or a few pieces of rough board, before, in order to be able to fix up a stationary engine and probably a rusty saw that his grandfather had years ago, before he could do that he would have to pay thirty dollars for a saw mill license. Now obviously it was never intended that a law should compel a man to take a buck-saw to saw a piece of board to put on the north-west end of his hens' house, instead of doing it in a more sensible manner with a circular saw and an engine, but such is the effect, in actual fact, of the law to-day. It is proposed here to allow the issuing of temporary permits which would not exceed one year in duration. It is proposed to limit the amount that may be sawn to the figure of 15,000, allowing for the man who wants to set up a house. The fee is to be decided by the Minister; it may be nothing; it would be certainly less than the fee charged for a full license, but it is true, quite true, that hardship in some cases does exist as a result of there being no provision for a free license or a cheaper license to the man who wants to saw a few laths or a frame for a house or some timbers for a boat. The discretion to be used here is of course to see that too many of these are not given to interfere

with the legitimate operations of the man who is paying his licence, royalties and so on, and wants to sell his lumber in the open market.

Section 25 just requires some attention to the Forest Fires Act.

Section 26 is the enabling section authorizing the Lieutenant Governor in Council to approval of regulations, and the point I mentioned just now comes under regulation (e) regarding the disposal of waste from mills, and (f) regulating the disposal of any tree-trunks, tree-tops, branches or other waste in the woods. The rest of that section is just standard about the gazetting of notices, reporting to the Legislature in due course.

Section 27 and 28 — there is something in Section 27—it is copied directly, you will note that, but there is a terrible clause there—twenty dollars, a penalty not exceeding twenty dollars for every log sawn. That was in other saw-mills and acts, and it has just been transferred to this one, but whether it should remain there or not is not very important, Section 28 would then have to be changed to have a fine not exceeding one hundred dollars, but I would suggest that there is no need for anyone to feel shocked by that sentence in Section 27—

MR. HIGGINS: The words “not exceeding”—that is the point. You would hardly get a magistrate with any commonsense to fine a man that amount. These days we have in the Registry of Companies, if you do not file your shareholder within a certain time you are liable to a penalty of twenty-five dollars a day, but it is not that it

is not enforced; it is the fact that the word is “not exceeding”; the magistrate can fine a man ten cents if he wants to, or five cents.

MR. RUSSELL: I do not think there is any need to deal further with Section 27 and 28, or with the repealing section No. 29.

MR. HIGGINS: Supposing a man on his own private land puts up a little mill, the smallest you can imagine, a little engine with one and just a knife—I have seen them—fifteen to ten feet long, out in the open; well now would he have to get a license for that on his own private land?

MR. RUSSELL: Yes, if he is operating on his own land he has to pay for a license at present, but he has to pay no royalty. Under this Bill he would be eligible for one of these temporary permits. I move the Second Reading of this Bill.

Bill read a second time. Committee of the Whole House on tomorrow.

MR. SPEAKER: Regarding the last item on the Orders of the Day, Second Reading of Bill “An Act to Establish a Fisheries’ Loan Board for Newfoundland” the Clerk has called my attention to the fact that the proper title of the Bill itself is “An Act to Provide for Loans to Fishermen and to Create a Fisheries Loan Board for Newfoundland.” In view of the fact that if this Bill passed the Third Reading, I shall put the motion that its title be as on the Order Paper, is it desired by the honourable the Minister introducing the Bill to have the title changed at this stage, so that there will be no confusion between the two titles at a later date?

MR. KEOUGH: Yes.

On motion the title of this Bill "An Act to Establish A Fisheries' Loan Board for Newfoundland" was changed to "An Act to Provide for Loans to Fishermen and to Create a Fisheries Loan Board for Newfoundland."

MR. KEOUGH: Mr. Speaker, the principle of this Bill was discussed in some detail yesterday and for my own part I have no further comment.

Bill read a second time. Committee of the Whole House on to-morrow.

MR. SPEAKER: That is the last item on the Order Paper.

MR. SMALLWOOD: Mr. Speaker, I move that this House at its rising do adjourn until to-morrow, Wednesday, at three of the clock.

House adjourned accordingly.

Wednesday, October 26th, 1949.

House met at three of the clock.

Presenting Petitions:

Mr. Miller from Branch, Re Road.

HON. P. S. FORSEY (Minister of Supply): Mr. Speaker, in reply to Question No. 81, asked by the honourable member for Ferryland, on the Order Paper of October 26th.

Question (1): Were tenders called for recently for the supply of picks, shovels, rakes, wheel-barrows, etc., table a copy of the tenders; also to whom the contract was awarded and if the prices charged were the lowest; and if not why were not the lowest prices accepted?

Reply (1) Tenders were called recently for the supply of picks, shovels, rakes, wheel-barrows, etc. The contract was awarded by accepting the lowest bid on individual items. Consequently, the following firms were successful on the following items making up the tender:—

Striking Hammers and Lantern Globes (red)—Harris & Hiscock.

Lantern Globes (clear) —Bowring Bros.

Picks and Road Rakes—Provincial Sales & Contract Co.

Sledge Hammer Handles, 3 lb. axes, Lamp Chimneys — Martin Royal Stores.

Tin Lamps and Lanterns—Neyle Soper Hdwe. Co.

Shovels, 2 lb. Axes, Grubbers—J. G. Crawford Ltd.

Wheelbarrows—Nfld. Tractor & Equipment Co.

Sledge Hammers—J. C. Pratt & Co.

Galvanized Buckets — United Nail & Foundry.

Question (2): If tenders were called for recently for the supply of Chocolate Powder, table a copy of the Tenders; to whom the contract was awarded; and if the lowest tender was not accepted; why not?

Reply (2): Tenders were recently called for the supply of Chocolate Milk Powder having a composition of 70 per cent spray process skim milk, 22 per cent cane sugar, 8 per cent blended cocoa, with flavour, packed in 7 lb. tins per single friction cans, 6 tins per

corrugated carton. Price to include delivery to approximately 1,100 addresses, in quantities from 1 carton to 110 cartons.

The samples received from the various tenders were submitted to the Department of Health for analysis. The tender was awarded to the McLean Company of Montreal, represented in Newfoundland by W. H. Thistle. This tender, which was the only one undertaking to deliver to the eleven hundred addresses, was by far the lowest. C. R. Bell, Ltd., submitted a tender which was the lowest for delivery on the Avalon Peninsula and that firm was awarded that portion of the contract.

I may say that in the awarding of tenders it is the policy of this Government to make the lowest price the overriding consideration. As a matter of fact the Department of Supply has issued a circular to the various Government Departments stating this policy and where a purchasing department makes a recommendation to the Department of Supply departing from the low prices criterion the responsible officer must state, in writing, technical, urgency of delivery, or quality reasons to justify the departure. These reasons will be examined most critically and I might say most cynically and I can assure the honourable Members, in general, and the honourable member for Ferryland, in particular, that this Government is determined that the practice of patronage which, according to some of the sordid exposes in Hansard, plagued many past governments will never be allowed by this Government to become resurrected.

MR. CASHIN: Mr. Speaker, the prices that were tendered are not on that.

MR. FORSEY: Mr. Speaker, in as much as we will shortly be asking for tenders for more picks and more shovels, it would not be in the public interest to give the prices of the various items; as also we shall have to ask for tenders for chocolate powder during the next few weeks, and we do not propose to let the trade know the prices paid.

MR. CASHIN: Public interest covers a multitude of sins.

MR. SMALLWOOD: There are the Public Accounts, of course.

MR. CASHIN: Yes, the Public Accounts. They will come in about eighteen months from now.

MR. SPEAKER: Are there any other Answers to Questions?

MR. SPEAKER: Orders of the Day. Third Reading of Bill "An Act to Provide for Loans to Encourage Industrial Development in Newfoundland and to create an Industrial Development Loan Board for Newfoundland."

Bill read a third time and passed.

MR. SPEAKER: Third Reading of Bill "An Act to Amend Chapter 4 of the Consolidated Statutes of Newfoundland (Third Series) Entitled 'Of Promissory Oaths'."

Bill read a third time and passed.

MR. SPEAKER: Committee of the Whole on Bill "An Act Respecting Saw Mills."

Speaker leaves the Chair.

Section 1 read passed.
 Section 2 read passed.
 Section 3 read passed.
 Section 4 read passed.
 Section 5 read passed.
 Section 6 read and passed.
 Section 7 read passed.
 Section 8 read passed.

MR. RUSSELL: It just struck me, Mr. Chairman, on the 31st of December a licence expires, and therefore should be renewed the 1st of January. Now mill operations might very well start in the early fall I was wondering whether any complication might come in there. But he has until July to make up his mind whether he wants to renew.

Section 9 read passed.
 Section 10 read passed.
 Section 11 read passed.
 Section 12 read passed.
 Section 13 read passed.

MR. MILLER: Mr. Chairman, there is just one little feature in this as we go along that I cannot seem to as yet find any provision for, and that is, the old established system we have in this country which served so many poor people as well, which was bringing logs to a mill and having them sawed "on the halves" as it is known. I believe sometime later people got a little tougher and they wanted them sawed on the thirds, but now I feel that such is a nuisance to larger mills. I know that larger mills do not follow that practice, and consequently it would have to be catered to by the smaller mills. Now we would have to eliminate so far all operators from that type of business, because I do not think they would be interested in it—

the larger mills, and we come down to the question of a private licence, I cannot presume so far ahead as to deal with the temporary licence, but the private licence says that licences cannot acquire or saw timber cut on Crown lands. It might very well be that someone with a private licence could help out his neighbour who would have some logs to be sawn on the halves. One thing we do know for the history of milling in this country, we know that a lot of it has been detrimental to our forests, but we must recognize the fact that wherever there are saw mills, Newfoundlanders are living in better homes, and that is a great consideration and one must carry through when we make provisions, and I would be happy to know from the Minister that somewhere in this Act there is a kindly thought for the man who has got the money to buy his lumber, and who has to get it sawed on the halves.

MR. RUSSELL: Mr. Chairman, with regard to sawing on the halves, I do agree with the honourable member for Placentia. It is a very common practice and a very, very sound one in many ways, and a saw-mill is a sort of public utility. People go along there to get little things done sometimes on the halves and sometimes for nothing.

I believe that is covered in Section 10. Take the case of a man who is operating on Crown land; he is entitled under his license to purchase timber cut on Crown land by any person entitled to cut it, and it could be considered a purchase if he took, say, a hundred logs a man, sawed them, and

gave him back fifty. He would be really buying them at the price of the logs; he would be paying half in the same way as the man who owned the logs would be giving him half. I think that would come under "purchase". Now a private license, that is, a license given to a person to operate on an area of his own that does not entitle him, it is very difficult lands or to acquire timber cut on Crown land, because if it does so to draw the line. Some of those private licenses, you know, might be for corporations, it might be a license to a man just to saw a few hundred feet from the lower end of his garden; it might also apply to somebody who had hundred and hundreds of square miles, and, as a matter of fact, there is a law in existence today, passed before this Government came in, that prohibits the holder of a private timber license from buying saw logs cut on Crown land. This is not particularly by wish, or the wish of this Government, not necessarily so, as I pointed out yesterday, Section 13 is just to conform with our existing law. But sawing on the halves, that is covered in Section 10 (b).

MR. FAHEY: Mr. Chairman, on that point mentioned I have a case in mind where a person has a furniture factory and has to saw logs. Now under this section he would not be able to saw logs that were cut on Crown property. That would be a setback to industry which we are trying to create through an Act. That is the kind of new industry, and so on. This particular party that I have in mind has bought

logs that were cut by other individuals on Crown lands and cut them. Under this Bill he would not be allowed to buy logs. I would like to see the point brought out by the honorable member for Placentia—on the halves, that is a common practice, but this is another practice that I do not see any clause here covering. I would like the Minister to explain that

MR. RUSSELL: I wonder now are we clear, Mr. Chairman, on just what a private license means. A private license is defined back in Section 2—a license to operate a mill to saw timber cut on other than Crown land. The man who has a private license has it simply because he asks for it. You see he does not have to pay any royalties on timber he cuts on his own land—or rather, he does not have to pay any royalties on his own timber. Well now, he deliberately decides he wants a private license and thereby, because the timber he cuts is not Crown timber at all—the Crown has no right, no title to it—he saves himself the expense of having to pay the royalty which he would have to pay on timber cut on Crown lands. I wonder if this particular furniture factory you have in mind is that their position that they cut on land they own themselves.

MR. FAHEY: No, they have no land with timber standing on it, but they have a furniture factory, and they also have a saw-mill, and buy logs from individuals, and that creates employment for these people, to keep them off the dole. Well, under this private license he would not be permitted to saw

logs that were cut by other individuals and brought to them and sold to them.

MR. RUSSELL: Well, I expect you will find that that company has a mill under a Crown license. There is no point in having a private license unless they have private land of their own that they are going to cut off. If they have a Crown licence they have a right to buy the logs.

MR. FAHEY: Yes, they do not cut themselves.

MR. RUSSELL: Well, if they have a Crown license they have either a right to cut themselves or to buy from those who do cut. I expect they have a right to buy logs cut on Crown land.

Section passed.

Section 14 read, passed.

MR. FAHEY: Mr. Chairman, I am not quite clear on that "A licence does not cover the right to water powers. I know that in the district which Mr. Jackman and myself represent, there are two mills in the district run by water power. Would this clause mean that they would not be allowed to use the water power any more for their mills?"

MR. RUSSELL: Oh, no, they would be allowed to use it; this will not affect their right to use it, but they will not have any title to it. They just have the right to use it, but it does not convey to them any title. They have not the exclusive right to use it.

MR. FAHEY: This section says "a license does not convey any right to water powers."

MR. RUSSELL: That is right. The word "right" is used in the legal sense.

MR. HIGGINS: Supposing a man wants a dam. Can he build a dam?

MR. RUSSELL: He still will not have the right to the waterpower. There have been one or two cases like that where people have gone to considerable expense and improved the river for their own use, but I would rather not discuss—the legal question is not concerned here at all.

MR. FAHEY: But they still have the right to use the water-power?

MR. RUSSELL: Oh, yes.

MR. HIGGINS: By the way, can a man put a dam where he wishes without the permission of the Department?

MR. RUSSELL: I do not know whether he can put a dam now where he wishes even with the permission of the Department. The whole matter of waterpower is a special section of the Crown Lands Act, and the section has not been used a great deal during the last few years. It is not a very active section.

MR. HIGGINS: Well, the A.N.D. Company dammed Gambo pond last year.

Section 15 read, passed.

Section 16 read, passed.

Section 17 read, passed.

Section 18 read, passed.

Section 19 read, passed.

MR. FOGWILL: "contrary to the public interest." Would that be the opinion of the Minister or—

MR. RUSSELL: If he is of the opinion that it is not in the public interest.

MR. FOGWILL: The Minister may not like Mr. Higgins or me. We have a saw-mill. He could use that excuse.

MR. RUSSELL: Honourable Ministers might do dishonourable things in the future.

MR. HIGGINS: But this Act is for the future, too.

MR. RUSSELL: There have been no saw-mill licenses granted for years, on the grounds that there were too many now; it would not be in the public interest to allow any more.

MR. FOGWILL: Perhaps it might be that the Minister might make regulations under the clause, stating what "public interest" means.

MR. RUSSELL: There is the same thing in section 20, the public interest is again referred to.

MR. HIGGINS: No. 20 can be understood, because the Minister can say, "I am not going to let you go there" but in 19 he goes there and he builds a mill, and the Minister says, "Now you cannot operate any more."

MR. RUSSELL: He may have gone there and operated a mill for fifteen or twenty years, but the time has come when it is time to stop him.

MR. MILLER: Mr. Chairman, I wonder could there be some assurances. I follow the Minister in his remarks that there comes a point which requires that it be cut out, and a man's licence

must be cancelled. But it has been a sad history that when things happen that way that people could come from outside, cut the remaining logs and deprive these people of what would in time give them lumber again. Now I do not think cancellation will cover the point; I think there must be something more final than that, something which will keep the other person out, so that the interference will not be there and the privileges the people in that community be taken from them. I was wondering if something could be brought in to cover that.

MR. RUSSELL: There are two possible remedies that have been used in the past for a situation like that. First of all, to create a reserve when the area is getting depleted or almost depleted. There are several such reserves today. And the second one, the answer might be found in Section 5 that we have already covered, that from now on a licence can specify the land in respect of which the mill is to be operated. Now there is a reference somewhere else. Section 10, for instance, "A Crown licence entitles the licensee (a) to cut timber only upon the area or areas of Crown land indicated where we have restricted the people of the community from cutting, you would not include that area on the license that you would issue to someone else."

MR. MILLER: Mr. Chairman, my point is this. Supposing a road is put through a place. To-morrow there will be two hundred trucks in there, each taking fifty logs, and well, it is just good-bye to that quantity, which would have served

locally the people of that community very, very well. Now there have been examples of that, and gross abuse has been carried on, and that is why I would like to see something that would protect that. It is not only the person who has a license; he is more or less watching the thing, but there are so many others who probably get it sawed on the halves, or sell them, or so on. After all, the person who saws the logs very seldom knows where they came from. They might be stolen for that matter. That has been a sad history, too.

MR. RUSSELL: That property belongs, Mr. Chairman, I believe to the parent Act, the Crown Lands Act. The saw-mill legislation, its great importance lies in the fact that it is one of the few ways in which the Crown can really exercise some control over timber. You cannot just stop people from cutting; otherwise a man might have to get a permit before he can cut down firewood. But you can tell him what he may or may not do with it, some things he may or may not do with it, after he has gotten it cut. He cannot get it sawn into lumber or export, and, except in certain cases, where a reserve has been set up, it is pretty difficult to control it.

Section 19 passed.
 Section 20 read, passed.
 Section 21 read, passed.
 Section 22 read, passed.
 Section 23 read, passed.
 Section 24 read, passed.
 Section 25 read, passed.
 Section 26 read, passed.
 Section 27 read, passed.
 Section 28 read, passed.
 Section 29 read, passed.

Section 30 read, passed.

MR. RUSSELL: Mr. Chairman, I would like to make a brief comment on that section. At the time when this does come into effect it will create certain changes in royalties, and because of that I would like to give some assurances that due notice will be given in advance, and that the Act will be put into effect at a time and after such notice that will cause no confusion, no disruption of existing contracts for lumber.

Section 30 passed.

Preamble read, passed.

Committee rose and reported having passed the Bill. Bill to be read a third time on to-morrow.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Provide for Loans to Fishermen and to Create a Fisheries Loan Board for Newfoundland."

Speaker leaves the Chair.
 Section 1 read, passed.
 Section 2 read, passed.
 Section 3 read, passed.
 Section 4 read, passed.
 Section 5 read and passed.
 Section 6 read and passed.
 Section 7 read and passed.
 Section 8 read and passed.

MR. HIGGINS: Mr. Chairman that line "A red-headed Tory" the honourable the Minister said yesterday—in the first place, I am not a Tory, and in the second, red-heads do not run in my family,—but he did pass other remarks; he said if we looked back into the history of this country we should find no such Act of this kind. Now there was no necessity for an Act of this

kind in the past because the merchants supplied a certain amount of engines and also supplies; you may call them the wolves of Water Street or whatever you like to call them, but they did carry on the work of supplying the fishermen in good years and bad years; they lost heavily at certain times and they made heavily in good times, but the whole history of the country shows that the merchant class lost out in the long run. I hope the Government is not going to lose out in this. But the point I am raising is this; This is the whole point of the Act, that the Government shall aid in supplying fishermen the money for the purchase of hulls and boats and engines, but not supplies. That may be all right, but then we turn to Section 11, "The Board may perform such other duties and exercises such other powers as may from time to time be approved and determined by the Lieutenant Governor in Council, whether or not the duties and powers are of the type mentioned in this Act." Now what are these? Does that give them the power to give supplies? Does that give them the power to take over the whole running of the fisheries? Does that give them the power to supply just as the merchants did in the old days? Personally I do not like Clause 11. If Clause 8 is the kernel of the Act, and it is the kernel of the Act, why go beyond it? Why give them such other powers and such other duties as may be approved by the Lieutenant Governor? Are you going to change your whole Act, or can the Minister tell me what those powers and duties are, so that we can make it more specific?

HON. W. J. KEOUGH (Minister of Fisheries and Co-operatives): What clause is that? Clause 11, did you say?

MR. HIGGINS: Clause 11, "The Board may perform such other duties and exercise such other powers as may from time to time be approved and determined by the Lieutenant Governor in Council, whether or not the duties and powers are of the type mentioned in this Act." Now the powers and duties mentioned in this Act are that they have a right to purchase hulls, engines and fishing gear, but not supplies. Now they can change that under Section 11, which gives them full power to carry on the whole supply business.

AN. HON. MEMBER: Mr. Higgins is reading from the wrong Act,

MR. HIGGINS: I am very sorry, Mr. Chairman. These would be my sentiments if that Section were left in.

MR. MILLER: Mr. Chairman, there is a point there No 1 "make loans to a fisherman or group of fishermen for the purchase of hulls or boats to be used in fishing. I wonder if that could be widened out so as to assist a man who has a boat which might need repairs. After all, he is a little man. He cannot envisage the purchase because he might not want to incur the expense of a new boat, and perhaps some consideration could be given there to help the fishermen.

MR. KEOUGH: Mr. Chairman, in answer to the honourable member, I might say that this Act is

put together parallel to the other Acts already in force in the Maritime Provinces, and that is why these specific clauses are brought in there. In regard to the point raised by the honourable member, the Act provides for some wide powers with regard to regulations and the making of regulations, and I should imagine that if at any time in the future it becomes evident that loans for purposes of the repairing of boats were desirable, the necessary regulation to that effect could be made at that time. I do not think it is necessary to add it to the Act at this time.

MR. HIGGINS: Supposing a man had a boat for a number of years, and required quite a lot of money to put it in condition, would he be in a worse state than a man who has no boat at all?

MR. KEOUGH: Would this amendment be satisfactory to the honourable member, "The purchase, repair or improvement of hulls or boats to be used in fishing"?

Section 8 passed as amended.
 Section 9 read, passed.
 Section 10 read, passed.
 Section 11 read, passed.
 Section 12 read, passed.
 Section 13 read, passed.
 Section 14 read, passed.
 Section 15 read, passed.
 Preamble read, passed.
 Title read, adopted.

Committee rose and reported progress. Bill to be read a third time on tomorrow.

MR. SPEAKER: Second Reading of Bill "An Act Respecting District Courts."

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, I move that this Order be further deferred.

Order deferred.

MR. SPEAKER: Second Reading of Bill "An Act to Provide for Loans to Co-operative Societies and to Create a Co-operative Development Loan Board for Newfoundland."

MR. HIGGINS: Mr. Speaker, I want to say that we on this side of the House have no objection to co-operative societies. We feel that co-operative societies are very good, very good institutions. They have been very good in Nova Scotia, where they have increased the financial, social and intellectual life of the people there, but we feel on this side that co-operative societies should carry on and do their own work without any help from the Government in a financial way. We feel that giving financial help to a co-operative society is the very negation of the principle of co-operation and co-operative societies. For that purpose it is not our intention to support the Bill, though at the same time we say that we firmly believe in the principle of co-operative societies, but we feel that Government money should not be put into it, for various reasons outlined yesterday. In the first place, it is causing unfair competition; in the second place, it is against the principle of co-operation entirely, and it is for those reasons that we will not support that Bill.

MR. KEOUGH: Mr. Speaker, in moving the Second Reading of this

Bill I have to say that, so far as I am concerned, the Government is not advancing unfair competition. The Government does not propose to extend to co-operative societies, in creating this Board, any advantages that it is not prepared to extend to any other parties who eligible to secure the help of the Government. I move the Second Reading.

Division called. Bill passed Second Reading on division 15 to 5.

To be referred to Committee of the Whole House on tomorrow.

MR. SPEAKER: Second Reading of Bill "An Act to Amend the Life and Accident Insurance Agents (Licensing) Act, 1944".

HON. H. W. QUINTON (Minister of Finance): Mr. Speaker, my remarks in moving this Second Reading will be brief. It is obviously clear that all that it is necessary for me to say is that the Bill is a formal measure, and simply refers to the change of name of the Ministers in the Department concerned. It is to change the same name to the "Minister of Finance" from the "Commissioner for Finance," and the word "Assessor" is stricken out where it appears in the Act and the word "Minister" inserted. I move this Bill be read a Second time, and that it be referred to a Committee of the Whole House on tomorrow.

Bill read a second time. To be referred to committee of the Whole House on tomorrow.

On motion remaining orders deferred.

MR. CASHIN: Mr. Speaker, I brought up the question with respect to the work which is about to start in the various constituencies throughout the country. I wonder if the Government would be prepared to discuss this matter tomorrow afternoon, because there will be a very little on the Order Paper tomorrow, and we might adjourn the House some time tomorrow in order to discuss it.

MR. SMALLWOOD: Mr. Speaker, if the House desires it now, or tomorrow; the earlier, the better I would say, because the information that would be brought out in the debate would get out to the people of the Province, and the more information that does get out to them, the better,—

MR. CASHIN: Yes.

MR. SMALLWOOD: In time for the starting of the programme of the Administration, around the first of November. We did understand from the honourable and learned Leader of the Opposition that he was going today to move the adjournment for the purpose of raising the question.

MR. HIGGINS: Yes, I had been planning to do that, but I noticed that there was the Second Reading of the Bill Respecting Relief Works Administration, and I was wondering what that Act is, and perhaps there would be no need to move the adjournment now.

MR. SMALLWOOD: The Second Reading of that Bill would be a fairly good occasion for the debate itself, except that it would not be in committee of the Whole

on some resolution, in which case there would be much greater freedom of debate. If it is merely on a motion to adjourn I suppose we would be out of order if any member spoke more than once; therefore the debate would be rather stilted, and lacking in the freedom that would be desirable in a debate on a subject of such complexity as the subject of unemployment and the Government's proposals to deal with it. So I would imagine that if the members of the House assented, an honourable member could move the House into committee of the Whole, not for the purpose of any debate on the matter; it could be done and it is still only twenty to five; the House does not rise until six-thirty, I think is the time, and we could have a most profitable discussion on the matter now if some member cared to move the House into committee of the Whole now, and His Honour the Speaker could put it in the proper form—that this or that Standing Order be waived.

MR. CASHIN: Mr. Speaker, with the consent of the House, and particularly of the Government, I would suggest that the first thing on the Order Paper tomorrow afternoon, if you could see your way clear to do it, Mr. Speaker, that we would move the House into Committee of the Whole on the matter at that time, and the reason I say that, is that there are a couple of matters which I am having looked up, which I have in mind, to discuss tomorrow that I would not have done this afternoon, so with the Premier's consent and the consent of the House and with your permission, Mr. Speaker, if you could

put the matter on the Order Paper the first thing tomorrow I would move, if it is in order now, that the first thing on the Orders of the Day; that is, with the consent of those gentlemen who have Second Readings of Bills and so forth, that we would have a Committee of the Whole House on this unemployment situation. If that meets with the approval of the Premier and the House and you, Sir, I would make that suggestion.

MR. CURTIS: Perhaps, Mr. Speaker, tomorrow when we have the Second Reading of this Relief Works Administration Bill, if we could pass that perhaps the Second Reading of that, and then go into committee immediately afterward on that Bill—

MR. CASHIN: Yes, you could do that—

MR. CURTIS: It would solve the situation.

MR. HIGGINS: We would be crimping the style in that way, would we not? We would only be able to debate it section by section.

MR. CURTIS: We could waive the rules.

MR. SMALLWOOD: The most straightforward way of doing it, I think, would be to move the House into Committee of the Whole to consider certain resolutions, the Resolution being on the subject of unemployment. Therefore I give notice that I will on tomorrow move the House into Committee of the Whole to Consider the Problem of Unemployment. That will allow for very wide latitude in debate, but

the difficulty is to get it first on the Order Paper tomorrow, but Mr. Speaker, may be could tell us how we could do that. It may be by simple order of the House now.

MR. SPEAKER: I think it could be done as suggested by the honourable the member for Ferryland. He would give notice that on tomorrow he would move the House into committee to discuss this matter. There are precedents for in the Bill to come before us there will be references to expenditure of money. I believe the Honourable the Attorney General has suggested too,—when the Bill has passed its Second Reading, the House may then go into committee of the Whole on Resolutions. I believe we did that in the case of a Bill brought in by the honourable the Minister of Education a few days ago. I know of no Standing Order to the contrary. The House may arrange its business to suit its time and expediency.

MR. SMALLWOOD: In that case, Mr. Speaker, I do seriously suggest that the only method that would meet the desired amount of freedom of debate is the one suggested here, that the House be moved into Committee of the Whole to consider the problem of unemployment, if that can be ordered by the House unanimously to form the first Order of business tomorrow, and with the consent of the House I would move that that be placed first on the Order Paper of tomorrow's business, that the House be moved into a Committee of the Whole to consider the Problem of Unemployment. It should be a most ad-

mirable debate and one in which, if each of us contributes his views and opinions and information sincerely, should be of practical value to the people of this Province. A frank and fearless and factual discussion ought to be really quite valuable to Newfoundland at the present stage.

MR. FOGWILL: Mr. Speaker, I understand that now the honourable the Premier has given notice that he will move the House tomorrow—

MR. SPEAKER: No, he said that he is prepared to do that if the House consents.

MR. FOGWILL: He is prepared to do that, but the assent would have to be given tomorrow—the unanimous consent;—he could give notice today.

MR. SPEAKER: To re-arrange the ordinary routine, the motion is more proper coming from the Government because they have a right to re-arrange their business, a right incidently which neither the private members, nor His Majesty's Loyal Opposition, has.

MR. CURTIS: But, Mr. Speaker, if the Premier gives notices, as he has, he will tomorrow move the House into Committee, that automatically comes first tomorrow.

MR. HIGGINS: Yes, that is right.

MR. SPEAKER: Not quite. Priority may be given by the House to any item.

MR. SMALLWOOD: Yes, the items which would precede that motion would be Presenting Peti-

that you are in sympathy with my humble effort to serve my Mother Country. I wish to thank you for accepting my gift on behalf of the people of Newfoundland. I leave it to your discretion to decide upon all details, such as the appropriate place where this portrait may hang, and any other details that may seem fitting to the occasion. However, we seem to agree on the House of Assembly."

It goes on:

"I am enjoying excellent health and working at my art with greater zest than at any time in my experience. I am very busy doing the *Life of Christ*, a series called "The Temple of Christendom", meaning doing the New Testament in great masterpieces in oils. This will take longer than the lifetime of any one artist to complete. The work was interrupted for a while in the late 1940's I began to work on it again. I have painted some of my greatest compositions during the War years. The Nativity and the Crucifixion (these are the titles of two of his paintings) have been well received in art circles here."

Then he goes on:

"I will try and give you a brief description of the Crucifixion. The body of Christ, flayed, covered with bruises, bleeding and distorted, hangs on the Cross erected on a rocky plateau."

And so he goes on to describe his painting, and he ends up by saying:

"I am enclosing coloured reproductions of two of my first paintings herewith, the Crucifixion call-

ed 'The Death of Christ' and the 'Nativity'. I hope you will frame these little prints in a small moulding, gold toned frame, to remember me by.

Yours very truly,

JOHN VINCENT.

Mr. Speaker, I do not know whether any motion is required, or whether the matter could not perhaps just be left with the Internal Economy Commission, or whether the House would like to express itself in the form perhaps of a resolution to be forwarded to this very distinguished Newfoundland artist by way of thanks and gratitude to him for his magnificent gesture toward his native Island.

MR. HIGGINS: Mr. Speaker, I have very much pleasure in moving a vote of thanks to Mr. Vincent for the very wonderful present which he is about to present to us. Mr. Vincent I think is the only great artist that Newfoundland has produced. I do not know of any other painter of preeminence who came from Newfoundland. We have produced great writers; we have not produced a great poet, but I think at least that it is the common opinion of experts of the world that John Vincent is a first-class artist. He has painted a picture of the King; he has painted a picture of the Pope; he has painted pictures of some of the great personalities of Europe, and I think that every Newfoundlander should feel proud that we have a man who has attained preeminence in the profession which he undertook. John Vincent, not so many years ago, was a fisher boy,

tions, Report of Standing and Select Committees, Answering and Asking Questions, and Motions and the like, all of which usually takes only five or ten minutes. Then we could go straightway into Committee of the Whole to discuss this whole problem of unemployment. I therefore now give notice that I will on tomorrow move the House into a Committee of the Whole to discuss the problem of Unemployment.

MR. HIGGINS: Immediately after the Orders, yes.

MR. FOGWILL: It is not regular in assemblies in a motion of this sort for a time to be set, all other business would cease at that particular time, and the question would be taken up? But if we set a time it would have to be taken up at that time. Immediately after the orders, that could continue for three hours and then we would adjourn, but if you set a time for it it would have to come up at that time.

MR. SPEAER: This would come now, as the Premier has moved it, immediately after the first three items, which are usually very short.

MR. FOGWILL: It would be better to set a time.

MR. SMALLWOOD: Mr. Speaker, in moving the adjournment of the House I would like to inform the House that the famous Newfoundland artist, John Vincent, of New York, has been great-hearted enough to offer to Newfoundland as a gift his original painting, life-sized painting, of His Majesty King George the Sixth, and in a

letter to me asked whether I thought that the Legislature of Newfoundland, the House of Assembly, would like to receive the painting as his gift. I wrote and said that so far as I could pre-judge the temper of the House I felt that the members would feel very happy to receive his gift, and I suggested in my letter that in that case the House might care to have that portrait hung on the walls of the Chamber here. It is a very handsome original painting, thousands of coloured reproductions of which were circulated throughout Newfoundland at the time of the visit of the King and Queen here just before the outbreak of the War, so that most members are familiar with the general appearance of that painting. The painting itself is in a frame of Italian Renaissance period covered with gold leaf, a very handsome antique Italian frame, procured by Mr. Vincent in Italy, when he was living and painting in that country, so that it is a very valuable, intrinsically valuable and highly interesting gift, a portrait by our great Newfoundland artist of our King, presented to Newfoundland through the legislature of Newfoundland; and to my letter expressing my opinion only that the House would be glad and proud to receive that gift from him, Mr. Vincent has just written me this letter, which I think probably the House would like to hear. He says:

"Your letter of September 6th brings back memories of the old days when we corresponded several times a week. Believe me, it makes me very happy to know

a poor fisher boy, and through great efforts and overcoming many difficulties, lack of education and other things, he attained that position. My attention has just been called to the fact—and I am very sorry that I said we had not produced a great poet; I am wrong. I forgot about E. J. Pratt, the poet who is still known in Canada as the Great Newfoundland poet. At least then we have two great men, in the line of poetry and in the line of painting, E. J. Pratt and John Vincent. And I may say that this present of Mr. Vincent's is *not in any way a small present*. The cost of Mr. Vincent's paintings go up into four or five figures; he has attained that rank where he can demand almost any money for any painting, and the painting which he is giving to us is one that I do not think we could afford to buy ourselves. Now, with regard to the frame, I may say, judging from what the Premier has just said, I should say that must be made of plaster, and if it is I think the best possible care should be taken, and that when it is brought here somebody who knows how to open packages should open it, because it is so easy to chip off a piece of the plaster, and it is almost impossible to repair it. That is only a very minor thing in comparison with the painting itself, because the painting is the great thing and not the frame. I would consequently move that, as I said before, a vote of thanks should be extended to Mr. John Vincent for his great kindness in presenting the picture to us, and particularly for remembering still, with all his fame, the land of his birth, and while he is

famous in the outside world, that he still regards himself as a Newfoundland and refers to this country as the Mother land.

Carried unanimously.

MR. SMALLWOOD: I take it, Mr. Speaker, that your honour will send that on behalf of the House.

MR. SPEAKER: Yes.

MR. SMALLWOOD: Mr. Speaker, in moving the adjournment of the House I move that the House at its rising do adjourn until tomorrow, Thursday, at three of the clock

House adjourned accordingly.

Thursday, October 27th, 1949.

The House met at three of the clock.

Presenting Petitions:

None.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I received this morning the following telegram from Corner Brook, addressed to me as Premier and it says, "Due to threats of a prominent businessman here, the editor of the Western Star, Bernard Gill has been dismissed due to recent editorials re the cost of living. This, in our opinion, is absolute muzzling of freedom of the press, and we anticipate your immediate action. The labour organizations are loud in their protests against such undemocratic principles," and it is signed, William C. Janes, President, Papermakers' Union; Allison Budgell, President, Pulp, Sulphite and Papermill workers' Union; James H. Windsor, President, Electrical Workers' Union;

Leo O'Rourke, President, International Association of Machinists; and Baxter Walsh, Vice-President, Newfoundland Federation of Labour.

In addition to that, Mr. Speaker, I have been informed that a telegram has been sent to me by the Corner Brook Branch of the Great War Veterans' Association informing me that at a special meeting held last night at Corner Brook they had adopted a motion to the same effect as this one from the trade unions at Corner Brook. Last night I had a telephone call from some of these organizations, trade union and G. W.V.A. In addition to that I had a telephone call from Mr. Gill, the editor of the Western Star, his editorials in recent weeks, dealing with the high cost of living, he received a telephone call from Mr. House, of the firm of Good-year and House, advising and cautioning him to stop writing and publishing such editorials and if he Mr. Gill did not stop, he, Mr. House, would put him in the position where he would have to stop. Now, Mr. House is well-known to be a personal friend of the assistant manager of the Bowater Company and of Sir Eric Bowater, the president of Bowaters' in England. Mr. Gill was called into the office of Bowaters' by the assistant manager of that Company and dismissed from his position, and at the same time he was told that Sir Eric Bowater himself, President of the Company, had ordered Mr. Gill's dismissal—

MR. SPEAKER: Is it the intention—

MR. SMALLWOOD: Mr. Speak-

er, if you will allow me—it is quite customary and quite proper, in my understanding, for the Government to make a statement before the regular business of the House begins.

MR. SPEAKER: Yes, I would merely like to call that motion to your attention, and to ask if it is your intention to have this presented as a petition and have it referred to a Select Committee.

MR. SMALLWOOD: No, Mr. Speaker, it is presented merely as a statement. Now, Mr. Speaker, we happen to be living in Newfoundland, which is a British Island, over which the Union Jack is flying—

MR. FAHEY: Mr. Speaker, where are the petitions? What happened to the petitions? If I remember correctly, the other day when a question was answered, Major Cashin started to debate it and the Premier was the first to rise to a point of order,—not a pint of water, a point of order, and that was ruled in the Chair. Well you asked the honourable Premier just now if it was his intention to present this in the form of a petition, and he said 'No, merely a statement'; if this is a statement and the leader of the Government is entitled to make a statement, then it should be the first thing on the agenda.

MR. SPEAKER: On the answer to a question, a supplementary question is allowed, and I am quite sure that the honourable member knows that a debate is of course not permitted upon the answer to a question. There was an interruption at the moment of call

ing Item No. 1, but as the honourable Premier explained, he is making a statement on behalf of the Government, and so far as I can see there is nothing to prevent such a statement being made. It is not a debate.

MR. SMALLWOOD: Mr. Speaker, I was saying—we are living in a part of the British Commonwealth; the Union Jack flies over Newfoundland still; we are a province of the Canadian Nation; we are *not living in Russia*, thank God, nor are we living in Hitler Germany; we are living in a land where freedom of the press is supposed to exist. Now, the Western Star is owned by Bowaters', through its subsidiary, the Western Publishing Company. Here is a case, quite obviously, where a large industrial corporation in Newfoundland, who was beholden to Newfoundland, and beholden to this Government, owning newspapers, a public newspaper, whose editor is dismissed at the request of a prominent business man, a most disgusting and most intolerable situation. And I do not blame the trade unions, and the G.W.V. A., and the general public of Corner Brook, who have been compelled to pay the highest prices of all the dismissal of Mr. Gill. In darkest Russia it could not be worse, and through this House we want the people of Corner Brook to know that Goodyear and House and Mr. House may be powerful enough with Bowaters' to bring about the dismissal of Mr. Gill, but they are not powerful enough to stop this Government from exposing any profiteers wherever we can find them and not only exposing, but putting them behind

prison bars if we find them guilty; and we will not be any respecter of persons. And if Mr. House is proved guilty, he personally will go behind prison bars. And that is our answer to Mr. House and to Mr. Bowater too.

MR. SPEAKER: Are there any answers to outstanding questions?

MR. CASHIN: Mr. Speaker, concerning profiteering, that is, with regard to rum. I asked a question a few days ago and I am looking for an answer this afternoon, and I am wondering if the honourable Minister for Finance has it for me or not.

MR. SPEAKER: That is Question No. 80.

HON. H. W. QUINTON (Minister of Finance): I can tell the honourable member for Ferryland now that the answer is the same as in the first case, that it is not in the public interest to disclose the figures.

MR. CASHIN: Well, I don't want to debate this thing, Mr. Speaker, in any way, shape or form. I shall probably be called out of order again, but any money paid out by the treasury of this country, the people should know to whom it is paid and how it is paid and this is a question that I—everything now, it seems to me, is not in the public interest. Well, I don't want to have to come into this House, Mr. Speaker, and make a charge; it is the last thing in the world I want to do, but when any honourable member of this House asks a question concerning public matters, he is entitled to an answer, and a proper answer at that, not just

one where you are told it is not in the public interest to let us know.

MR. SPEAKER: The Minister has answered the question. It is not debatable.

MR. CASHIN: You are talking about Bowaters' and those people making huge profits, why the Government are making five thousand times as much. I will have to expose it myself.

MR. FOGWILL: Mr. Speaker, I give notice that I will on tomorrow ask the Honourable Premier or the appropriate Minister to inform the House if Co-operative Societies operating provision and grocery stores were included in the recent survey in respect of current food prices, and if so, were the prices at these Co-operative stores higher, lower, or equal in value to the prices of food in stores of private operators.

MR. CASHIN: Mr. Speaker, could I have a ruling on a question, from you;—a proper question placed on the order paper in the public interest, whether it is in the public interest or not to table the information,—I would like a ruling as to whether or not the Government can come in here on any question it sees fit and tell this House that it is not in the public interest to give the information. I mean, these are public matters, concerning the expenditures of public funds, and it seems to me that we are entitled to an answer, Mr. Speaker. I have heard the Premier this afternoon refer to Russia; surely Heavens, if they are holding down informa-

tion which the public are entitled to know then this Government is a part of Russia.

MR. SPEAKER: The answer has already been given, that there are occasions when the Minister is the judge of the wisdom of giving — making public, the information sought. All I can say in reply to the honourable member is to repeat the ruling already given. The reply, that the information is not in the public interest, will, I am afraid, have to stand.

MR. CASHIN: Yes. Well, Mr. Speaker, I regret, exceedingly, to use the expression of a former politician, in this House, that I hope that there is no rule laid down in the rules of this House or any parliamentary procedure, whereby a member of this House or any parliamentary procedure, or any member on either side when he asks a proper question in a proper manner is not entitled to a proper answer. And I hold, and there is no one in here who is going to tell me I am wrong, that I am entitled to that answer. People take the money belonging to the public, and spend it and tell them "you can go to blazes, we are not going to tell you how we spent it! You have no Auditor General; you have no nothing. We blast him out of existence too.

MR. SPEAKER: I think I can show the honourable member competent authority for the answer.

MR. CASHIN: Mr. Speaker, you cannot show me, I do not think, authority, excuse me,—telling me that I am not entitled to know how the public funds of this country are spent; that it is going to be in the hands of one minister, or

two ministers, as the case may be, and everyone else is to be ignorant of it. He is only a paid clerk, the Minister of the Crown, and he is a trustee of the people's funds, and he should answer the people, and I represent a certain section of the people of this country, and they do not come from Russia either. But now we have Russia right in here.

MR. SMALLWOOD: Mr. Speaker, it is well known to the honourable and gallant member for Ferryland, extremely well known, that throughout parliaments of the whole world, in the democratic countries, frequently, quite frequently, the reply given to a question is that it is not in the public interest. Now, the honourable and gallant member knows that just as well as I do. And that is so. Furthermore it must also be known to him that there are countless questions the answer to which must be left to the judgment and discretion of the Minister concerned, or of the government as a whole as to whether or not it is in the public interest to table the information. That is quite commonplace, and furthermore the honourable and gallant member knows full well, as a former Minister of Finance, that no government in Newfoundland ever gave out that information. Oppositions always tried to get it, and governments always refused to give it, because it was in the public interest. That is a commonplace. And furthermore, throughout the length and breadth of Canada, it is useless for any member of any provincial legislature to get up and ask the question which the honourable and gallant mem-

waste of time, the information just will not be given. No government gives it. As for its playing any part in the cost of living, we do not admit that. We do not regard intoxicating liquors as forming part of the cost of living. Now, the honourable gentleman knows I am right, and he can have fun about it here but in his heart. If he has asked, because it is just a his heart, he knows, much better than we do, because he is an old timer, and he was a Minister of the Crown, he was Minister of Finance, and that department came under him—

MR. CASHIN: Yes, and I tabled the information in this House in 1929. And at that time rum was thirty-three cents a gallon.

MR. SMALLWOOD: Well, I cannot contradict that, but the honourable gentleman knows full well, that it is not the practice to table that information. It is not. If the House, or the Government—

MR. CASHIN: Oh yes—

MR. SMALLWOOD: The members on this side are as much members of the House as the members opposite.

MR. CASHIN: I know—

MR. SMALLWOOD: If the members of the House order these trade secrets revealed, they will be revealed.

MR. CASHIN: I know that they are not going to be revealed, but I am telling you now that the Government is practically Russian.

MR. SPEAKER: I do not see any point in prolonging the debate on this matter. I have permitted it

only for purposes of clarification but it is entirely out of order.

MR. JACKMAN: Mr. Speaker, I understood when we had Confederation that we were coming under a new order; it was going to be a people's government, and the people are entitled to know. I heard the honourable Premier himself say, here in the Convention. 'The people are going to be given every scrap of information, in respect to our funds', and I uphold Mr. Cashin's stand on this, and I would ask the Premier to look back a while and think it over and see if he cannot recall saying these words, that everything pertinent to the working people, to the common people of this country, was going to be given, right on this table.

MR. J. G. HIGGINS (Leader of the Opposition): I am just wondering, Mr. Speaker, in view of what Major—the honourable and gallant member for Ferryland said, that he tabled it before, if the Prime Minister is still going to say that he is play-acting; what he did say was that he knew in his heart and soul that he could not ask the question which he did ask. I would not like to be accused of that, and in view of the fact that Major Cashin has said he tabled it before, it shows that he felt that he could ask the question.

MR. SPEAKER: Notice of Motion—the honourable the Premier to move the House into Committee of the Whole to consider the Problem of Unemployment.

Speaker leaves the Chair.

MR. SMALLWOOD: Mr. Chairman, as the mover of that motion,

perhaps I might start the ball rolling, although I have no intention at this moment of occupying much of the time of the committee beyond pointing out that we have already announced our intention of abandoning, after the 1st of November, the payment of relief to able-bodied persons. I say after the 1st of November, advisedly, for this reason, that the last relief will be issued on November 1st. That is issued in advance. When a person on relief receives his relief, he is receiving it for the month that comes after he receives it. It is not paid in arrears. Now, the last payment for relief was on the 1st of October, which was for the month of October; if then the next payment they would receive were payment for the work they do, in this relief work programme, it would be the end of November when they will receive their first payment for the relief work, and you would in fact, have in that case, on the 1st or 2nd of November of going to work on these relief projects a number of hungry men. So for that reason, the government, on the 1st of November, will issue the final payment of able-bodied relief. Now the idea is being held by some that the result of that will be this: that the man who receives his last, his final dole payment, so to speak, on the 1st of November, will not work during the month of November. To begin with, I doubt if there are many who will take that chance. In the second place, if there are any, it is a matter that can be quite easily remedied, because each man in that position will be informed in a friendly but firm way, that if he proposed not to work during the month of Novem-

ber for the reason that we had issued relief to him on the 1st of November, then he will be wasting his time to come back on the 1st of December, or the 1st or last or any date of any month thereafter seeking relief. There are a great many details surrounding this programme which have cropped up in the minds of all of us, including the gentleman on the opposite side. The honourable member for St. John's West, who has been appointed administrator of this programme, is familiar with all these points because I suppose by now virtually all the members of the House have been in touch with him and have raised these matters. In addition to which he has had a veritable avalanche of letters pouring in upon him from all parts of the province. So that he has had perhaps better means than any of us to become familiar with the variety of aspects throughout the whole province that there are. And therefore I think it would be putting us forward in this debate if the honourable gentleman for St. John's West, and I refer to the junior member for St. John's West, would outline some of these points to this committee, and if the members of the committee here were to direct to him questions bearing on points about which they may be in doubt, or not too clear. I do trust that we can, in this debate now, thrash it out, discuss it, and bring out information; and any member of the committee who has any contribution whatsoever, any suggestion, any idea, any proposal, that would be in the interest of the unemployed, of the destitute,—those who are destitute now, and those who might be expected to become destitute

throughout the winter, then I am sure his remarks will be highly welcomed, not only by the honourable member for St. John's West, but by all of us here in the committee.

MR. O. L. VARDY: Mr. Chairman, as the Premier said, this is one job that entails a tremendous amount of organization and detail before the programme which has been prepared can be put into operation. In the first place, the government's decision to eliminate dole was taken sometime in the month of October, and it was well gone towards the middle of the month before the baby was put in my lap, if you like to put it that way. Now, prior to then, the programme was definitely merely in the discussion stage; the next thing was to put it into the formative stage and from here into the operational stage. Well, we are still in the formative stage; we are still setting up the organization which will be required to carry through the programme that we have in mind. Now, I know that you all appreciate the fact that this programme that we are talking about is not something that just embraces St. John's proper, but takes in the whole Province of Newfoundland. It takes in every section and practically every settlement—it certainly takes in every district, and that brings each and every individual member into the picture, because he has a very definite interest in the district which he represents, and it is from the members of the district that we expect to receive our most valuable assistance, because undoubtedly the representative of the district is the most logical person to recommend

to us what should and should not be done, and are familiar with the personnel, they are familiar with the organizations in the district, they are familiar with the personnel of the road board, of the various groups that are performing public services in the communities; if there are district councils, then they know who the official, the most likely official, to carry through this operation, would be. Well, we are trying to get that information together. We have received from a number of the members maps of their districts, outlining necessary works that could very well be done under this programme; and we have also received, as a result of the radio appeal of the Premier, innumerable suggestions, thousands I might say, literally thousands of suggestions, from all parts of the Island, from interested persons, from fishermen, from loggers, from magistrates, from clergymen, from the merchants, from everybody that has any interest whatsoever. Now, I will not go so far as to say that every one of the suggestions that we have received is practical, because, to be quite honest, they are not. We have had some very fantastic proposals made to us, proposals unfortunately that had absolutely no relationship to the specific need of the community. So you see we have two problems here. First of all, to develop projects that will replace dole, that will provide work, and, secondly, to assess the projects against the actual needs. Now, that means that we have to have a screening process in the community too, because unfortunately we have a very grave danger that the minute work is offered with cash payment that you are going to have a lot of peo-

ple who would not normally go looking for dole come looking for the work. It is very difficult to get across the fact that this is not just a general unemployment scheme. It is not just an effort on the part of the Government to provide work for everybody who wants work. Now, I know that we would all like to see that sort of programme put into being; I feel sure that I can say on behalf of the government that that would certainly be the very thing that they would like to do, but we all know the difficulties that surround that. We know the difficulties that prevent it, for one thing, and certainly the Exchequer would never be able to stand any programme of that nature, so that necessarily the programme has to be confined to those who are, to put it bluntly, in the absolute stages of destitution. In other words, they are the former recipients of dole.

Now, when a man goes looking for dole it is presumed that he has exhausted every other opportunity of making an existence for himself and his family. He has been unable to get work; he has no resources of any kind, assets of any kind; he is completely destitute and depends upon charity for his survival. That being so, it limits the problem to this extent that we are still only going to provide work for that particular individual, and if we here in St. John's, no matter how efficient an organization we have set up, actually cannot be expected to know every Tom, Dick and Harry in communities all over the Island, and so we have to have the facilities that are already established to serve as screening organizations that can tell us the

actual need of the individual who is applying for the work on this relief project is exactly the same way in which he applied for dole before the dole was eliminated. He will have to go through the same formality, with one exception — I have been informed officially that it is definitely the policy of the government to approve what we might term the borderline cases, and by the borderline cases I mean the man who probably has a little resources left, who probably has a couple of dollars left, enough to get him through maybe until January, or probably December, or January, whichever the case might be. Well if the relieving officer, or the screening official, whoever he might be, is satisfied that man is going to need immediate relief in December or January—be in need of assistance, shall we say, in December or January, and it is unlikely that we can provide any kind of profitable employment in the area, during those periods, he can certify him so that he may be put to work now, so that he will have—be able to build up a little reserve so that he would be able to maintain himself, during the period when he would normally be looking for relief. Now, we have, gentlemen, to get all these things co-related together, so that they will work smoothly one dove-tailing into the other. It is not an easy job, as I say, but it is a job that we can do, I believe; we can do it more efficiently and more effectively if we have the cooperation, not only of the members, but of the responsible individuals in the various districts; if we have the active cooperation of the magistrates of which we have been assured, of the relieving officers, of the rang-

ers, of the clergymen, of the school-teachers, and of the merchants. We need complete cooperation to make this job a success and to remove something that we all want to see eliminated from the Province, from the country which we still call it, and that is the word "dole." I appreciate too that it is not, despite the best things and the best ideas and the best hopes of the government, if is not going to be possible to do it in every case. There are places and you know about them, and you might as well known about them now, there are places where it would not make any difference if we hired the men at \$50 a day, it would still be a governmental responsibility to provide food for them, because they are stuck off on isolated islands off the various parts of the coast where as soon as the freeze-up comes, there is absolutely no way in the world of making any contact with them until next spring, and they do not have stores or business places on the island; there is absolutely nothing in the world for them to do in the form of work once the freeze-up comes. And so again, unfortunately, that becomes the responsibility of the government of making food available to these particular communities. We might as well make it available to them now as to give them the money in advance and tell them to go out and buy their supplies. There is an established routine setup that has been carried through for a number of years, so I believe, and for this year at any rate, it is going to be necessary to carry it through again in these isolated cases, with the exception, we hope — and we are going to make every possible endeavour to substitute work relief

for dole in the remainder of the settlements and districts. Now, gentlemen, that is just a rough outline of the picture. I know that you will have some questions to ask, and certainly I would be only too happy, Mr. Chairman, to answer anything I can and to provide any additional information to what I have already stated. The response, I might say, has been exceedingly favourable to the suggestion that dole be eliminated and work be substituted for it. It has been accepted both by leaders in the community and by the recipients themselves. We have had innumerable letters come in stating that at last there was going to be a step taken to eliminate the disgrace of going and asking for government charity, because they never wanted to do it and would much prefer to be able pay it back in the form of some sort of honest labour. Now, that is the thing we are going to try to do. We hope and feel and believe that we can do it, and it depends on how the question is accepted once it is put in to effect. I appreciate there are all sorts of pit-falls that we are going to try to avoid if we can. There may be some that we will not be able to, but nevertheless we are going to try to get over them and try to make the thing as satisfactory as possible to the greatest possible number.

MR. CASHIN: Mr. Chairman, I would like to thank the honourable member for St. John's West for his information. A year or so ago we were told we were never going to see a poor day again, that all our people were going to be wealthy.

MR. SMALLWOOD: Not a shadow on the road ahead!

MR. CASHIN: Not a shadow on the road ahead. Not a hungry child in the country.

MR. SMALLWOOD: Who said "not a shadow?" Who said it? Who said it?

MR. CASHIN: Now, Mr. Chairman, I have this floor, and I am going to hold on to it. The position is just this, and I represent probably the most—the worst district in the country to-day as far as the fishery is concerned this year. And I have been chasing the government since August, trying to get them to do something in connection with this relief work. Now, I want you to understand, Mr. Chairman, and my friends opposite, that I am not getting up here just for criticism of the government. I am prepared to co-operate, but since Mr. Vardy was appointed administrator of relief work, I have not been asked to give any co-operation; and I represent the oldest district probably in the country, and I am the senior member of the House. I have not been asked to tell him anything about Ferryland. He knows nothing, very little about it—you couldn't expect him to. Now I take it from the information which he gave here this afternoon, that the relieving officers in the various communities will be responsible—we have no magistrates in Ferryland—we have nothing. The Commission of Government tried to exterminate Ferryland when they were in office. They did everything they could, and I am coming to that point right now, that during the term of Commission of Government in this country, they made the people of Ferryland kill their cattle, kill their hens, and their sheep, before they would allow them dole.

They have done that, and we are arriving at the stage now—and I would tell the people of Ferryland to-night if I could speak to them, that if they have to do that now, well, we are going to fight.

MR. SMALLWOOD: They will not have to—not with this government.

MR. CASHIN: Well, I have been fighting the government, or asking the government for the past two or three months to do something about it, and they have done nothing. We have had famine in Ferryland, two quintals or five quintals of fish—been on dole practically ever since that time. Now we are told we are going to be clear of dole, and I am going to tell you, you are not. And I would like to see it be cleared up, because here is the position. You are starting this work in the fall of the year. You are going to have days when you cannot work — what are you going to do about it then? You are giving them two days work for one days pay, and if they work for the 6 days they are going to get \$13.10 a week or something like that. What happens if it is half? They get about \$6 a week. This is the position, at this time of year. Now, as I said at the outstart, I am prepared to help them, but I am going to go through my own district. At this period I am only fighting for Ferryland. That is my interest. We will take Bay Bulls. There is no relieving officer in Bay Bulls. There's no relieving officer in the Goulds. There's one in Witless Bay; he has charge of all that area. Now how in the name of fortune can that one relieving officer living in Witless Bay tell all the men that are going to be on relief to-morrow,

in the Goulds, in Bay Bulls, and in Witless Bay, you have got to do this job, or that job, fix up a school or dig a well. The whole thing is nonsensical? Now, I heard the Premier, or rather I read it in a speech he made, about fixing up our schools. I want to tell him our schools in our district are probably the best in the country. They are being taken care of by our various denominations. Now the Catholic church in Ferryland has taken care—we have a first-class school in the Goulds, we have a first-class school in Bay Bulls; the best in the country in Witless Bay. We have them, that is, in the outports, in Mobile, Tor's Cove, Cape Broyle, right through to Trepassey, and even St. Shot's, right out, practically out to Cape St. Mary's. The best schools in the country, and these schools don't want to be touched. You are not going to send people up to plant trees, or cut down trees in front of the Church, or anything like that. We don't want anything like that. Now how in the name of fortune are we going to cull this out? I am prepared to co-operate. You are going to cut it out in the 1st of November every man desiring able-bodied relief would be put to work, at something or other in an outport, and there is nothing as far as I know done yet whereby an organization has been set up for any community or any district to carry out that program. We have a magistrate in Ferryland — he lives here. We used to have three doctors in the community, we have a half a one now—an old man 75 or 80 years of age. The magistrate that is supposed to act for Ferryland knows no more about it than my friend Mr. Ballam or Mr. Pottle here. Not as much. And he knows

nothing about it. Now I am prepared as I said, to co-operate with you, Mr. Administrator. You have not asked me. I know that a lot of people up in Ferryland are expecting on the first of November, whatever day that falls on, whether it is Monday or Tuesday, that they will all be going to work. We are told that all those desiring dole are going to be put to work. You have to be a desirable individual to get dole in order to get work. A man that went to the fishery this year, got five or six quintals of fish, might have \$100 in the bank — he cannot get work, the relieving officer will not give it to him if he knows he has \$100 in the bank. This work should have been started two months ago. There was no reason in God's earthly world why it couldn't have been started. Surely the government—at least I drew it to the attention to several Ministers of the Crown about my own constituency, and no doubt other members, I think—I think Mr. Drover went north and came back and said that White Bay, or whatever district he represented was up against it; they should have work right away. Nothing has been done and now we are right up to the 1st of November and expect to keep people off dole. We have not handled this proposition properly. The Premier wrote us all. I replied as best I knew how, and gave him an outline of what I felt should be done in the community or in the district—have not heard a word about it since, until now. I don't know, Mr. Chairman—I want to help, but I am going to tell you right here and now, that if this thing is to be successful, you've got to have a proper organization, you've got to have a representative in every com-

munity to supervise this work. If the community—now if that man has to be on the dole in order to supervise that work—right along throughout the country—there has been no effort made so far as I know in Ferryland to get one. I presume that the same thing applies in other constituencies, and in two or three days time it will be the 1st of November. It will be the 15th of November before we get going and the snow will be on the ground. What are you going to do then — plant trees in front of school houses? I have never heard of such a ridiculous program in my life.

MR. FOGWILL: Mr. Chairman, I would like to ask a question sir, to the administrator of this relief work. I am rather puzzled listening to his remarks; but is it the intention of the government to pay cash for the work performed on this work?

MR. VARDY: Mr. Chairman, I might say, yes, it is; the rate is 55c per hour, an 8 hour day, and they are expected to work the following day free, on the job.

MR. FAHEY: Mr. Chairman, we are in now to the committee of the whole, concerning the problem of unemployment. In my opinion, that altogether covers those that would be on relief or dole or as required. I want to say for my part and my colleague here Mr. Jackman, when we got that letter—

MR. SMALLWOOD: Mr. Chairman, every time, a member—I am on a point of order Mr. Chairman, and I think I have the floor. Every time a member of this house refers to an honourable member by

his name he is out of order. That is simple. It doesn't take an Einstein to understand it. It is a universal rule, in all parliamentary bodies, never to mention the name. The mentioning of the name of a man means a penalty, which is left either to the Speaker or the Chairman. "I shall name the man," which is a threat, and a very serious one. And here we have them all over the House—we are either going to have that Rule kept—well we are going to have it kept; that is the answer; that is a point of order.

THE CHAIRMAN: The point is well taken. Now, Mr. Fahey, proceed.

MR. FAHEY: I referred to Mr. Jackman as my colleague.

MR. SMALLWOOD: Mr. Chairman I say it is out of order for him to do so.

MR. FAHEY: I refer—the point is well taken Mr. Chairman, I refer to the honourable member for Harbour Main-Bell Island. I was about to say Mr. Chairman that we put in different projects wanted in the district to the extent of a hundred and twenty-three, marked off on the map which covered the different works that are to be done. Now I just bring this point out Mr. Chairman, to show that we are prepared to co-operate with the government in order to give employment of any kind. And I think that it is something that we need in this country today. I would like to say further, since this session opened back in July, we have heard a lot about honourable members seeing women bringing fish up over a stagehead the same as they did ninety years ago, and it has

not been remedied. We have heard a lot about this was only a simple bill, and that was only a simple bill. Then again, you heard how liberal the government was. All that may be very nice, Mr. Chairman, but the main point in my opinion, the backbone of economy in this country is employment. What I did not hear any of the members from the government side, that represents the government that spells with a capital L, was the fact of how we could create employment, to solve the economic situation of the country. I would like to say now, and this is not the first time, that work has been created I remember the rock sheds in 1922, and in my opinion that was a far superior program, to what is offered here to-day, because at that time, if a person required work, and was a taxpayer, he received a certain amount of work. To-day, it is only given to those that are on the dole, or eligible for the dole and then he must pay 100% tax for the privilege of working; in other words, if you work this week, you must work next week for nothing. That's 100% taxation for the work he performed the week before; or instead of 55c. an hour, it brings the rate down to 27½. Now, that may be fine to cut out dole and substitute work. I am agreeable to co-operate at that point, as I said toward the beginning, as you recall, but we want in addition to that is work, profitable work, for those that are eligible to work; those that pay taxation. Take for instance, a person that went to the fishery this summer, and may have some vegetables and some livestock; he cannot live on those vegetables—he should be given the opportunity to work a couple of

months in order to get live cash in order to buy his winter supplies, and I don't mean that the government should supply work, all the year around, for 12 months, but I mean work should be supplied in general to those who are eligible to work or who want to work for at least two or three months; and there may be other reasons for that as well.

Now, unless we can secure a creative plan for the workers of this country, we will find in a very short time that Newfoundland will become a spoiling ground for the mainland, or a greening ground, you might term it. With the influx, and flow, that goes across the Guf today, into the mainland, 5 years from today, our population won't be 320,000, it will be down to 100,000; and Newfoundland, if we don't get down to business, will be shrinking all the time. Now, I think that everybody should be entitled to a certain amount of work. I wonder at this point what happens to our milk and honey that we were promised? And what happened to those three jobs for every man that we heard so much about? I would say Mr. Chairman, that now that the honeymoon is over and most of the government members have had a trip to the mainland, let us get down to business and see what we can do. Now, first of all, I would suggest that we can have a flour mill and a sugar refinery in this country. I don't see if we went at it the right way why we cannot. That would give a tremendous amount of work, and also work in our water powers, wherever they may be located. And then again if we do not get down

to business and sit tight and wait for some other province or the Federal Government or somebody else to do things for us, I am afraid we are going to be left holding the bag. Take any community, country, or city, or town, or nation for that matter, it must solve its own problems and get down to business and do the things that are necessary for the economy of that particular place. I contend that we should not be bringing in milk, and cheese, from the mainland, right here in this country today, or this Island, or this province. I contend, just as an illustration, if we had a milk factory, say at Brigus, or someplace of central location, or Whitbourne, trucks could go say from Topsail and pick up the daily milk at that place. Trucks could also come from Bay de Verde, out that way, or from Trinity and from the southern shore across the Witless Bay line, and so on. And these people if they were allowed to sell two or three gallons of milk a day to be delivered at that factory, it would take them off the dole. If they had not got a cow, or the means, the government should put forward a plan in order to give them the live-stock, and let them pay it back by way of milk to the factory.

The same thing with that factory, you could make the necessary cheese. There is no need, in places in this country where you cannot raise livestock or fresh milk, to have to bring the milk in from the mainland or otherwise. That should be supplied from other sections of the country where the fertile section is there to take care of it. It is a matter

of programme, I know. I know people right now in this country that are prepared to pay to have the land cleared. Perhaps they have the cost of the government would give them the opportunity to pay it back in vegetables and other products and they could make arrangements to take care of that. It would not be much use for them to have the land cleared and pay for it or give employment for the purpose of giving employment to clear that land, if after you have that land cultivated there is no market for the vegetable you produce.

What we need, Mr. Chairman, in that respect to help our farmers along is a marketing board, some way of controlling the prices, so some other province would not flood this market with cheaper vegetables. What I mean by marketing board is this: to have a floor price and a ceiling price; the floor price would be a sort of guarantee of so much per barrel, as the case might be, for vegetables and so on, as the case might be, and the ceiling price would be a protection from profiteering in a time of scarcity. Without that floor price and that ceiling price, and a marketing board for our farmers, I cannot see how we can encourage our workers to go farming, when they grow their vegetables and cannot find any market for them. Now that is the duty of the Government. Then again I feel that instead of importing so much coal, particularly for those on relief in this country, there are certain sections of the country where wood can be cut and brought to other sections; people can be trucked there, and given employment to cut wood for one

section from another section where there is more wood, rather than bring in coal from the mainland or perhaps some other country. I think in that way that would be giving employment to somebody to cut wood for one section from another section where there is more wood, rather than bring in coal from the mainland or perhaps some other country. I think in that way that would be giving employment to somebody to cut wood in one section to supply those who need it where it is not to be got. Many of those programmes can be worked out, and we should have a more electric use in this country, or this province. I think that the Government, if anybody else takes over this matter, should start a electric factory and make electrical equipment, such as refrigerators, electric stoves, washing machines, toasters and other products. And right here in this country—I have no doubt that this province can employ thousands in making necessary electrical equipment that could be used from electric power of the great power resources that we have here rather than bring in all this equipment from outside, and bringing in, addition to that, the fuel that we need when the electric, the best fuel, can be got.

Also, I could go on, Mr. Chairman—I do not want to delay this committee—with many other things as to how we can solve this problem of unemployment and still serve the economy of the province. But the fact throughout the whole lot of this would be, the backbone of the country, is employment—work. What we want is work for our toiling masses,

and the rest can take care of itself. I think once you can put the working-man to work, that will employ the business man, the butcher, the baker and the candlestick maker; all of these, and the City Council or whatever charges the taxes, all of these would be taken care of once you have the toiling masses that we heard so much about at profitable employment. I do not think it is my place—I do not think on this side of the House it is our place to put forward a programme, but I merely make a few suggestions to show that we are prepared to co-operate, but I think the Government should bring those matters forward. That would not relieve the situation at the present time, but I do believe that everybody in this country who pays taxation and who wants employment should at least get two or three months at the present time in order to get their winter's supplies. Perhaps later on other developments may be brought in that you may not have to do that another year, but for the time being I feel that should be done, and I say here the Government works toward that, rather than working towards the socialization of the Province, then and only then will we do a job worth while. Thank you.

MR. CASHIN: Mr. Speaker, we came here to discuss today the question of unemployment, not in the narrow way covered by the relief schemes outlined recently, but employment in the country generally. We know that at the present moment there is a great deal of unemployment, and the situation has become very serious. It is not the least of the problems

that the Government cannot solve it; it cannot be solved at any time, but we must make some attempt to alleviate the distress, some of the distress, that is caused by unemployment. Now the Premier told us a few days ago that there had been always,—he gave a number I think around about four thousand always on relief, always on dole.

MR. SMALLWOOD: I did not give any figures.

MR. HIGGINS: Oh, you did not? I beg your pardon. Well, anyway, it has been said, about that number. If eight or nine thousand men would be put at work on this relief, that will mean that there will be work for only four or five thousand more altogether; the other four thousand who are always on dole will have to get work.

Now what is the exact position of the scheme as outlined? The scheme is that only those who are destitute will receive work. I believe "destitute" means that they have no means whatsoever. I do—what the Premier said that this would not cover people who have cows and horses, and so on, but that would mean that the man would have no money. Now some men went on the unemployment insurance and assistance when we went into Confederation and they did no work, although many of them could have got work. They have spent their money, the money that they got was not any more than sufficient to keep them going; they have no money at present; they are destitute. They will get work. But yet a man who decided that he would try to make

a better living, try to add to his income, and who decided he would work for a living, and earn his bread by the sweat of his brow, that man may have saved one or two or three hundred dollars in the last six months, that man is not destitute and he would not get work. He will spend that money within the next three or four months, and then he would be destitute and then there would be no work to give him. That is penalizing a decent, honest man who is willing to work. Now, as the junior member for Harbour Main said, we were promised that there would be three jobs for every one man in times to come. That was an untrue promise. It must have been known to be untrue, and it was done for expediency. Now chickens come home to roost!

MR. SMALLWOOD: Who said that?

MR. HIGGINS: That was said over the radio, and you know well enough who said it, Sir.

MR. SMALLWOOD: I never heard of it.

MR. HIGGINS: You did not? It was said over the radio anyway. And every idle word that a man should speak—

MR. SMALLWOOD: Would you mind telling me who said it?

MR. HIGGINS: Anyway, we must consider this unemployment—that will come up later, Sir—anyway we must consider this unemployment, and we must devise some means to try and offset it, and, first and foremost, we must try to find out why the unemploy-

ment exists, and at the same time decide as to whether it would be less or more in the future.

Now take the woodsmen. We have been told recently that four thousand woodsmen, who formerly had a good living in the Humber area are now out of employment. For years these men made good money; they had good jobs; they had fine camps and they had good food; they had a fine existence, and they enjoyed life and made money for their families and for themselves. Now we are told that they are out of employment and that when employment is given it will be under a new system entirely; that the old system would be given up; the companies would no longer employ the men; the companies' camps would be no longer used, but the employment would be given through private contractors. In other words, that the company will let out their work to private contractors, who will look after employment and pay the men themselves. You may be sure that these men will not be as well looked after as they were by the companies. Another dangerous thing is that private contractors will not cut in the same very careful way that the company, who owns the lot, would do.

Now take the 'longshoremen. We know there is not so much work for the longshoremen now as a year ago. I was down about a month ago and saw the English boat come in; it looked very lish boat came in; it looked very some 'longshoremen how much freight was on board and he told me three hundred tons, and I said, "how much does she usual-

ly carry," he said, "sixteen hundred tons, and a boat came the other day," he said, "with only forty tons, that usually brings three hundred." Now if those men cannot get work, what is going to happen? Will steamers be diverted from this port here to places on the mainland like Halifax and St. John, and Montreal? If that is so, where will the work come from for the longshoremen? It is going to happen then that the wish of many will be fulfilled, that St. John's will be a ghost town and grass will grow on the streets. But these longshoremen must be provided for. If they cannot get work there is another class of men thrown on the public funds. There are clerks and small shop-keepers. Will the mail order business put these men out of work? We know well enough that the mail order business contributes very little to this country; they pay the minicash, except in some cases where you can buy articles on the instalment plan; they give no credit whatsoever and consequently they have no bad debts, and in the cost of living in this country we all have to pay for the bad debts of our neighbours. We cannot say to these people, "You pay no taxes, you give very little employment, therefore we must tax you." We cannot do that now. Formerly we could protect stores here by revenue. Now if every shop were put out of business, there will be thousands of clerks in this country put out of work. And there is another class which will be unemployed. Now if the small shops in the outports are put out of business, because of the mail order stores, the whole economy of the outports will be put out of busi-

ness. There will be a change entirely. As I say, these stores give no credit, except on the instalment plan for certain articles. What is going to happen to the people who want credit? There will be no stores there; the planters will be gone, and the small shop-keeper will be gone. Who is there then to give credit? The Co-operative stores cannot give credit.

Now let us consider the farmers. They have had a hard life for a century in this country, at least around St. John's and in many of the outports. They have supplied the country with vegetables and other produce. They have supplied milk. They have done everything that could possibly be expected. Now at the present moment the markets are flooded with Prince Edward Island produce, and this produce undersells our local farmers so much the worse for the Government, because they will have another class on their hands who must be looked after and provided for, either by relief or dole or something else.

There is one thing, that when we buy our own produce, we keep the money in the country, but when we buy Prince Edward Island produce we send it out of the country and for years Prince Edward Island has been sending stuff into this country and has not bought one single thing from us. As far as we are concerned, Prince Edward Island is useless to us, although we buy a lot of their produce.

Now, if we have a bad fishery we will have to look after the fish-

ermen. If the mills are closing down and work is curtailed, we must look after the loggers. If Prince Edward Island produce undersells our farmers and floods the market, then our farmers have to be looked after, and it might be not so long hence that we will have to look after longshoremen and also the clerks.

Now if the farmer is put out of business by underselling, what is going to happen to all the other industries? Will they be undersold? Are the factories going to close down, that is another class close own, that is another class still who will have to be looked after by the government. And then, worse of all, if all these classes have no work and have to depend upon the Government for their food, if the Government has to be carried on and they have to look after everybody, where is the money going to come from to run the country? Where is the taxation coming from? We will be in a very precarious position. It is not going to be supplied by the building of a highroad, and I might as well say here that the Bases that supplied five times as much money as any highroad has ever supplied, and one thing we are certain of is that there are going to be no more Bases built in this country, but it is no violent assumption to say that if we had Responsible Government there would be more Bases built here and there would be more employment.

Now I can think of no solution, but we are asked by the Premier to outline a five-year plan. This is not a case of discussing a matter

of unemployment at the present time, but a matter of discussing unemployment generally. I may mention a few matters which may seem extremist in this debate, but I do not think so. Food is the most important thing in the world, say what you like. Food is necessary. In the olden days, when money did not exist, people lived by their food. And if we had food and clothing and heat and a little money we would be happier than if we had plenty of money and could not buy food or anything else. Look at the case of England the employment. They sell for at the present moment. Look at wealthy people in England or anybody in England. They cannot buy any stuff; money cannot buy food because there is no food there except just enough for their bare wants. If you lived in England you would see how badly they live; they have nothing. Therefore, food and clothing and heat are very much more important than money. If we could barter, we could live by barter. Barter would be sufficient for us. Now then the position arises, how are you going to supply food in this country? At the same time, remember, if you cannot supply food you can also provide employment and also get money. What I am talking about now is a serious matter, and I am going to be laughed at. Take the case of rabbits, the lonely, the earthly, rabbit. Now the rabbits since its introduction to this country has formed a staple food for many thousands of people, and they have also provided money. I have seen the shops in St. John's flooded with rabbits, which came not only from outlying districts to

St. John's but all over the outports; they provided good food for the people here; they provided good food for the outport people, and people in outlying districts. The question arises, what about the rabbits this year? Last year? Rabbits provided good food. It is no use your telling me that we must live on something besides fish and berries. Fish and berries are to me a very staple food, and with rabbits and partridge, people could live very luxuriously; there are people who could live on those products alone, provided there is flour and sugar and tea. And rabbits do provide a wonderful food. Now we know that every seven years or so rabbits are practically wiped out; there are just enough to keep going—to restock; every seven years that happens, but we have had no rabbits for the last three or four years, and has any attempt been made to find out why that is so. Is it the mink? Is it the wild cats? Is it the wild dogs? Is it the other animals like the marten and weasel? What has wiped out the rabbits? We know this much, there are very few rabbits found in the city, found in the outports, and poor people are deprived of a very tasty dish and a very good dish and a very nice dish. Now why is that? I know that mink have escaped; people have tried to hide the fact but mink do escape. I was president of the Game Association and I know mink escape and I can give an instance of mink being seen all over the east end here, and the west end, and mink is the most dangerous animal in the world; it kills for the sake of killing. Most animals kill just for food and

when they are satisfied with food they stop. Mink kills just for the sake of killing; they will kill over a big area, and they will not touch a single thing they kill. They are worse than the marten, and they are worse than the weasel, and those are bad enough; and mink are abroad in this country at this present moment.

Now I mentioned rabbits. Now rabbits were a blessing to this country. In Australia they were a pest; they were introduced into Australia in the seventies, I think it was, and they have been living on farming land for years; they burrow their nests under wire. There is wire three thousand miles in extent stretching across Australia in order to prevent them from one place to another and they can burrow underneath that.

But recently the Australians have found a blessing in rabbits. They find they can use their skins; they find they can use their meat, and I think last year they made thirty-seven million pounds out of rabbit, and I was told there were some tinned rabbit from Australia selling in this country. Now what an industry could be created by the rabbits, providing food and skins and at the same time giving money.

Now what about sheep? A striking instance of what can be done and a living illustration of how far foresight and energy can bring up a people is seen in the life of Sir John Sinclair. His efforts teach our country that people can be brought from poverty and dependency, how one man by a series of acts can bring a country up to

prosperity. He lived in the north of Scotland in the county Caithness near John Brooke's house on the North Sea, at the end of eighteenth century. His father died when he was sixteen; at eighteen num of taxes and provide very lithe started improvements whose influence was felt aound every part of Scotand; he built road and bridges, and Caithness, from being the most inaccessible county in Scotland, became the pattern county for its roads, its agriculture, and its fishery. His activities were extended when he found out about the deterioration of British wool in Scotland; he imported eight hundred sheep, and by this means introduced the famous Cheviot breed into Scotland. In a few years there were three hundred sheep in the three northern counties of Scotland. What is the result? Grazing land became valuable, land which was formerly worthless became redeemed; people had wool and people had food, and the great woollen industry of Scotland was started. All done by one man, and these sheep are still in Scotland. I may say that he was a man of wonderful part. He even went further than that, and he took an interest in the fisheries, and it was by his effort that the great industries of Thurso and Wick in England were founded. He became Chancellor of the Exchequer—I just mention this in passing—and his grandson, Sir Archibald Sinclair, became the Chancellor of the Exchequer under the now practically defunct Liberal Party in England. Now, canot we do anything about sheep, bringing more sheep here, the Cheviot sheep even? Can we bring

Highland cattle here? Cannot we utilize our barren lands?

Now everything has its uses. Now we have marshes in this country, and these marshes should not be interfered with; it is very dangerous to disturb the balance of nature. From these marshes we have here used to come various birds. We had the passenger pigeon, the most prolific bird of all time; so prolific we are told that the sky was darkened by their approach; they ceased to come here in the eighties. After that they were not seen. Mr. Sinclair said—he worked it out with mathematical precision, that he saw a flock at one time in the United States and he estimated there were over a million birds in that one flock. But they were slaughtered in millions. Where are they now? You might as well ask me, where are the snows of yesteryear? There is not one of them left. The last died, in captivity in 1912. In one month there were twenty-two million shipped to Connecticut and other parts of the United States in order to provide food, and these were here before the 1880's in such profusion they could have provided food for the whole of this country, for they were a wonderful game bird. Now where are the great game birds of yesteryear? We had the great auk which grew in thousands on the various islands of this country, and they were destroyed. All those game animals are going. The Gaff Topsails was a great abode of partridge, caribou, hare and rabbits; these have been denuded; that place has been wiped out and all food supply there is gone. Now we should make some sort of an attempt to bring back all these birds, as many as we possibly can,

bring back the caribou, for they would provide food for the people.

Now we were told the other day by an expert that we were throwing away thousands of tons of meat, seal meat, every year. Last year there were twelve hundred tons supposed to have been lost. Now I do not know if many of you have eaten seal meat. I have eaten it, and I say it is a most tasty dish, a most wonderful dish. Cannot some means be provided to bring back that seal meat and hand it out to the poor people. It is just the same as money. Most of you probably have eaten whale meat. I have, and I thought whale meat was good. We could have another industry here if we want to have it—the eider-down industry. The sea is the great habitat of these birds, and they breed on the Labrador and Icelandic coasts. Norway and Sweden look after them most zealously for they know the great profit to be made from that great industry, the eider-down industry. But through destruction of millions of eggs, and through the killing of adult birds, the King eider-duck, which is the big eider duck, is almost exterminated. And there is something else that should have a reserve or they will be gone like the passenger pigeon and like those other birds of past days. Now we spend thousands of dollars on fantastic schemes and we will not take what is offered us on a silver platter. We are killing the goose, or the duck that lays the golden eggs.

Have you ever considered that Newfoundland is the last resort of the Atlantic salmon? It is no far cry back to the day when there were hundreds of salmon rivers on the east-sea-board coast of the

United States; they are all gone. Connecticut had the greatest salmon river of all times, the Princess salmon river; the main rivers are finished, and it is quite possible that commercial interest of Canada may destroy the rivers there. We have a hundred and ten salmon rivers in this country, and if these salmon rivers are looked after properly we would be able to supply the whole of America with salmon. The sea must be protected where the salmon come in in order to breed in those rivers. And salmon also provides a great food.

Now, besides food and clothing, there is another essential, and that is heat. Now natural heat. Heat is provided here by wood. Wood is the natural coal in this country. It is getting pretty bad at the present moment. Where is the wood now? Indiscriminate cutting of wood has created miniature deserts around this country. There has been a complete lack of control in the cutting in the whole of the Avalon Peninsula. We have the Brigus barrens; the whole countryside over to Harbour Grace and Carbonear has been wiped out either by the woods men or by forest fires, and we have the sad sight of people having to walk miles in order to get enough firewood, or to spend the little pittance they have in order to buy firewood from some other people.

Now I know that if we are to reserve and conserve we will have something in this country which will take the place of money. After all, nature provides and prolifically restocks; all it asks is to be left alone. Protect the animals; protect the forests, and Nature will just go on breeding and producing trees, producing everything that man may

need, but if we are just the same as we have been in the past, forests and bird life and animal life will disappear, and much of the great food that existed in past generations will be denied us. The Government has to spend a little money; there is no necessity of having a very heavy scheme in the matter; there is no necessity of spending thousands of dollars. All that is needed is a few dollars to protect the rivers and to protect the forests, and we will have a very proud and a very happy country. Now Nature's gifts are given to us, and we treat them like toys, breaking them and tearing them up, and then we pine for what is not. Anybody who has read the history of this country for the past seventy or eighty years will know that he who runs may read the lesson, and the hand writing is on the wall, and it requires no Daniel to interpret it. If we can provide a proper scheme for the next five years for protecting the animals and the birds and the forests of this country, and by forests I mean that which produces firewood and that which produces heat for the people, then I think that although we may not have much money in this country, we will have things which are more important than money; that is, what money can buy.

MR. SMALLWOOD: Mr. Chairman, I followed every word of the honourable the Leader of the Opposition with great interest, and I must say quite candidly that I have thought myself along almost identically the same lines for many years past. I must say that I agree with virtually everything he has now said, and in a discussion of long range outlook for Newfound-

land what he has said would make indeed a valuable contribution. I had hoped, however, that we would spend these few minutes this afternoon in a discussion of the practical and immediate and urgent details of this immediate problem of unemployment and destitution, which are upon us. Some honourable members have addressed themselves to that immediate problem; some have not. Incidentally, I would like to inform the senior member for Harbour Main-Bell Island of an action taken by the Government quite recently by way of doing one of the things he has this afternoon suggested when he spoke of the need for organizing the marketing of farm produce. The honourable gentleman may be aware, and doubtless is aware, that quite recently, this very year, the farmers have formed a marketing organization. He may have read in the newspapers their advertisement calling for a manager, a paid manager, to manage their marketing organization. We as a Government decided some time ago to contribute to that marketing board the sum of ten thousand dollars this year; eight thousand dollars, I think it is, next year; seven thousand dollars next year, and five thousand the year after, a total, I believe of twenty-two thousand dollars for the three years, that being done by us to help get that new farm produce marketing board on its feet, because they start off with virtually no funds and their thought is that when they have operated over a period of time and have proved their ability to market more successfully than the farmers could do it individually the produce of the farms, then the Board would be in

receipt of a continual income as a result of commissions on marketing, but that in the meantime they would have not such a volume of sales to handle, and therefore probably not much income by way of commissions on sales, and that in the meanwhile the Government would tide them over with a cash grant which commences this year. I am sure the honourable gentleman will approve that action of the Government. I was quite frankly rather amused by one suggestion of the honourable gentleman, the senior member for Harbour Main-Bell Island, when in one breath he asked us to establish a flour mill in Newfoundland, a sugar refinery, a milk factory, and an electrical appliances factory, and in the next breath accuses us of wishing to socialize Newfoundland. If we follow his suggestion, that is exactly what it will do,—socialize Newfoundland. This Government does not—

MR. FAHEY: I said the Government should work towards doing that rather than work towards socializing Newfoundland. If the Government worked towards—

MR. SMALLWOOD: If the Government worked toward these ends it would then be working towards socialization. Now this Government does not believe in establishing industries in Newfoundland; does not believe in it, and furthermore if it can conceivably avoid it, will not establish any industries in Newfoundland. It is not in our policy to do it. We have at this moment—I said in this Chamber the other day that we have now actively under consideration no fewer than eight industrial enter-

prises for this province, no fewer than eight, each of which would be established, if it is established at all, by private industry, and our function as a Government is to encourage, and, as I said here the other day, to entice, private capital to establish these industries, and to do all in our power to encourage the establishment of industries, and if we can encourage the establishment of a flour mill, we will; or of a sugar refinery, we will; or even of a milk factory, and about that I have my doubts, but if it is possible to encourage its establishment we will. And these are eight possible industries which we now have actively under consideration. That would be a solution of the unemployment problem; there is nothing new about that. I have said this before, and when I said it I was not the first to say it, nor will I be the last to say it. Clearly, quite clearly, the solution of the problem of unemployment in the broad sense and in the long run is the establishment of new industries and the extension of existing industries. Clearly, any one who has any idea knows that, and he need not say it with a great profundity, as if he were offering a profound truth. It is so clear and obvious that every last individual in Newfoundland today knows it as well as he knows the palm of his own hand. And to that fact this Government is bending its efforts. We are now in office six or seven months; within that period we have had two elections, honourable elections, traditional, democratic. They took time, but they were necessary, and no member of this Chamber will condemn the fact that we had these elections, that these elections which

required that the members of this Government and indeed members of the Opposition should drop all their work and go out and address themselves to the people. As I said, we have been in office six or seven months, so that in actual fact we have been in office, practically speaking, a matter of four or five months. Now, does the honourable gentleman, does this House, does Newfoundland, expect that in four or five months we should have done what, for example, the Commission of Government did not do in fourteen years? We have made more progress in the last five months towards encouragement and persuasion of private enterprise to establish new industries than perhaps any government in the long history of Newfoundland. Time will tell; time will tell. In the meantime, as we work towards establishment of new industries and the extension of existing industries, we are confronted now by the fact that ten thousand of our fellow-Newfoundlanders are destitute or will be destitute before the winter is over. Does the honourable gentleman blame us for that? Does Newfoundland blame this Government for the fact that the fishery was such a ghastly failure on the Southern Shore this year? Are we going to be blamed for that? Are we to be blamed for the fact that the A.N.D. Company have closed down their sulphite pulp machine? Can that be blamed on us? You say that Newfoundland will be a land flowing with milk and honey, according to the Confederates. Suppose we did say that, which we did not, but suppose we did say it, what has that got to do with the fact that the A.N.D. Company has had to close down

their sulphite pulp machine and the fact that Bowaters may have to close theirs, and that, as a result, several thousand of our Newfoundland men are not getting the employment which otherwise they would have got. And is anyone, in common fairness, going to blame us for that? Now the Opposition will not blame us, they will not blame us, but I know what they probably will do, and I know perhaps what I would do if I were in Opposition—I would taunt the Government; I would twit them; I would pull their leg; I would walk out around the people and say to the people “Ha, see what kind of a Government you have got? You had a job before they got in; have you got a job now?” Propaganda is a very proper and a very powerful thing—

MR. JACKMAN: Mr. Chairman, the question of politics has not entered very much into the conversation so far—

MR. SMALLWOOD: Quite a bit.

MR. JACKMAN: I was happy to think it was being kept out.

MR. SMALLWOOD: I would have been happy if it had been kept out, but I am afraid it was introduced; it was definitely introduced. And not on this side.

MR. JACKMAN: By the Opposition?

MR. SMALLWOOD: By the Opposition; that is, not by the whole of the Opposition, but by members on the Opposition side, including the honourable and learned Leader and the honourable the senior member of Harbour Main-Bell Island, not a blunt, bludgeon-like way of doing it—

AN HON. MEMBER: What other way?

MR. SMALLWOOD: But it was done, indeed it was. And it is a pity it was done because the Opposition are as much responsible for the shortage of the fish in Ferryland district this year as we are on the side of the House.

MR. FOGWILL: Yes, we did not supply this year.

MR. SMALLWOOD: Just as much responsible, which is not at all. They are not responsible. If the fishery in Placentia East this year was a poor fishery, the honourable member for Placentia-St. Mary's is not responsible. But neither am I. And if the fishery is bad in Ferryland district this year, the honourable and gallant member for Ferryland is responsible for it just as much as I am, and I am just as much as he is. Here is the point. In common fairness, here is the point. Whoever caused it, or whatever caused it, the fact is that ten thousand of our brother-Newfoundlanders north and south, east and west, some married, and some not married, some with red hair, some with black, Newfoundlanders all, are destitute or will be destitute before the winter is over. Now what are we going to do about it? There are two things, and two things only, that can be done, unless this committee suggests a third, or unless someone in Newfoundland can suggest a third remedy. Two things only. One what all governments did in the past, give them dole, or two, to give them work. Now I know that is a magnificent opportunity to play politics in this matter. It can be pointed out, as it has been done

this afternoon by the gentlemen of the Opposition, but this—

MR. FAHEY: Pardon me. We are not supposed to be gentlemen; we are suppose to be honourable members, a few moments ago, if I remember correctly.

MR. SMALLWOOD: Honourable gentlemen. I beg the honourable gentleman's pardon, and I substitute "honourable gentlemen". It was pointed out by honourable gentlemen of the Opposition this afternoon that the Government's proposal calls for the payment of fifty-five cents an hour for eight hours a day, the next day they will work eight hours without pay, the next day eight hours at fifty-five cents an hour, and the day after that eight hours with no pay. Now I know that that will be pointed at; it can be sneered at; it can be used to taunt the government, but let me point out this one fact; the dole is five dollars a month per person; a family of five would therefore get a total of twenty-five dollars a month — outside of St. John's; in St. John's they get rather more than that; outside, five dollars per month per person, twenty-five dollars per month per family, average family. What is the better thing to do? What is the answer? What do the honourable gentlemen on the opposite side answer to this question? What is the better thing to do? To pay them the twenty-five dollars a month on the average, and get no work out of them, or to pay them fifty-seven or sixty dollars a month and get work from them. If they were the Government and they had these two choices before them, which of them would they choose? I ask them to answer that. We have given

our answer. We say, "We will pay them fifty-five cents an hour for every second, and that every second day they shall work free," which comes to fifty-seven dollars and something cents a month, allowing always for the point raised by the honourable and gallant member for Ferryland, namely, that there will be the occasional man who cannot work at all, either for cash or for nothing—

MR. CASHIN: There is another point, Mr. Premier,—Excuse me for interrupting—the days are getting short. You are only going to be able to work eight hours a day from now on.

MR. SMALLWOOD: But eight hours a day is what we have already planned on—

MR. CASHIN: That is thirteen dollars and twenty cents a week.

MR. SMALLWOOD: Four into twenty-five dollars a month, how much is that a week? Six dollars and twenty-five cents a week for dole. Would the honourable and gallant member say let us give them six twenty-five a week for dole?

MR. CASHIN: No, no.

MR. SMALLWOOD: No. He would say, let us give them the work and then they will have double the amount. He would say that, and if he were in this Government, that would be his point.

MR. CASHIN: Sure.

MR. SMALLWOOD: Sure. And if the honourable gentlemen of the Opposition were in this Government, that would be their point. Now what can I say of this policy? We are proud of it. We

are proud of it, and we think that every member of this House will be proud, to make a break from dole. Of course, we will make mistakes. You cannot find ten thousand families in Newfoundland living in a thousand settlements, stretching over six thousand miles of coastline, and put them to work at a few day's notice and get a hundred per cent value for the money you spent. It cannot be done, not with a Government made up of archangels. It cannot be done, to bet a hundred per cent value. It cannot be done without foolish blunders being made. But there is nothing new in foolish blunders being made. But there is nothing new in that. We admitted that when we introduced the programme here one day las week. I said that, that the honourable gentlemen on the opposite side, if they cared to do it, could come in here next year when this Chamber opened and would have the time of their lives. I painted the picture of the honourable and gallant member for Ferryland, with his experience as a politician, what fun he could have for himself, pointing out how we did this, how we did that, how we did the other, and how he could have the whole, House, including the members on this side, rocking with laughter some time next year as he would describe how the money was spent here, and how silly this was done there. We know that. We anticipate that. We try to reduce that sort of thing to the minimum, but we know we cannot eliminate it. That sort of thing will happen.

Now there is one point. The honourable and gallant member for Ferryland mentioned it first, and

the honourable and learned Leader of the Opposition mentioned it again. What about the man who must carry himself and his family through the winter. I know it is. We all know it is. But what are you going to do? You have got to make a decision here.

Here we are, let us say, this is the Cabinet. Gentlemen, what shall our position be? Where shall we draw the line? Now what shall the answer be? We have made our answer. We do not know where to draw the line, between five dollars in the bank and five thousand in the bank. We do not know where to draw the line. We say that Newfoundland has not got the kind of money that is needed to put everyone to work this fall; we have not got that kind of money, for thirty thousand men—thirty thousand. Is this Newfoundland Government going to employ thirty thousand men? That would be socialism with a vengeance, with a vengeance. We are not going to employ thirty thousand men. The only thing we are going to do is what we have got to do, what we have no choice about, and what the honourable gentlemen on the other side would have no choice about if they occupied our places, what no government would have any choice about. We do what we have to do. If ten thousand of our fellow Newfoundlanders are in danger of going hungry, we must see that they shall not go hungry. That is what we are doing. It is a problem of hunger; it is a problem of destitution.

The honourable and gallant member's district has a man in

Renews; he wrote me the other day. I take him to be a man of age, sixty or seventy perhaps, by the tone of his letter, a planter, a man who worked hard all his life and who tells me with pride that he never took dole in his life, and he never will, although he said he had seen many a day when he had to pull in his belt, and when his own children had scarcely enough to eat. He said: "I was fishing this year and I got no fish. Now, what will I do? I never took dole and I am never going to take dole. Now I have a few dollars in the bank." What should this House tell him? If he were the only one in Newfoundland, you might make an exception, but you cannot make an exception for twenty thousand men. And there are twenty thousand in Newfoundland today who are not destitute, but they are two blocks from it. They have got a little money. We cannot afford to employ them. We can only afford—we can afford it, Mr. Chairman, we have the money; we can do it for two months, or three months; we can employ thirty thousand and next year we could do the same, and then we could not employ two hundred. We would have used all the money. We have to stretch the money, you know; we dare not spend all our surplus. The honourable and gallant member for Ferryland is a little fearful in the back of his mind, I happen to know, that we will spend the surplus too rapidly, that whether we like it or not, it will be all gone in a year or two. I hope he is wrong—

MR. CASHIN: I hope so, too.

MR. SMALLWOOD: And we hope he is wrong. The only difference between us is that I know he is wrong and he does not; that is the only difference. It will not be all gone in a year or two. But it would be gone if we began spending it to meet more than ordinary destitution; it certainly would be gone. And that is the nest egg that belongs to all of us in Newfoundland; it came out of the sweat and toil of the toiling masses in the last six or seven years, taken out of them by Government through high taxation, high taxation that was got, I am afraid, from a limited number of people who made a lot of profits during the war; and what happened was that the government of that day turned a blind eye on the profit makers and said to them in effect, "Go ahead, boys, make it while the sun is shining, because the more you make the more income tax we will get out of you." And that is how it happened, surplus accumulated in the main, in the main.

AN HON. MEMBER: And Customs duties, too.

MR. SMALLWOOD: And some Customs duties, and even the Customs duties came off the toiling masses.

MR. HIGGINS: Not so much.

MR. SMALLWOOD: And the profits as well, but we will not go into that now; we exhausted that subject here in the National Convention. However, there it is, there it is, Mr. Chairman. There was one point raised by the honourable and gallant member for Ferryland about the number of Relieving Of-

ficers. There are areas in Newfoundland where one Relieving Officer has to serve a stretch of one hundred miles of coastline. That is even worse than Ferryland District, because there must be more than one out there.

MR. CASHIN: There are three out there.

MR. SMALLWOOD: Three. There are places where one Relieving Officer has to serve a hundred miles of coast. What we are going to do, I believe, — my honourable and learned colleague, the Minister of Public Welfare, is to appoint, if not permanently, temporarily, appoint some additional Relieving Officers, split the areas up and make them smaller so as to enable those who are destitute or who may become destitute to apply to them without having to go too far, and not having to wait for a Relieving Officer who lives a great distance away to get around to their section maybe by the middle of November or the end of it.

MR. CASHIN: May I interrupt, Mr. Chairman. Will the Minister of Public Welfare consult the members for the districts in connection with these appointments?

MR. SMALLWOOD: The answer to that is this; that this Government has a definite policy, and that is being carried out by each individual Minister comprising the Government, of consulting with all the members of the House.

MR. CASHIN: That is what I mean.

MR. SMALLWOOD: Regardless of their party affiliations. We do not and cannot—we are the Government, and the responsibility of

governing is on us; and if there is any blame I am afraid we will have to take the blame, so as we are the Government and as we have to govern, while we are the Government we cannot on either side, because there are thousands of times when members on this side of the House to-day, are probably smarting under a sense of neglect, under a sense of injustice, because suggestions that they have made the Government has not seen its way to carry out; and the same will apply to honourable gentlemen on the other side of the House. We meet in the Cabinet; we are responsible always as a Cabinet for our decisions, and it often happens that we cannot see our way clear to follow either the whole or even sometimes half of the advice given to us by private members on either side of the House, but our policy is above all, above all, in a matter such as the one we are debating this afternoon, our policy is consult with all men of good will, in and out of the House, because we say quite frankly, this is not our problem, any more than it is the problem of any decent citizen in Newfoundland in or outside of the House. It is the sort of thing that happened before we came into the Government and before we were born. It always happened in Newfoundland, and nothing has happened to change it, and it is promised again this fall; it is a problem that's a problem for us all, and so we—

MR. CASHIN: It's a hardy annual.

MR. SMALLWOOD: It's a hardy annual—I am afraid the honourable member is right—it is a hardy annual. The only thing that will put

an end to it as a hardy annual, or any kind of annual, is more industries started in Newfoundland. Please God, we will get more industries in Newfoundland, not this year; please God next year will see a big industry.

As I said before, you can't grab a man by the throat and force him to start an industry or to invest his capital. The most we can do is pave the way for him, and give him all the encouragement you can.

MR. CASHIN: Mr. Chairman, I take it from the remarks of the Premier which I have heard and particularly relating to men saying about places with no relieving officers, that these appointments will soon be made, and that the work will start—we can keep talking on this for nearly six months in here and get nowhere—but I feel that the work should start as soon as possible, and consequently the Minister of Public Welfare, and also the Administrator of this relief work should get busy immediately and consult with the various members of the House in order to get things started. That's the main thing, get started. We could talk in here all the next week on this thing without getting anywhere, so I take it that that's a program which is going to be started very shortly.

MR. HIGGINS: Mr. Chairman, I have been accused of introducing politics into this discussion. If bringing a statement of a promise which was made is introducing party politics, I think the Premier is very thin-skinned. If we wanted to bring in politics, we could have brought in quite a lot about politics, but I think in this debate we have been very co-operative; we

have tried our best to help out; but if we are accused of politics, we can fight, and we can fight pretty strong too, and we can make other statements, and I am not afraid to make a statement in this House. If I want to fight, I will fight. Right throughout this session we have been trying to give you as much co-operation as possible. *Do not think for a moment that we are mamby-pamby crowd; if it requires a fight, we'll fight, and I won't be the last in the fight I can tell you.*

I want to ask one thing here. Nobody is going to blame the Government for an act of God, but I am doubtful if it is an act of God, that is, the fishery. The bad fish from Ferryland—the gallant member—the honourable and gallant member for Ferryland, has told us that the dragnets, the fishermen up there say that the dragnets have been the cause of a lot of the failure in the fishery, frightening away the fish. Now I know this that dragnets are frightening away the salmon from the rivers, I know that. I know that dragnets have destroyed fish, and I am wondering if the Government is going to enquire into this matter, the Government because they did not take the proper steps to find out about the charge of the honourable and gallant member for Ferryland made. I think we ought to do that. Another question I want to ask, what is going to be done about the farm produce this year? The marketing board will be of no effect. If the farm produce of this country is higher than that of Prince Edward Island there is no produce going to be sold here unless some means are taken to help out the farmer. I

don't know, but something has to be done shortly. There is an enormous amount of produce in this country. Personally, I buy our Newfoundland produce. At the present moment I buy it because I think it is better than Prince Edward Island produce, but at this time I would buy it because I feel that we should buy local produce in order to help out the farmer at the present moment. If the Government does not take any steps to help out the farmer, than he will find a destitute class on his hands. Something would have to be done with that, and done immediately. I wondered if any steps have been taken about that.

MR. SMALLWOOD: With regard to the matter of draggers, Newfoundland, either as a province of Canada or as a separate country, could not and cannot stop any dragger of any nationality coming within three miles of Newfoundland. We cannot stop sealing ships. We are sometimes asked why we do not stop the Norwegians from coming in and taking seals along our coasts. You cannot. It is international law, and the only way you could stop it or control it is by international agreement; and the matter of draggers and trawlers and their use, and the number of them, and their practices, that matter is already the subject of international discussion at very high level. There is nothing Newfoundland can do about it, no matter who is in the Government, no matter who is Premier, no matter what form of Government we have, nothing can be done more than is being done at this time.

MR. HIGGINS: I do not see why you could not enquire and make representation to the proper authorities.

MR. SMALLWOOD: It has already been done.

MR. HIGGINS: Well, I am glad. As I said—

MR. SMALLWOOD: If the honourable and learned leader of the Opposition will allow me, Newfoundland has been represented in the conferences.

MR. HIGGINS: Well, I am glad to hear that. But there is another matter—this three-mile limit. That has not been settled yet—I think it is a twelve-mile limit now anyway and it is quite possible in the future, if it has not been definitely decided, it will be definitely decided. The three-mile limit was just a make-shift point by the old international lawyers, so that an enemy could not come within three miles in case he would do any damage. Now it is gun-fire or cannon. It went six miles into twelve miles. As a matter of fact now with the extended cannon, probably the whole of the world is just one place. But the twelve-mile limit is recognized in many respects as a territorial waters. The "I'm Alone" was caught outside three miles, and I think that 12 miles is now the limit. I presume that representations are being made for us to have a twelve-mile limit. Does the honourable Attorney General have anything on the matter?

MR. SMALLWOOD: I think the twelve-mile idea is an American one. It is a very complicated matter in which I, not being a lawyer,

could not be expected to delve very deeply, but the matter has come up and it came—

MR. HIGGINS: The mere fact that the United States claims the twelve-mile limit, does not that give the other nations a right to claim the same thing?

MR. SMALLWOOD: Obviously.

HON. C. H. BALLAM (Minister of Labour): Mr. Chairman, my friend, Brother Jackman, over there, has been up before, so I think I will take the floor now.

We have a matter here, Mr. Chairman, that is connected with this unemployment situation, and it is something that I am going to give out this afternoon, to the press and the radio, in the form of a notice. It has to do with unemployment assistance for woodsmen. It may not be known by everybody, and it is unknown by quite a lot of people who work in the woods, in the lumber camps and so on, that they are eligible, if they have fulfilled the requirements, for unemployment assistance—not for insurance, but for unemployment assistance which would give them assistance for a period of six months if they qualify for it. So I thought I would bring this matter in here now Mr. Chairman, and with your permission and for the benefit of the members of the House I will read this notice that I intend posting up if I have your permission to do so.

"As it might not be generally known by persons who have been employed in logging or in lumbering operations throughout the province that such operations are cov-

ered for unemployment assistance and although not for unemployment insurance, this notice is given so that persons who have been so employed and who have lost their employment, may apply for assistance. Application should be made to the offices of the Unemployment Commission at St. John's, Grand Falls, or Corner Brook. It should not be taken that every person who has lost his employment in such operations is eligible for assistance, because there are certain restrictions which apply under the rules and regulations of the Unemployment Insurance Commission; for example, in order to qualify, a person must have been employed in insurable employment for 30 per cent of the period from April 1, 1949, to the date of loss of last employment. It is advisable, however, that every person who has lost his employment in logging or lumbering operations and who has not already made application should apply to the Unemployment Insurance Commission at once. The eligibility of such individual applicants will be determined by the Commission on application. Some of those who apply may find that they are entitled to monthly payments of unemployment assistance. It is suggested also that persons who have been employed in other occupations and have lost their employment, should apply to the Unemployment Insurance Commission if they have not already done so, to determine whether or not they are eligible for unemployment assistance or insurance.

"The distinction between unemployment assistance and unemployment insurance should be

noted. In order to obtain unemployment insurance, an employee must have an unemployment insurance book in which the required number of credits have been built up by contributions from employer and employee. Unemployment assistance may be payable for a maximum period of six months from the date of application, and payments are not made for any time during which the applicant works in that period. It should be borne in mind, therefore, that it may be more beneficial for a person to make application for assistance immediately upon loss of employment and at the beginning of the lengthy period of employment than to make application at the beginning of the period of broken employment. Any further information required in this connection may be obtained by application to an office of the Unemployment Insurance Commission."

Now, we are going to publish this notice and I give it to you for your information so that you may be able to advise those who have been engaged in the lumber woods and in lumbering operations, who may apply for unemployment assistance.

MR. JACKMAN: Mr. Chairman the Premier made a statement here during his last address when he mentioned that there were 10,000 Newfoundlanders unemployed or seeking dole. Does that mean 10,000 heads of families or just 10,000 Newfoundlanders?

AN HON. MEMBER: Heads of families.

MR. JACKMAN: 10,000 heads of

families—well the average family in Newfoundland according to the census, works out to about five to a family. That is roughly 50,000 Newfoundlanders we have here in this country that are practically destitute. But I just want to say this because the Premier also said that we on this side of the house were playing politics. But I am sure that is not true and possibly he did not mean it fully that way, because I would like to say this, with such a situation as we are confronted with now, both government and opposition, any man who would try to play politics at the expense of a human being should be shot. As far as I am concerned, anything that I can do in any way to help the situation and help my fellow countrymen, I will do so.

And that, Sir, is the reason why I rose. My main point is this, and I am glad to say that the Minister for Labour is still in the House, the only thing I am disturbed about is this rate of pay that you are going to pay, namely .55c per hour. Now I am going to refer to the Minister of Labour again, because like myself, he is a trade unionist—there are a couple or more here, and I think there are a couple or more on the other side. We have been battling all our lives to get decent wages. I am afraid that if this rate applies—this .55c rate, which of course can work out to .27 1/2 or possibly less—I am very much afraid that the industrialists of the country, the employers might take advantage of that at a later date and try and crack down on our organized efforts. Well, I would like to make this suggestion to the government.

In my opinion anyway, as a trade unionist, as a labour man, and as a workingman, and as a sometimes half hungry man, I think .55c an hour is inadequate, and I make this suggestion to the government, for their consideration, to raise it at least to 75c. an hour.

MR. SMALLWOOD: In answer to the honourable member from Harbour Main-Bell Island I can assure him that we already have sufficient legislation, perhaps, but with that and other legislation which we will bring in—yes, we will not allow any employer in Newfoundland to take advantage of the relief rates that we give to destitute men. We will not allow it. We will not! Not while we have any breath in us. We are not that kind of a government, as the honourable member probably well realizes.

MR. VARDY — Mr. Chairman, I would just like to make a few comments with reference to the remarks that have already been made by the honourable members of the opposition in the discussion on this matter. The honourable member for Ferryland, though he is not here now, deplored the fact that he had not been invited to advise on the program of this matter.

Frankly, it was only a week ago yesterday that the organization was begun. It was a week ago yesterday that the Premier asked me to undertake this job and we had to start from scratch. We did not even have a stenographer or anything else, and we have been busy during the past week trying to get the physical organization set up,

but despite that fact, we have done some considerable work and we have made some very reasonable progress. Members of the Opposition, along with members of the Government side of the house, who were keenly interested, and motivated with the desire, no doubt, to further the interest of their particular districts, did take the time to come down and find out where the office was and discuss their district programmes with me. Frankly, I am only too happy for members to come in at any time and discuss the various problems, but, I do hope that when they come in they will come in with some sort of definite programme. There is not much point, with the brief time there is at our disposal, to just come down with the idea of having friendly discussions, on it, because I think we all should know now what the plan is, and what the programme is, and what the desire is. The only way we can get ahead with the job is for the members to come down to the Work Relief Administration office when they have a definite program laid out for their districts. If that is done, the work, as well as the desire to get something moving in that district, will be facilitated immensely.

There is just one other point that I would like to make, sir, and that is whether this program is going to provide work for borderline cases. The Premier has stated that that is the intention, and mention has been made to it elsewhere, but I would like to emphasize again, and I would appreciate it if the press would take it up, that this is definitely not an employment program for the benefit

of the general community. I had an example pointed out to me a couple of days ago of a local manufacturer who is just about ready to put on a nightshift. As a matter of fact, the night shift is starting today or the first of the week, I am not sure which. He sent telegrams to a number of his staff who lived in different parts of the Island asking them to come back to work. The men were all working before with this company. The company knew what these men could do, and when the night shift started they wanted them back again. One fellow, the first one they wired, incidentally, wired back saying, "Sorry, can't come, got work starting here with the Government next week."

Now, Mr. Chairman, that job was paying \$45.00 a week. The young fellow concerned was paying \$10 a week board in St. John's, living with his sister. That left him a net of \$35.00 a week. He would rather stay home and take a chance of getting Government work at \$13.20 a week than come to St. John's and take the job which would net him \$35 a week.

That, unfortunately, is a poor attitude and one of which I do not think any of us approve very much. The only redeeming feature of it is that this company is not going to do without an employee; they are going to get somebody else, and that chap is going to be the loser. But that, unfortunately, is getting to be the mentality.

We have had examples this summer, in many instances we all know about, of men who have refused to go to work because that

would interfere with drawing their unemployment insurance. Men were drawing their unemployment insurance or unemployment assistance and did not want to do anything else. Well, now, it is only going to be a little while when that is used and consequently they are going to be looking for relief and for assistance from the Government; but we have got to make it quite plain, that it is, as the Premier has pointed out, not the policy of the Government to provide employment in general, but merely to provide work relief, in place of dole, for those who are absolutely destitute.

MR. SMALLWOOD: Mr. Chairman, if the House—if the Committee has given this matter as much consideration as it desires to do at this time—and I have no desire whatever to shorten the debate—but if all honourable gentlemen have spoken who wish to do so, I would move that the Committee rise.

MR. HIGGINS: Mr. Chairman, those borderline cases—you say a man with two or three hundred dollars, you would not mind that, you say. And another thing is this—there is the man who has capital and claims he has no money. Is he a borderline case, or a relief case, or a working case—or what is he?

MR. SMALLWOOD: We are definitely not going to follow the practice that was followed of advising people to dispose of their livestock. That was one of the most suicidal ideas that ever existed. One other point. If a man is now on relief, presumably he is on relief because he needs relief,

but if a man is not on relief and he has enough, say, to carry him through to the middle of January, in the opinion of the relieving officer at the middle or end of January or sometime in February he will need to go on relief, as there will be no relief to give him—we can't let him starve, we'll take him on now and let him do now the work that he would be doing in February or March, or perhaps in January, when perhaps it would be impossible, because of the weather to do work—we'll take him on now. That's I think partly what we mean by borderline cases. A man does not need to be destitute now, if it is pretty sure that he will be destitute during the winter. If he is we will take him on to do his work now for the time when he would otherwise need dole in the dead of winter. I would move, Mr. Chairman—

MR. FAHEY: Mr. Chairman, I would like to ask the honourable the Premier, who is going to decide, or what machinery will be set up to decide what are borderline cases, or what are not. I mean, I suppose all the Relieving Officers, as the case may be, may be fair-minded men, but supposing you have grievances of this nature, will there be any board set up to give that a hearing, or hear their different grievances? I have in mind now lots of people who may apply may be borderline cases for this work and be refused by the Relieving Officer or whoever may be in charge. Then the different members representing the various districts will no doubt have those people come forward with their grievances. Will there

be any machinery to air such grievances or otherwise?

Now, what I said there in a few words I had to say a while ago. I believe in giving work in general for at least three months, and then perhaps after that there may be a new development next year; they may not have to repeat this the following year. I also said there that after three months' work it may be possible, for other reasons, that they would get three months' work. Supposing we got cases where men had worked this summer and saved \$100 or so, and others worked at the same job for the same period of time and wasted their money; they would be penalized for being thrifty. Those borderline cases, in my opinion, will be a headache for all members of this House, and we should have some machinery set up in order to take care of such cases.

MR. SMALLWOOD: Mr. Chairman, every member of this House, I suppose, is familiar with the sort of situation touched on by the honourable member, that is of people who are refused relief and who then get in touch with their member, or somebody. I know I get them every day from all parts of the Island, from every district in Newfoundland. Destitute, or hungry, or have no food, Relieving Officer refuses relief, will you do something about it?

Well, I pass these on at once to the Minister of Public Welfare, and I think what happens then is that he or his department communicates with the relieving officer concerned and gets a report back, and it often happens not always, but it often happens,

that the report back is that this man is rotten with money or he's got a nice fat bank account, or this or that or the other, but also it often happens that the relieving officer comes back and says, "Have now issued the order". The department is responsible, the honourable Minister is responsible, and believe me, the policy, not merely this government, but I think of the relief department, generally down through recent years, I believe honestly their policy has been to lean on the side of giving it rather to the man who did not need it than to refuse it to the man who did need it. What I mean by that is, if there is any doubt, the man got the benefit of the doubt. There was far more than the other way, because as the old saying goes, better that a thousand guilty men should go free than that one innocent man should suffer. So it is better for an occasional man to get the dole who does not deserve it, than for even one who needs it to be refused. I think the honourable member may feel assured that now that we have an elected government that every district is represented by an elected member and there is another election coming, I think that any citizen who is aggrieved can get redress if he has got a genuine grievance without the necessity of setting up any more organizations than we already have, and if the honourable members know of any case at any time, I guarantee the honourable and learned Minister of Public Welfare—I have no doubt he can speak for himself, but I know, I feel certain, that he would be glad to hear at any time, from the honourable the senior mem-

ber for Harbour Main-Bell Island, or any other member on any grievance of that kind.

MR. HIGGINS: I presume that neither morality or citizenship enters into this. In other words, if a man is destitute you do not enquire as to how he got destitute; even if he refused to work, you would still have to give it to him, I presume that is right, isn't it? You can't enquire into anything further except that he is destitute.

MR. POTTLE: Mr. Chairman, I do not wish to extend further the debate which has been in many respects quite profitable and for the greater part, we on this side of the House have listened with much benefit. Now, the point which the honourable the senior member for Bell Island raised with regard to what has been called borderline cases is in itself a question which is vital in this whole matter. Persons who have been on relief all along, are by-and-large, as the honourable Premier has mentioned, they are, by-and large, needy cases. They are by definition needy cases, but the people who are not now at this moment on relief but may be on relief if *nothing else happened* to take them off relief, say within the next one two or three months—it is not so easy to judge their merits, but in order to solve it partly, we are going to make, of course, full use of the relieving officials we have, but we shall also appoint, or will have here and there, in various parts, other dependable persons whose word can be trusted regarding need.

Now, I think it might very well

be a part of our publicity, it might very well be made clear to the people who will qualify now or who may qualify later, it should be made clear in every way we can to them, that it is up to them, the responsibility is theirs, to show either that they have need now or that they will have legitimate need in the immediate future, and the administration has already taken steps to achieve that end. Now, this debate has brought to light many things, but it has indicated among other things the lack of a properly organized public welfare service at large, and I know you would probably regard it as a failure on my part if I did not take advantage of an opportunity such as this, as the Minister of Public Welfare, to point to the fact that our welfare services in the field are not adequate and have never been adequate to deal with a problem of this kind nor indeed, with the normal needs. I do wish to make a point as you would expect me to make with regard to an outlook—the proper outlook on this matter of relief, or as sometimes it has been called, dole. I cannot share the view, wherever they arise, I cannot share the view that relief is a disgrace. If a man is qualified, if a man comes to the position where he needs public assistance, that in itself is not a disgrace. It becomes a disgrace only if he seeks to get it when he does not deserve it. It is not a disgrace for a person to qualify for a widow's allowance; it isn't a disgrace for a person to qualify for an old age pension; and if a given individual does not qualify for any of these allowances, and is still in need, there is possibly only

one hard classification left, and that is to fall back on whatever assistance there is that the government may have to offer and that charities of the community at large. So I do wish to go on record as indicating a conviction of my own, and I think it is professionally borne out to be soundly true, that relief, or dole, or public assistance, is not in itself a disgrace; it becomes such only if the individual seeks to get it when he does not deserve it. Now I do wish to make another point from the point of view of government policy, and the Premier has already drawn attention to it, and I must support him strongly in this, that this emergency, this, I was going to say, almost makeshift of a plan for this fall to take care of this emergency is only one phase of a gradual plan that we hope to adopt. There will be failures in the plan, but it is one phase of a total plan we have of trying to cope with need wherever it arises. We are taking care of the old age and the blind. We are taking care of the mothers where there is no bread-winner.

We are about to introduce a bill—I may refer to it which will take care of a variety of other dependent classes, and when these classes have been taken care of, in part, not wholly—it is not going to be a full living allowance; when these cases have been taken care off there will be one hard persistent perennial core left, and it will be the people who are seasonally unemployed because of factors over which none of us have the control that we would like, and here is a situa-

tion. So we are dealing with it as an emergency. It is not perfect. We are going to be hampered by factors which the opposition have cogently brought to light. There are going to be failures in this plan, and they are failures because of certain factors. One they have mentioned, one, lack of organization. We hope that in planning this undertaking this fall, that the failures of our organization, or of the weaknesses of our organization, out there will be brought fully to light, and that we shall be able as a result to give a better public welfare service in the future. There will be the lack of proper supervision. I hope it is not going to be as weak as I am afraid it might be, but we are going to strive our very best to see that the works out there will be supervised, will be looked after as well as possible, so that it will not merely be a breaking of rocks or any other unproductive exercise, but rather that when a man works in this particular instance he will give a good account of himself, whether it is a 6, 8, or 10 hour day.

There is another hampering factor, and that is it is late in the season, but with all these, sir, the intention of the government is sound, I believe; in an emergency we shall try to the best advantage we can, with the co-operation of the honourable the Opposition, to achieve something now which we believe in the right direction, that the number of people who come under this plan will be as well assisted as they can be in view of the emergency and the factors that I have mentioned.

MR. FAHEY: Mr. Chairman, be-

fore we adjourn from the committee, I would like to ask the honourable Premier, what is the possibility of making this work general for the sake of two months. I have in mind something else that after two months work, it may result in qualifying for other things, and after that there may be other developments coming on the spring which would take care of it. I do not believe in the government starting a general program in order to take that away from the fishery, from the farms, or otherwise and at this time of year when people are inclined to get their winter supplies in and so on, and may have worked, and have all their money spent, but may not be eligible for what we call the dole. I ask the Prime Minister this question, before we close the debate that what is the possibility of making this work general as it were, say for two or three months, or as the case may be.

MR. SMALLWOOD: Mr. Chairman, I am afraid, that frankly there is not much possibility because the number is too great. 30,000, say 30,000 for two months. We estimate at least 10,000. Some of them will work for a month, some of them for 2 months, some of them for 3 months, and we estimate that they will average 2 months.

MR. HIGGINS: You mean 30,000 unemployed?

MR. SMALLWOOD: Yes, there are 30,000 unemployed in Newfoundland now, as there always are at this time of the year, not destitute, not in need, but unemployed. A fisherman is now clewed

up. He is clewed up, his fish is disposed of and unless he finds a job somewhere he is unemployed is he not? But that does not mean that he is destitute and I take it that the honourable member means virtually that, over and above those who are destitute, we should for two months, take on the unemployed. Well, the answer is this, that these 10,000 who are destitute or will be destitute during the winter, you see, these 10,000, will average two months' work, some will have one month, some two, some three but they will average 2 months. And that is going to cost us one and a half millions, and if the problem of finding useful, socially useful, things to do, for these ten thousand, is a big problem, what would we call the problem for finding useful things to do for 30,000, leaving out the question altogether of the cost which would be three times one and a half millions, which would be a pretty expensive proposition; but leaving out the question of cost there is the further almost insuperable problem of finding useful work to do, not for ten, but for thirty thousand men. I am afraid, whatever the future may hold, that for this fall we cannot very well go any further than take care, in this way, of the ten thousand that we estimate to be the number now or soon to be destitute. I move that the committee rise, report having considered the matter to them referred.

MR. FOGWILL: Mr. Chairman, I am not going to say very much about this at all. Naturally I have to support any measure which is designed to relieve those who need

relief, those who are destitute, but I do object strongly to the fact that is proposed to pay 27 1/2 cents an hour; that's what it means. Ordinarily work of this nature except the local roads, for which grants were made under the department of Public Works, normally grants were made to the local roads. Under this scheme which he now have it appears that the public works of today, public works now, are going to be taken under the Minister of Public Welfare, under an unlimited scope. Any work of any public nature can now be performed in Newfoundland at 27 1/2 cents an hour, under the Minister of Public Welfare assisted by an Administrator. Now that's what I object to, the 27 1/2 cents an hour, because that is what it means. If you paid them the full rate for this work I would have no objection at all, but to pay that miserable rate of 27 1/2 cents an hour to perform public works which is only done at 55 or 60 cents an hour, that's what I object to in this whole thing; otherwise I have no other objection. I know the people who are destitute need work they must get work or be relieved by the contributions of food from the Department. Today, now, Mr. Chairman, it is rather ironic that it's only 6 months and 27 days since we celebrated April Fool' Day, and now today we are faced with such a thing as this. Government itself—they must have been aware of this last May—they must have been aware of it five months ago that this was going to take place this fall, and the only thing that they can bring forward to this House is this pitiful plan, this pitiful scheme, which

I call it, whereby they are going to relieve those who are destitute, and hungry, by giving them 27 1/2 cents an hour. I say it is a crying shame, and the Government should be ashamed to bring in such a scheme or plan into this House, for that purpose; what's more, I have a plan too, and I think I will give it to the honourable Premier to see if he will consider it. And my plan is this, that the Government should resign and go to the country again.

MR. SMALLWOOD: Mr. Chairman, this Government did not know five months ago, four months ago, three months ago, two months ago, we did not know two months ago, that there would be a failure of the fishery on the Southern shore.

MR. FOGWILL: The terms of Confederation made you aware of it.

MR. SMALLWOOD: The term of Confederation, the term of anything, nothing, under the sun, over the earth, or under the earth, told us that there was going to be on the Southern Shore this year the destitution there is and will be; nothing told us two months ago, even one month ago, nothing told us that there would be the destitution resulting from the closing down of the sulphite pulp machine of Grand Falls or Corner Brook. Nothing told us a month ago that 600 men would be laid off by the Americans on the American bases, at the instruction of the American Congress, and I say that it is highly unfair and indeed consciously dishonest, I repeat the term, consciously and deliberately dishonest.

est, on the part of the honourable member to impute to this Government knowledge that this situation with which Newfoundland is presently confronted existed in our minds more than at the most a month ago. He must know, as everyone in Newfoundland must know, that we couldn't foresee, unless we had the gift of foresight, that there would be the destitution this fall that there is in fact. We all knew, and this Government knew a month ago that there would be the normal amount of destitution. Of course we did. But what we did not know was that there would be the amount of the destitution there is in Newfoundland today. He didn't know it, we didn't know it, no one knew it; fishermen themselves did not know it, to try at the tail end of a debate, at the tail end of a debate—No, no politics—no politics at all. This is the Party that are so clean and decent they would not talk about it; they wouldn't make any reference to April Fools Day. They wouldn't talk politics, not they. They are too Simon Pure, they are too holy. They are the patriots, Mr. Chairman; the patriots! They wouldn't dream of talking politics. I wonder, Mr. Chairman, if they are not delighted, some of them in their hearts that there is this destitution, and I wonder if they are not hoping that the people of Newfoundland will blame this destitution on Confederation, because some of them die hard—some of them will never die, and they will never forgive me, and I know it, for the part I played in bringing Confederation here. Will never forgive me for it, and some of them will taunt me as long as

I live. They will never give me credit for the good things in Confederation, but they will give me damning, the blame, for anything that happens, whether Confederation is actually to be blamed or not, and the honourable member has just revealed a whole ocean, a whole ocean, of bitterness and animosity, and if he asks it we can give it to him 10 times harder than they can give it back to us, and we have proved that over and over again, and we will prove it again and again. An election? We can take an election anytime it comes in Newfoundland and we can win it. We can win it, and we will win it. We have done it before and we will do it again. We will do it again! If they want politics, we will give them politics, and I am not referring to the honourable the junior member for Harbour Main-Bell Island. I know his heart: I know where his heart is.

MR. FOGWELL: Any man who would play politics in a situation like this should be shot. That goes for you or anybody.

MR. SMALLWOOD: I agree I agree. I agree completely, but the honourable the junior member for St. John's East apparently does not.

MR. FOGWELL: Mr. Chairman, this is very peculiar. It seems to me very peculiar at this moment. I didn't mention Confederation. I made a date—I stated a date.

MR. SMALLWOOD: Yes, and when nobody—

MR. FOGWELL: And I did with a purpose—to get the Premier on

his feet, and he did it. I notice that the Premier on several occasions has trapped the opposition here, and now he is trapped himself. I did not mention Confederation, I mentioned the 1st of April and what has happened since and what has happened since has been due, now that Confederation has been brought upon the floor by the Premier himself—much of the employment in Newfoundland to-day has been caused by the fact of union with Canada, and there is no one in this House that can deny that. There are many people in the local industries in St. John's here now. They cannot sell their stuff because they are in greater competition with goods from Canada, from the Mainland. And that is a fact which everybody knows; everybody in this town knows it, everybody in the whole country knows it, and there are people laid off in the factories in St. John's now, and I can tell where they are, and I can tell you where they are getting substandard wages today, 40 cents an hour, because of the same reason, because they are up against greater competition from Canada. Now, Mr. Chairman, I did not bring up this question at all; I just pointed out a plain date, April the 1st, and if the Premier himself wanted to bring politics into it, he did it, and he has done it here on several other occasions, and he will do so again, I have no doubt. But if *it's politics that's going to be played*, the very fact that when he made an appeal on October 17th to this House and to everybody in this land to help the Government to solve this unemployment problem, just because of the fact that he said on that day that

he was prepared to take the suggestions of all those opposed to him, that was very good politics in itself, and he played politics ever since he came in this Chamber last July when the House opened, and he will do it until he goes out.

MR. FAHEY: Mr. Chairman, the Premier made a statement there—he could not see—last Spring, the public could not see this unemployment. Any of us here now, the 28 members, those who remain of the 28 members, can see right now that we will be confronted this time next year with the same thing that we are confronted with now unless, as I said earlier his evening, we get down to business, now that the honeymoon is over, and see what we can work out for the economy of this country. Now, whether we play politics or otherwise, we all can see, if we didn't see last Spring, we can see now, what is going to happen this time next year, and it is the duty of the Government to do something about that rather than being globe-trotting all the time. Anybody, whether they have a head on their shoulders or not, can see that this thing is repeating itself down through history and will, until we as a people, get together and work out some solution for the economy of the country, and I think that regardless of what side of the House we sit on, it is necessary for the Government to get down to a policy. I understand from the Premier's announcement several things are in view, and several things that were mentioned here this afternoon he said he was prepared to take into account, but

apart from all that I think, as I said earlier, that at the present in this emergency that this work should be made general for at least two or three months and then if some of those policies that are outlined may come into effect if will solve the situation later. Mr. Chairman, I have nothing further to add other than what I said earlier this evening, but I will say, I will repeat it again, that this thing will occur again next year unless we do something about it.

HON. JAMES J. SPRATT (Minister of Provincial Affairs): Mr. Chairman, I did not intend making any remarks on this, or taking any part in this discussion, but I feel that I would not be doing my duty as a member of the Liberal party and the supporter of our leader, the Honourable J. R. Smallwood, if I were to allow the remarks that have been said since I came into the Council Chamber that were, to my mind, anything that may be termed eulogistic of a policy that tends for the provision of the underprivileged and unemployed people of our country. There have been remarks made here, one that surprised me by the honourable junior member for St. John's East, who is a particular friend of mine and I hope he remains so. And that is by making a reference here, making a statement that probably may be broadcast throughout the whole Island of Newfoundland, and cannot be anything else but a political suggestion and that is that this Government has made or set a wage for the unemployed of 27 cents an hour. That is not the case, Mr. Chairman, and it is grossly mis-

representative, grossly misrepresentative of the decision made by the Government with regard to wages. I understand down through the years—I am just a novice in the House of Parliament—but I understand down through all the years of independent government in Newfoundland when there were conditions which required assistance, governmental assistance, particularly in the outlying districts of the Island, the people who were so afflicted did voluntarily devote certain time for the amount of money they received, for the amount received per diem, did give the same contribution for no money at all, and the standard wage mentioned for this unemployment was 55 cents an hour, and to my memory, and I can go back as far, if not farther, than any other member in this House today, there was never, never a government, never a Responsible Government that gave such a wage for charity or anything else as 55 cents an hour. And as a representative of the Union myself, I think, coming from a gentleman like the junior member for St. John's East, who is also a union man, I do not think it is right and fair. I would not say it here on behalf of the Premier. I opposed him on the question of Responsible Government versus Confederation, but after the victory was over and I saw his accomplishments and I saw what possibly our association, our joining up, with Canada would mean for Newfoundland, I decided to support him and I have yet to see a man who ever lived here and came into public life and taken the part of leader of the party in such a short while and accomplished so much as the present

Premier now in this Council Chamber. Down through 60 years to Sir William Whiteway, Sir Robert Bond, Morris, Winter, any of them, he is the most outstanding public man in the history of politics in this country, and is fine and gentle and jolly and sympathetic, and I know, if he is given a chance, the people in this country of ours won't be sorry.

I regret, Mr. Chairman, that I did not make any prepared speech, but I hope and trust that I have conveyed to my listeners my own feelings in this matter. I would like to see, like every member in the opposition, all men employed, but as the Premier pointed out, we must be particularly careful of our expenditure. I myself am very much interested in that and I hope and trust, Mr. Chairman, that there will be no ill feeling, that in this matter as the Premier pointed out, the members of the opposition have as much serious thought and should give as much serious thought to this matter as any other member of the House of Assembly.

THE CHAIRMAN: Moved and seconded that this Committee rise and report having considered the matter to it referred, having completed the day's deliberations.

MR. FAHEY: Mr. Chairman, what is the report of the House.

THE CHAIRMAN: There is no report. We just report having considered the matter.

MR. FAHEY: Just considered it?

THE CHAIRMAN: That is right.

MR. FAHEY: And we make no recommendations?

THE CHAIRMAN: No, there is no report.

MR. FAHEY: That is very poor work for this afternoon, no recommendations, after going this far.

THE CHAIRMAN: We do not need to make any recommendations. We just consider the matter, that is all. The committee was just for that purpose.

Motion carried. Speaker resumed chair. Committee reported.

MR. SMALLWOOD: Mr. Speaker, it now being six of the clock, I move that all Orders of the Day be deferred.

House adjourned accordingly.

Friday, October 28th, 1949.

The House met at three of the clock.

MR. SPEAKER: Before proceeding with the business of the day I wish to make some comments on procedure relating to the Order Paper. I refer particularly to the first section of the Order Paper, routine business. I would ask honourable members to allow time for the presenting of petitions, followed next by reports of Standing and Select Committees, and then Notices of Motion and Question. Before entering upon the Orders of the Day I will call for any answers there may be to outstanding questions, and I will call them in order, otherwise confusion can be the only result. And I have also to say for the information of many of the honourable members that when questions addressed to Ministers of the Crown are being answered, it is customary to permit one or more supplementary questions. I might say that there is no rule or order of any British

House of Parliament which permits that. It is allowed only as a matter of grace. I would like for them to be clear on that point. In addition, a Minister is not bound to answer any question. A Minister may refuse to answer a question on the grounds that it is not in the public interest to do so. That point is not debatable. No debate is ever allowed. The authorities are very clear on it. I can quote you May 14th edition, and I would like members to read these selections, page 333, 334, 335, Beauchesne, Section 297, and following, and Redlick's Procedure of Parliament, second volume, pages 254, 255. In short, all the parliamentary authorities are against any debate on the refusal of a Minister to answer a question. Furthermore, in asking questions, members must not imply any attack or criticism on the Government. That has been set down by Bourinot, one of the standard writers, and no questions can be asked or answered after the first order of the day has been read. I offer this for the general information of the House, and would also point out that these rules are not new rulings of the Speaker, nor are they rules of this House in particular, but they are the result of years of parliamentary practice in England and the Commonwealth.

Presenting Petitions:

None.

Reports of Standing and Select Committee:

None.

Notice of Motion:

None.

Notice of Question:

MR. SPEAKER: Question num-

ber 84, standing in the name of Mr. Fogwill addressed to the honourable the Premier or the appropriate Minister.

HON. P. S. FORSEY (Minister of Supply): Reply to Question Number 84—profit in a co-operative enterprise.

MR. CASHIN: Mr. Speaker, I rise to a point of order.

MR. SPEAKER: State the point of order.

MR. CASHIN: My point of order is this, that the question raised by Mr. Fogwill is merely asking the honourable the Premier, and he evidently passed it on to the Minister of Supply, whether or not the co-operative societies were included. The obvious answer would be no, not a parliamentary answer.

HON. J. R. SMALLWOOD (Prime Minister): To that point of order, Mr. Speaker—the honourable gentleman must surely know that it is not given to the members of this House who ask questions to dictate the form in which the answer will be given; that it is given to the minister making an answer to choose his own words, and to decide how much information he will give and how he will give it, so that the honourable gentleman's point of order has no basis whatever, in my opinion.

MR. SPEAKER: The honourable minister in answering this question included such information as he deemed necessary to make the answer clear, to remove all ambiguity or to avoid misunderstanding.

MR. FORSEY: This Government does not expect to gather figs from thistles, nor does it expect fishermen to live out of a bank fishery, nor does it expect to find profit out of the selling prices of a Co-operative business, where it simply does not exist. There being no profit to find in Co-operatives one would not be able to find any profiteering. Therefore, the Government conducted no survey of Co-operatives.

Had the Government conducted such a survey it would have given its stamp of approval to the principle of trying to save people from themselves. Not being a fascist Government, nor a communist government but a democratic government this government can make no pretense of saving people from themselves, no matter how superficially benevolent that policy may appear to be. This Government will try to save people from profiteers, exorbitant landlords and confidence men of every description, but it simply does not commit itself to saving the members of a Co-operative enterprise from themselves. For example, if a survey were conducted to ensure that the Seaway Co-operative consuming public did not soak themselves by overcharging themselves the Government would be obliged logically to conduct another survey to ensure that the Bay of Island Businessmen's Association did not soak themselves by undercharging. The former survey would be as farcical as the second would be comical. The Government welcomes any question as an innocent form of digression and diversion, but to ask the Government to place itself in the ridiculous position of looking for

profits in a Co-operative business that is really a little too much to ask of any Government.

MR. CASHIN: I suggest, Mr. Speaker, that in investigating the high cost of living that the first place they would investigate is the Department of Supply.

MR. FAHEY: Mr. Speaker, is there any limit of time for a question after being placed on the Order Paper? I mean, perhaps a question can be asked and never answered? There is No. 79, not yet answered.

MR. SPEAKER: Question number 79 is addressed to the honourable the Premier or the appropriate minister, what amount of money has been spent on Public Works and so forth. It is not yet answered or refused.

MR. SMALLWOOD: Mr. Speaker, in the absence of the Minister of Public Works I can tell the House that that answer is in course of preparation; it is a question that involves a considerable amount of work, but that work is being done.

Orders of the Day.

MR. SPEAKER: Third reading of Bill "An Act Respecting Saw Mills."

HON. LESLIE R. CURTIS (Attorney General): On behalf of the Minister concerned, I would ask, Mr. Speaker, for the third reading of this Bill, but before doing so, there are one or two minor amendments that I would ask leave to move. They are amendments of wording only, and therefore, as I interpret the rules, and as I think they are capable of being inter-

puted, Mr. Speaker, they can be made on third reading without recommitting the Bill.

MR. SPEAKER: If they are merely verbal, yes.

MR. CURTIS: They are merely verbal. If my honourable and learned friend the leader of the Opposition would have his Bill in front of him—I think I mentioned the point to him. I might say Mr. Speaker, that in drafting these Bills we try to follow as far as possible rules laid down by committees of other provinces on uniformity of legislation, and some of the amendments made while this Bill was in committee offend against these rules. I would move, Mr. Speaker, that the following amendments be made. Perhaps the Clerk would have the Bill out and note the alterations; otherwise, it is not much good making them.

Paragraph 14, Mr. Speaker. The original draft said, "a license does not convey any rights to water powers." In Committee the word "does" was stricken out and the word "shall" was put in its place. It is the considered opinion of my department, Mr. Speaker, that the word "does" should stand. And I would move that as the first amendment.

Section 21, "without prejudice to any other lawful means of recovering the same, any moneys owing to the Minister in respect of any mill or the lumber or other products sawn therein are a lien." That was amended in committee to "shall be a lien." We feel that the word "are" expresses the position better than "Shall be" and we move that the word "are" replace the words "shall

be."

Paragraph 22, I would ask my learned friend, the Leader of the Opposition—the wording in section 22 says, "6000 half drum staves shall equal 1000 feet board measure." In committee, that was altered to "6000 half drum staves shall be 1000 feet board measure."

MR. J. G. HIGGINS (Leader of the Opposition): What is the first line? "Board measure is the measure." That is just a statement of fact. In the second one "shall" should be left in.

MR. CURTIS: We feel that the word "shall" might be left out. "6000 half drum staves equal 1000 feet board measure." Now I would like to have my learned friend's reaction to that.

MR. HIGGINS: But is that true? That 6000 half drum staves equal 1000, or does it say that it shall be regarded as 1000.

MR. CURTIS: The section says "in estimating board measure the following equivalents shall be used."

MR. HIGGINS: That is right, "shall be used," that is mandatory.

MR. CURTIS: In other words, 6,000 shall equal 1,000 feet. I move, Mr. Speaker, that the word "be", which was substituted in committee, be removed, and in its place we use the word "equal". And in Section No. 3, "No person has the right of property in any timber"; in committee that was changed to "shall have." We feel that the original draft is correct. And on the last page, page 12, Section 27, "Any person who saws

or causes to be sawn any timber in any mill in respect of which a license or a temporary permit has not been issued is liable." We feel "is" is correct, and that the section should read as the original draft. And the same thing applies to Section 28, "And person who fails to comply with any of the provisions of this Act is liable"; that was changed in committee to "shall be liable," so I would move that the words "shall be" be stricken out and the word "is" be substituted. These are merely formal amendments, Mr. Speaker, in order to make the Bill read better. So I would move, Mr. Speaker, as my motion that we revert to the wording of the Bill as printed.

MR. HIGGINS: I think I agree, Mr. Speaker, but I was wondering if this is the proper procedure, or whether it should go to a committee of the House and pass the third reading immediately.

MR. SPEAKER: These are purely verbal amendments. They may be passed without committing the Bill. The House may have the Bill recommitted.

MR. HIGGINS: Oh, no, if you do not think it is necessary.

MR. SPEAKER: The Standing Order is rather ambiguous: "No amendments, not being verbal, may be made on the Third Reading of a Bill" which, by interpretation, I believe, works out that verbal amendments only may be made.

On motion verbal amendments adopted.

Bill read a third time.

MR. SPEAKER: Third Reading

of Bill 'An Act to Provide for Loans to Fishermen and to Create a Fisheries' Loan Board for Newfoundland."

MR. CURTIS: With consent of the Minister, Mr. Speaker, I would also move the Third Reading of this bill, but before moving it I would ask a very slight nominal amendment to Paragraph 2. Paragraph 2 is the interpretation clause, and by some mistake the items are not put in alphabetical order. It is the practice in drafting interpretation clauses to put the words in alphabetical order, and they have got out of order here, so in the nominal amendments, Mr. Speaker, I would move that Section (c) be called (d); that Section (d) be called (f); that Section (e) be called (c); and that Section (f) be called (e); this is just transposing the items in alphabetical order. With these amendments I move the Third Reading, Mr. Speaker.

Amendment adopted. Bill read a third time.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Provide for Loans to co-operative Societies and to Create a Co-operative Development Loan Board for Newfoundland."

Mr. Speaker left the chair.

Section 1 read passed
Section 2 read passed
Section 3 read passed
Section 4 read passed

MR. CASHIN: Mr. Chairman, do I understand that when the Estimates are brought down that they will include an amount for Co-operative Loans?

HON. W. J. KEOUGH (Minister of Fisheries and Co-operatives): Mr. Chairman, I said when introducing this Bill that I was not prepared to state at what particular moment the necessary provision will be made to implement this particular Bill, but I also mentioned at that time that the Premier had indicated before when introducing the Industrial Development Loan Board, that provision would be made out of surplus for funds of the Industrial Development Loan Board, the Fisheries Loan Board and the Co-operative Loan Board.

MR. CASHIN: I take it, then, that there will be an amount in the Estimates.

MR. KEOUGH: At this particular moment I am not prepared to state whether it will be in the amended Estimates which will be brought down shortly, or whether it will be the Estimates present for 1950-51.

MR. CASHIN: In other words, if there is nothing in the Estimates to be brought down shortly there will be nothing done until 1950-51.

MR. KEOUGH: That is right, until such time as funds are provided.

MR. CASHIN: Now, I have not discussed this Bill at any length. I am neither for nor against Co-operatives. I am for anything that is going to help the development of the country. Now the history of Co-operatives in Newfoundland has not been so brilliant, not too brilliant. I think, so far as my memory serves me right, we have had one successful, one; you gentle-

men know more about it because some of you have been sold on co-operatives all the time, but I know many of them, and they are not so many miles away from here, that have been an actual failure. Now some of the Opposition, I think, were opposing this Bill on the grounds that co-operatives meant that people in a community would build up themselves without any government assistance, and we have passed three Bills in this House for Boards, the Industrial Loan Board, Co-operatives and Fisheries, and now we do not know what sum of money is going to be provided for this. We are told it is coming out of the surplus. That surplus—there is an awful lot of things coming out of that surplus, however how long it will last. I do not know—I have my own views on the matter—but I would warn the Government to go slowly on these matters, because if we listen now to what is going on in the country we are going to be faced with a lot of difficulties very shortly. For instance, I heard over the Radio I think last night that Grand Falls is reducing, and that is a place where there is a co-operative, I understand. Grand Falls is reducing its production, coming down to five days a week. It was going practically seven days a week, and shortly a number of men will be laid off out there. Now we are going to slap money into these Boards for the development—development of what? We have three primary industries in the country, and these are the ones that these monies should go into if they are going into anything for development purposes. The Premier said the other day

there were eight propositions; I have not got the foggiest idea; the Government has not seen fit, in its wisdom or otherwise, to tell us what these propositions are. I take that they have not been sure yet.

Now, another matter I would like to talk about, and that is this; and I think I am in order, Mr. Chairman, to speak about it, and that is, we are talking on money matters at the present time, and if refers to money matters right through. This afternoon the honourable the Minister of Supply, in answering a question, went all out, went all out, to make himself quite clear that this Government is going to do this, that, and the other thing; people have been accused of politics. Now, Mr. Chairman, I cannot be accused of politics, because I am neither a Conservative nor a Liberal; I am in the happy position of being neither one nor the other. I will support good legislation; I will oppose what I consider wrong legislation. This thing to me may not be bad. I have yet to be shown through where these things have proved successful. I hope they do, because it is no use my kicking about it; they are going through, anyway. But when we are speaking of money I certainly have something to say, and when I hear politics made out of an answer to a question, then I have something to say, and I am going to say it. It was a question directed, I think, by one of the members of the Opposition, with respect to Co-operatives, whether they investigated Co-operatives as to profits they have been charging the public. Remember, Mr. Chairman, that it is not always

the people who are interested in these co-operative societies that buy from them; any man can go in there and buy and pay his money and get goods, and a co-operative society charges, so far I am aware, the same price as anyone else; they are in business, and it is a business organization, and I am saying right now that when the time arrives for the Government to appoint a Royal Commission to investigate—

MR. SMALLWOOD: Mr. Chairman, to a point of order.

MR. CASHIN: I am talking about co-operatives

MR. SMALLWOOD: A point of order, Mr. Chairman. I understand that the committee is now dealing with—

MR. CASHIN: With co-operatives.

MR. SMALLWOOD: I think I have the floor. Have I the floor?

THE CHAIRMAN: You have floor.

MR. CASHIN: Sure he has the floor—

MR. SMALLWOOD: Two members seem to have the floor.

THE CHAIRMAN: What is the point of order?

MR. SMALLWOOD: My point of order is that, as we are discussing Clause 4 of this Bill in Committee of the Whole, a Bill which has been settled upon as to its principle; this House has decided that there shall be a Board, that the honourable and gallant member is completely out of order in letting his speech cover such a wide range, nearly all of it

completely removed from Clause 4 of this Bill. This is committee of the whole, Mr. Chairman, debating the reply to a question of the prices charged by co-operative societies, whether they make a profit or not, all of which might have been in order on Second Reading.

MR. CASHIN: Mr. Chairman—

MR. SMALLWOOD: I ask for a ruling, Mr. Chairman.

THE CHAIRMAN: I think probably the honourable member was wandering a little afield.

MR. CASHIN: When I am wandering, Mr. Chairman, tell me. I do not want to be told by any—

MR. SMALLWOOD: If the honourable and gallant member will permit me again, and again I am on a point of order; he will be told by me just as often as I feel like telling him, through you or Mr. Speaker, when I think he is out of order, and I call for a ruling on that—

MR. CASHIN: Sixteen or eighteen men against one! You call me the gallant member for Ferrieland. Gallant!

THE CHAIRMAN: The sub-title was "Co-operative"—

MR. CASHIN: Let's see what gallantry is around here. People call you "gallant", and where in the name of God were you when there was gallantry wanted; then come in here, and make the whole place look ridiculous by calling me "gallant". I do not want it attached to my name.

MR. SMALLWOOD: Mr. Chairman—

MR. CASHIN: I am not going to have it attached to it.

MR. SMALLWOOD: Mr. Chairman, if I may I will tell the honourable and gallant member that I shall continue to call him and any other war veteran in this Chamber "the honourable and gallant," as I shall continue to call every lawyer and doctor of philosophy "learned", and in so doing I am following a very ancient and honourable practice.

MR. CASHIN: Well I do not want to be called "gallant member."

MR. SMALLWOOD: It does not matter one bit whether the honourable and gallant member wants it or not—

MR. CASHIN: Because it is hypocritical—

THE CHAIRMAN: Order, please. Order

MR. CASHIN: It's hypocritical!

MR. CASHIN: Mr. Chairman, I was speaking of that Board, and that Board covers a multitude of sins, called the "Co-operative Development Loan Board", and as a member I am entitled to speak on that section. Am I or am I not?

THE CHAIRMAN: You are entitled to speak on the setting up of the Co-operative Loan Board, yes.

MR. CASHIN: Yes.

MR. SMALLWOOD: Not the principle.

MR. CASHIN: Now, Mr. Chairman, you have to give me your reply. Am I entitled to speak on

that section, on that Co-operative Loan Board? Yes or no?

MR. SMALLWOOD: Mr. Chairman—

MR. CASHIN: Mr. Chairman, you are the one to give this order, not the Premier.

MR. SMALLWOOD: To a point of order, Mr. Chairman.

MR. CASHIN: A point of order, there is no point of order.

MR. SMALLWOOD: Sit down.

MR. CASHIN: I am not sitting down unless you knock me down.

MR. SMALLWOOD: To a point of order.

MR. CASHIN: Go ahead and do it. You have a policeman over there who can knock me down if he wants to.

MR. SMALLWOOD: To a point of order, Mr. Chairman. May I have the floor?

THE CHAIRMAN: You have it.

MR. SMALLWOOD: I am afraid I have not.

MR. CASHIN: No, and you are not going to get me down.

MR. SMALLWOOD: To a point of order.

MR. CASHIN: And I am not getting down.

THE CHAIRMAN: Mr. Premier.

MR. SMALLWOOD: I wish to have the floor.

MR. CASHIN: I asked you for a ruling, Mr. Chairman, and you gave me that ruling, and I demand that ruling.

THE CHAIRMAN: I gave you a ruling.

MR. CASHIN: Yes, and gave me a ruling, and then the Premier butts in and you try to change your mind.

THE CHAIRMAN: I did no such thing. I beg your pardon.

MR. CASHIN: Well, I can tell you what—

THE CHAIRMAN: Sit down, Major Cashin, please.

MR. CASHIN: No, I am not sitting down until I am knocked down. I am a gallant member for Ferryland.

MR. SMALLWOOD: Mr. Chairman, the point now comes before you, that the honourable and gallant member will not obey you.

THE CHAIRMAN: Major Cashin, if you do not sit down I shall be compelled to name you.

MR. CASHIN: You will be compelled to what?

THE CHAIRMAN: To name you. I shall be compelled to—

MR. CASHIN: You are naming me already. I am the gallant member for Ferryland. Name me?

THE CHAIRMAN: Order, please.

MR. CASHIN: I have this floor. Now, name me.

THE CHAIRMAN: When a member rises to a point of order the person speaking is supposed to sit down.

MR. CASHIN: I am not sitting.

THE CHAIRMAN: That is a

well-known parliamentary procedure. You know that, Major Cashin.

MR. CASHIN: The honourable and gallant member for Ferryland I am supposed to be called, not Major Cashin.

THE CHAIRMAN: No, when I address you—

MR. CASHIN: Mr. Chairman, you can take your House and your whole outfit; it is a joke. We are living in Russia, in Moscow, and this is nothing more nor less than the Kremlin. Thank you.

MR. SMALLWOOD: The point or order, Mr. Chairman, which I wish to make is this: that no member of this House or of this committee has any right to address himself to the Speaker or to the Chairman, and demand that he answer "yes" or "no," as the honourable and gallant member for Ferryland did. That is my point of order.

THE CHAIRMAN: The point is well taken.

HON. DR. H. L. POTTLE (Minister of Public Welfare): There is a smaller point I am going to raise with regard to the set-up of this Board in connection with the administration of it; it is a Board of "not fewer" than five, but it may be only five. I refer to sub-clause (4) "in case of vacancies." We have limited the reasons why there may be a vacancy, to death, resignation or illness, but they may be absence from the country or any other good reason which could constitute a good cause for a vacancy, and the Minister is limited to just these three classes.

I know it applies to the other Acts, too. I thought it a point worth raising here.

Amendment made accordingly. Clause passed with amendments.

Section 5 read.

MR. CASHIN: Do I understand, Mr. Chairman, that that section means "other employees as may be necessary for the purposes of this Act and such appointees," that that will mean new appointments and new Civil Servants?

MR. KEOUGH: It could mean that, yes.

MR. CASHIN: It could mean. But what does it really mean?

MR. KEOUGH: It means that the Lieutenant Governor in Council shall be free to appoint as the personnel of these Boards civil servants or any other—

MR. CASHIN: "Except employees in the Civil Service." Civil servants do not have to be paid.

MR. KEOUGH: That is right.

MR. CASHIN: But new appointees will have to be paid.

MR. KEOUGH: Yes.

MR. CASHIN: And they would become Civil Servants

MR. KEOUGH: No.

MR. CASHIN: They would not?

MR. KEOUGH: No.

MR. CASHIN: Well, could we not have that definite.—"New appointees to this Board would not be considered as Civil Servants." Supposing for argument's sake,

Mr. Chairman, this thing goes into action tomorrow, and you bring people in off the street and create new appointees, are these civil servants, or are they not?

MR. SMALLWOOD: Mr. Chairman, if I may. The members of the Board—the members of the Board shall consist of five; their remuneration and allowances shall be determined by the Government, the Lieutenant Governor-in-Council; if there should be civil servants appointed as members of that board their salaries would be what they are presently getting as civil service salaries. The government ought to have the right to determine whether the members of the Board are or are not civil servants; whether they shall or shall not become or be made civil servants. The intention is that they shall not; the intention is to get men of extremely high standing that would not, in any case, be willing to become civil servants. But, on the other hand, there might conceivably be some reason for making them civil servants. It is unlikely, highly unlikely, and if the committee desires to ensure that they shall not be civil servants I feel sure that my colleagues—

MR. CASHIN: Mr. Chairman, the section definitely says “except employees in the Civil Service,” and what I am trying to find out is when you appoint a person here to a new job—I do not mean the members of the Board, I quite understand they are not civil servants—but when you appoint a new man, a stenographer or a clerk, does he automatically just go in there as an ordinary person; he is not a civil servant?

MR. CURTIS: This clause deals only with members of the Board, Mr. Chairman.

AN HON. MEMBER: No, this is No. 5.

MR. CASHIN: “Appoint such other officers, assistance, supervisors, clerks and other employees.” There are so many Board Bills in here now we do not know where we are.

MR. SMALLWOOD: Yes. Well Mr. Chairman, I was looking at the section above.

MR. CASHIN: Due to excitement, no doubt.

MR. SMALLWOOD: I am never excited. Like the honourable and gallant member I do not get excited; I may get a little worked up, just for a moment, we cool off very quickly; we do not really get excited. “The Lieutenant Governor in Council may from time to time appoint such other officers” not members “officers” “assistants” as may be necessary for the purposes of this Act and such appointees” . . . “shall receive such remuneration and allowances as may from time to time be determined by the Lieutenant Governor in Council,” but if they should be already employees in the civil service of Newfoundland, then they shall not receive such amounts as may be determined by the Lieutenant Governor in Council, because, being as they are already civil servants they get their regular civil service pay. That is what it means.

MR. CASHIN: But what I am trying to get at, Mr Chairman, is this I know that when they are

ordinary civil servants they do not get extra pay or anything like that, but when you appoint new men, are they civil servants or are they not? Are they just temporary appointees?

AN HON. MEMBER: If they are appointed civil servants, they have to go through the ordinary routine.

MR. CURTIS: Do you not think, Mr. Chairman that their remuneration will settle that? The very fact that their remuneration has to be supplied by the Governor in Council will mean that they will not be civil servants. If they are civil servants their salaries would have to be fixed by the Legislature would it not? It would have to be voted by the Legislature? I do not think the Governor in Council can fix the salaries of Civil Servants.

MR. POTTLE: The difference is that there will be lump sum voted to this Board, out of which payment would be made from that lump vote for certain officers, assistants and supervisors, but in the normal course of events, with civil servants, their salaries are laid down, not in a lump vote, but as such servants. It is above the line, as against below the line.

Clause passed.

Section 6 read passed

Section 7 read passed

Section 8 read passed

MR. CASHIN: That means, Mr. Chairman, that the power, even though there is a block vote in here, is going to be put in the estimates, for footing the loans, that the Board would also have power to guarantee a bank loan. The

bank loan may be another loan which would probably be in excess of what has been voted in the House. For instance, if there is an amount of \$500,000 voted for this purpose, and it is loaned out to these various organizations, and some other outfit comes along and says, "We want a bank guarantee for such an amount" and they investigate the matter, and find it may be all right; then they give them a bank guarantee. Now there is no vote by the Legislature for that money. What happens then?

MR. KEOUGH: There will be a certain round sum allocated for this Board and for the other Boards, and the personnel of the Board will not have any authority to guarantee in advance anything over and above that total round sum.

Clause passed

Section 9 read and passed.

Section 10 read (1) read.

MR. CASHIN: Mr. Chairman, with respect to that section, we will assume now that the Government gives this Board \$500,000, and that Board has loaned to Tom Jones a hundred thousand dollars, and he repays it back; according to this section of the Act he repays it back to the Board. Now remember this money is a loan from the Government to that Board. Should not that money go back to the Government?

MR. KEOUGH: I do not quite follow that.

MR. CASHIN: Because the Board owes the money to the Government.

MR. KEOUGH: In the first in-

stance, the Government will allocate a certain sum that will stay as working capital for the Board until such time as Government may enact legislation to wind up that Board.

MR. CASHIN: My point is, why should not the money be paid back to the Government, because the Government has loaned this money to the bank, or to the individual, or to the Board rather, and the Board has loaned it to an individual or to a co-operative society; the co-operative society decides to pay back what it owes to the Board. That co-operative society is then on its feet; consequently the Board should pay that money back to the Treasury, or, unless it is contemplated having a revolving fund, going around all the time.

MR. KEOUGH: It could so happen that each of these Boards could make five loans, wipe itself out, and have nothing to carry on with.

MR. CASHIN: They practically have the power to do that under this Act.

MR. KEOUGH: It could so happen that the Board could have one loan \$200,000, one \$100,000, one \$50,000, and then five loans of \$30,000, if these people when they paid them back paid them to the Government, the Board would have no funds, and the Board might as well go out of existence.

MR. SMALLWOOD: Supposing the Board made a loan of \$20,000 to a co-operative society, it does not follow that that \$20,000 is paid back in a lump sum; it could be paid back in instalments. Well,

the instalments would go back into the fund and would then form part of the capital sum remaining in the fund, out of which the Board would be making other loans, and in that way, if the total amount of capital which the Board has, which incidentally would not be anything of the order of the half million amount mentioned by the honourable and gallant member, by way of illustration, but it would be very much, very much less than that, the total capital sum available to the Board throughout its life, which might be ten, twenty years, would be thereby increased as loans are repaid, in whole or in part, and it becomes a revolving fund, out of which loans are made from time to time. And the same thing applies, if I may, to the other two Boards, the other two funds.

MR. CASHIN: Revolving funds?

MR. SMALLWOOD: Yes.

MR. CASHIN: And the Government would probably never get back the money?

MR. SMALLWOOD: It could revolve—

MR. CASHIN: No.

MR. SMALLWOOD: You mean —

MR. CASHIN: In other words, a loan of an amount of money to an outlet, called a Co-operative Board, they can forget about it?

MR. KEOUGH: No, I don't quite agree with that either.

MR. CASHIN: Then, how are you going to pay it back?

MR. KEOUGH: If it were so de-

cided to wipe out these Boards, they could be held into existence until such time as our standing loans were collected, and then with the capital sums returned to the Boards, it would be a simple matter of eliminating the Boards, and the capital sums would be returned to the Government.

MR. CASHIN: Yes, I understand that. The point is that there are estimates brought down every year and I do not know whether they are going to continue having loans every year or not, but there will have to be statements submitted through the House, I take it, unless it is not in the public interest, Mr. Chairman, to submit such statements; probably won't be by the time this is finished, but I hold that if the Government votes for half a million dollars, I say half a million, just as an illustration this year, and that Board, as the Premier says, loans \$20,000 to a co-operative society out at Glenwood. It won't loan them in Ferryland; we don't want them; we don't expect anything. We are on the black list. So, if they paid back part of that money, it goes into your fund; now, next year, when you come into the House with your estimates of expenditure, you have to give a statement of how that fund stands. The House may say, why didn't you pay that money back into the Treasury? Because that money was loaned, it is supposed to be paid back, isn't it, and, for instance, I'll put it this way—it is a business proposition. If I borrow \$5,000 from my friend, Mr. Courage, because I know he has plenty of money, and I start to pay him back, say I paid him \$500

he credits me with that amount, doesn't he, and he puts it in his pocket or he puts it in the bank. Now, if I said I will put it into a fund, I won't pay Mr. Courage back directly, I may take that money back again, from that fund, use it, and Mr. Courage would be out his money. I don't know how he would like it, but he looks as if he wouldn't like it very much.

MR. KEOUGH: In the first instance, the Government will make as I have already said, a certain allocation out of surplus; say they institute this fund, say \$200,000, and this will be charged by the Government against the Co-operative Development Loan Board, and would, I presume, show as an asset of Government at the end of the year's accounting, as an asset of \$20,000.

MR. CASHIN: But the Government should be in a position to say that the Co-operative Society paid some of it back; Well, last year we loaned \$200,000 to an outlet, and now they have paid back \$50,000, we are crediting them, it's gone back in the Treasury, we are only owed now \$150,000.

MR. KEOUGH: Well now, the Department concerned should be able to table an accounting to show how it stands.

MR. CASHIN: That is the position I am taking, but it may not be in the public interest.

MR. SMALLWOOD: The Legislature has ordered it to be done. The Act itself provides that it be done.

MR. CASHIN: I know, but it may not be in the public interest.

MR. SMALLWOOD: When the Legislature orders it to be done, it has to be done. No one has any discretion in the matter then.

MR. CASHIN: I know, I quite understand that; the legislature also authorizes an auditor general's report, it authorizes the auditor general to do certain things, and they cannot fire him, for instance, without a 2/3 vote from this House. The auditor general makes up the public accounts, as they have been made up during the past ten or fifteen years, and I cannot find out from these public accounts the specific payments made to individuals, and I am told here in the House that they won't give them to me; so the same thing can apply here.

MR. KEOUGH:— In 1950, if this Bill should pass, if this Board is established, I think the honourable and gallant member will be justified in asking and that he will get the information he required at the end of that time, if he made a point of asking.

MR. CASHIN: I quite agree I am justified in asking, but I may not be able to get them. I have asked questions in this House recently and have been told that they are not in the public interest.

MR. KEOUGH: Covered by legislation?

MR. CASHIN: Covered by anything; auditor general and everything else and I have been told it is not in the public interest.

MR. SMALLWOOD: But it is covered by legislation

MR. CASHIN: What?

MR. SMALLWOOD: The—

MR. CASHIN: We were told by the Speaker this afternoon that there are certain rules laid down where a Minister can tell you that it is not in the public interest to table such and such a statement or anything.

MR. SMALLWOOD: Yes, well, that is either so or it is not so.

MR. CASHIN: Yes.

MR. SMALLWOOD: The honourable and gallant member is not suggesting that it is not the case. The Speaker has laid it down that it is the case. It is a different situation altogether. If the honourable and gallant member or any honourable member can show that there is a law, a law, requiring the Government to give a certain kind of information, the Government has no choice except to give it, or break the law. Now, no one is suggesting here surely, that the Minister of Finance, in declining to answer a given question on the grounds that it is not in the public interest, is breaking the law; what law? Name it.

MR. CASHIN: Rum law.

MR. SMALLWOOD: No, there is no such law. No one can name the law, because there is no law which requires that the honourable and gallant Minister of Finance shall give the answer to the question we were discussing here yesterday. There is no law. If there is, name it. And now, if next year, or a year from now, some honourable member of this House asks a question arising out of this Bill, when it becomes an Act, no one can say, "Sorry, it

is not in the public interest", because the Act itself when becomes the law of Newfoundland, if and when passed, is then the law of Newfoundland, which itself directs that the information be given; and furthermore, within 15 days of the opening of the legislature, whether any honourable member asks for it or not, within 15 days, it must be tabled right here in this House.

MR. CASHIN: Yes, I understand that.

MR. SMALLWOOD: And there is not even need of a question, because without any question being asked if that is passed, that is the order to the Government to table them, without even need of going through the formality of saying "I give notice that I will on tomorrow" ask this or that Minister to table this report." There isn't even any need to do that. It has got to be tabled within fifteen days, and we are putting that in all our legislation, wherever there is any Board we are setting up by legislation, we are requiring that within fifteen days—

MR. CASHIN: You table a report.

MR. SMALLWOOD: That a report be tabled in this House, and every year, as the House opens, in the first week or so, you will see this Minister get up and say "I have the honour to table a report on such a board"; another Minister, report of such a board, and there you get it.

MR. CASHIN: That is done every year, but, Mr. Chairman, I might tell the honourable Premier through you, Sir, that when they

table those reports they don't give all the information; for instance, the question which we were discussing yesterday. There are various reports in that department every year. The Auditor General goes into that report; he audits the accounts in that department, but he doesn't table all the information, and we can't get it. You get a report to the effect that this department which we refer to and which I am not naming because I might be told I am out of order again, we'll be told it is not in the public interest to give us that; here is the Auditor General's Report. That is all you get. You can't get the whole situation on the Auditor General's report. The matter we were referring to with respect to prices and so on, we can't find that in the Auditor General's report with respect to the department I refer to. We cannot find it, and the Premier knows just as well as I do.

MR. SMALLWOOD: In which department.

MR. CASHIN: Oh, the rum shop down there. We can't get how much they pay for the rum because it is not in the public interest.

MR. SMALLWOOD: I might say, Mr. Chairman, that the Legislature of Newfoundland has already set up a board to lend money. It has been operating now since 1832. They are lending a lot of money. They have lent millions upon millions of dollars, and they have got to make a report to the legislature every year, of their operations. I don't think it would be any good for any honourable member of this House to get up and

ask for details about a certain loan they made to a certain person.

MR. CASHIN: Why?

MR. SMALLWOOD: Because the Government Savings Bank wouldn't reveal it and they would be quite right.

MR. CASHIN: Oh, the Bank.

MR. SMALLWOOD: All right, they are the Bank. We are proposing to set up three banks. Three lending boards. Three, to make loans. We give them the capital, well, so we gave it to the Newfoundland Savings Bank, didn't we in 1832?

MR. CASHIN: Yes.

MR. SMALLWOOD: Sure. They are operating on our money, aren't they? We own the Bank, don't we, this Newfoundland, the Government of Newfoundland, on behalf of the people? We own that Bank. They have a million dollars down there, surplus money. We wouldn't dream of touching it. No government would. That is the Bank's, but still it belongs to the Government of Newfoundland, doesn't it. The whole Bank belongs to the Government of Newfoundland. They receive money on deposit; they lend the money or they deposit the money. We do not look too closely. This is the same thing. Suppose the Industrial Development Board lends \$25,000, well, say to the honourable and gallant member. He starts some business; he comes to the Board and he says, "Here is my proposition; I have not got the money to do it with, but there it is; it needs \$25,000 to do it." The Board looks at it, and assuming

that the Board is made up of good men, experienced men, they look at that proposition and say, "We will talk it over and let you know." They talk it over, and they mull it over, and they find out all they can about it, and they may take some specialized advice, and they come to a decision. "O.K., we will lend you that \$25,000 for five years" or may be eight years, or ten years, "and we will charge you so much interest on it, and the deal is we take a mortgage on your property as security, and you pay off that, so much a year," and may be repayment is provided for by means of a sinking fund that the honourable and gallant member has been talking about in connection with these other loans that the Commission of Government made. However, there is the deal. Suppose after that were done, some honourable member of this House gets up and says, "Mr. Speaker, I give notice that I will on tomorrow ask the Minister of Economic Development to lay on the table of this House all details as follows: (a) Was a loan made to P. J. Cashin? (b) What was the amount of the loan? (c) What was the purpose of the loan? (d) What were the conditions of the loan? (e) What, so and so, so and so. There is a point up to which it would be quite improper to reveal the purely business details of a loan. I do not think there would be any disposition to hide the size of the loan, the rates of interest, the time of repayment of it, and generally the conditions of the loan.

MR. CASHIN: Because, Mr. Chairman, in the Savings Bank, you have got a copy of your assets

down there, which is included in the Auditor General's report every year; you know what they are; this is entirely a different matter altogether from the Savings Bank.

MR. SMALLWOOD: The same Auditor General audits it.

MR. CASHIN: I know. I quite understand that. But the Savings Bank is an entirely different proposition altogether. People go in there and deposit money and they get interest on it and it is secret. Banks do not tell, for instance, that Mr. Courage has got a lot of money in the bank. It does not do him any harm, but it would do him a lot of good. They do not tell you that. But this is a public matter altogether, and there is not a bank that is going down and open an office on Water Street tomorrow and call themselves a Co-operative Loan Bank, or whatever it is, and every Tom, Dick and Harry can go in and deposit money and say, "Here, I am putting in a thousand dollars in here; I am going to get three per cent; give me a passbook." Nobody is going to deposit in this at all.

MR. SMALLWOOD: That is an idea; we might do that.

MR. CASHIN: I know. You have one bank already and you have a good job in running that, and it has been run very efficiently, I will say that. At the present time it has a nice surplus of over a million dollars to their credit. But I hold that this is a Loan Board, loans given to individual outfits to carry on business, and that if they will pay back a portion of that loan to the Board, the Board

should then pay that back to the Government. That is my point.

MR. SMALLWOOD: It does really. It goes right to the Minister of Finance.

MR. CASHIN: It goes in to the credit of the Board, not the credit of the Treasury, and the people who comprise that Board still have power to use that money that is being repaid back by that individual on his account, and it is going round and round and it will eventually be all lost. That is what is going to happen.

MR. HIGGINS: Mr. Chairman, I think there is a great difference between a so-called bank created by this Act and an ordinary bank. The mere fact that the word "bank" is used here does not mean that the institution is a regular bank. The ordinary bank, as the honourable member for Ferryland knows, any ordinary bank in giving loans gives it out of deposit which are made there, but this Board will spend money which has been allocated to it by the Legislature and owes a duty to this Legislature to give all information. I cannot go down to an ordinary bank and ask them to let me know what loans they gave to anybody, or the terms of any loan, because that is a bank which has been created by a charter and is handing out not Government money, not money which has been allocated to it by Legislature, but money which has been obtained in the ordinary way of banking. This is not a regular bank; this is just an ordinary Board.

MR. SMALLWOOD: It is not a chartered commercial bank.

MR. HIGGINS: It is not a bank at all. If you have certain people getting together and saying, "We will put so much money together and I will be the banker." That does not create him a banker. I agree with the remark that the honourable and gallant member for Ferryland made that this Board does owe a duty to the Legislature, because it is spending money which is allocated to it by the Legislature.

Section 10 (2) read.

MR. CASHIN: "All moneys received by the Board shall be paid out of the Fund by the Minister of Finance following a recommendation or approval by the Board." The Board approves or recommends the thing; if they just recommend it, is the Minister of Finance supposed to pay it out, or do they have to approve it as well? The Minister of Finance might be crooked some day and would not give them any money.

MR. SMALLWOOD: Of course, the honourable and gallant member realizes that, as such, it would be subject to audit—

MR. CASHIN: Oh, yes, I quite understand that. We have had these accounts in the past, you know, separate ones, called certain trust funds, and I happened to be Minister of Finance at the time and we found funny things happening to them.

MR. SMALLWOOD: Yes, but now we have a good department of Comptroller and Auditor General.

MR. CASHIN: Yes, and—I will not say any more, or I might be treading on someone's toes around here.

Section passed.

Section 11 read.

Verbal amendments in sub-sections (i) and (j).

Section 11 passed.

Section 12 read, passed.

Section 13 read, passed.

Section 14 read, passed.

MR. HIGGINS: Mr. Chairman, there is one point which I notice. There interest is to be five per cent. I notice some loans will be made through a bank. Suppose the bank charges six per cent, what happens then?

MR. KEOUGH: Well in answer to the Leader of the Opposition, Mr. Chairman, I imagine if the bank undertakes to make the loans it will undertake to make them in accordance with this legislation.

MR. HIGGINS: That is, if the man has to pay six per cent, he pays the extra one per cent himself.

MR. SMALLWOOD: Surely it would be a case whether the bank would be either agreeable to making the loans, or not making it, and if agreeable, making them in accordance with the terms laid down by the Board, and the Board is limited to five per cent.

Preamble read passed.

Title read, passed

Committee rose, and reported having passed the Bill with some amendments.

Speaker resumed the chair.

Bill to be read a third time on tomorrow.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Amend the Life and Accident Insurance Agents' (Licensing) Act, 1944".

Speaker left the Chair. Mr.

Courage took the Chair.

Committee rose and asked to sit again on tomorrow.

MR. SPEAKER: Second Reading of Bill "An Act Respecting District Courts."

MR. CURTIS: I would ask that this Order be deferred.

Order deferred accordingly.

MR. SPEAKER: Second Reading of Bill "An Act Respecting Allowances to Dependent Persons."

MR. POTTLE: Mr. Speaker, in rising to move the Second Reading of this Bill, I should like to make certain explanations and put the Bill in its proper context within the while framework of benefits which the Department of Public Welfare has so far planned and hope to bring into being. I shall not make an extended speech, Sir, although the subject-matter of this Bill tempts me to do so. I shall merely refer to the main principles of the Bill and add just enough elaboration from point to point to make the purpose of the Bill as clear as I possibly can. By way of preparation I may say that this honourable House is well aware that the social provisions that have been made possible for the dependent people of Newfoundland so far include (1) Assistance by way of pensions to the aged people of seventy years of age and over when they qualify, and also to blind persons who need assistance, over twenty-one years of age. I need not remind the House that three-quarters of the amounts of these pensions come from the Federal funds. I might add by way of linking all our social security provisions together, just to bring in the fact of family allowances to children, which are altogether provided from Fed-

eral revenues. Coming back to the provincial scheme, we have enacted a Bill which provides for mothers, who being widows have dependent children; these widows who may qualify under the Act. Thus far then we have provided for the aged and the blind and for widows with children. Now this Act is intended to cover as well as possible the remaining classes of needy persons who may qualify under its provisions. Now, what classes are these? These are various classes, which I may say in fact are already being provided for, in a very limited way and in a very limited scope, by the Department of Public Welfare, formerly the Department of Public Health and Welfare, even now; that is to say, already a vote has been provided within the Department of Public Welfare which provides for assistance to widows and orphans and dependent classes of persons, not including persons on relief. Now I mean "limited" in two ways: limited with regard to the allowance provided, and limited also with regard to scope, that is to say, only those people who apply get assistance; there is no publishing to the country, so that a person may be in extreme need in a remote part of the country and not be assisted because there is no compelling way by which that person can be reached. Legislation does that, but we have no such legislation at the present. Now it is limited in another way, too, in the sense that the allowances we give to such people are not always consistent, and they are not consistent because the request comes from various parts of the country, at various time, to various people, with various descriptions

of needs which may not help us so well to compare the needs of one person in one place against the needs of another person in another place. Both persons may require assistance, but through a technicality one may be thrown out and the other may be assisted. Now that cannot happen under legislation, and the chief benefit of legislation is that it tends to make the requirements uniform.

Now, Sir, to come to the exact provisions of the Bill, the Bill covers certain classes of people therefore, namely, under Clause (3) "A monthly allowance may be paid out of funds appropriated by the Legislature to adults or families who, through mental or physical incapacity, or other exigency, are unable to provide, in whole or in part, by their own efforts, or from income or other resources, necessities essential to maintain or assist in maintaining, a reasonably normal and healthy existence."

Now, that clause is general. It will be made specific and tightened up, if you will, by the regulations, but it is advisably, it is properly general, it is properly vague, at that stage, and that is to allow the board who will operate this Bill, administer this Bill, it will allow them within certain limits to apply the benefits under the Act to the individuals concerned. That will provide a responsibility for a board, a properly constituted board to undertake.

Now, it says "adults or families." We are taking cognizance of the fact that an individual, an adult, many have dependents as well, and when we fix an allowance for a person under this Bill, we should

take into consideration not only his own incapacity, but the responsibilities which he has by way of dependents, such as children. Now then, more precisely, this Bill will include such classes as widows with children, older persons living alone, without proper assistance or support; cripples; invalids of various classes, and in general, chronic unemployable persons who do not qualify for other forms of government assistance. Now I think I need not elaborate there, but to say that this Act is designed to embrace, to care for in as generous a way as we can from the limits of our funds, those classes of dependent persons who are not properly taken care of or who do not come within the provisions of other schemes. For instance, under Clause 4, people who are receiving old age or blind pensions, or who may be receiving assistance under the Mothers' Allowances Act, an Act previously passed in this House, will not be eligible for an allowance under this Act. Likewise, persons whose only claim to assistance from the Department is on account of being unemployed are not eligible for an allowance under this Act. We have in mind here, the bulk of people who come within the classification of able-bodied relief. They will not, on that reason alone, be eligible for assistance under this Act. Now, then, what will happen is that, if this Bill will come into being as law, we shall be providing some form of assistance for all persons in need throughout the country who can qualify under the provisions of the various Acts with the exception of the unemployed, as a result of seasonal

unemployment, who are able-bodied.

The Board, Sir, is provided for in Clause 5 and provides one further opportunity for individuals to volunteer from the community to serve on the Board, and thereby associate themselves with the Department and with the Government in enabling people who are in need to receive whatever assistance they should within the scheme. And that is more than a figure of speech. As soon as this Bill was announced a few days ago a gentleman of this city came to me quite glad to hear of this legislation, and offered his services as a member of the Board. And this Board will be an Advisory Board through the chairman to the Minister, and I say this for the benefit of the House that we shall have two kinds of Boards operating: one which has final authority, such as under the Mothers Allowances Act, and a Board such as in this case which would have advisory authority, and the purpose which we have in mind is that we should like to see how all kinds of Boards work, and we shall endeavour to see how they work through these means, one under the Mothers' Allowance Act and the other under the Dependents' Allowances Bill, if it becomes an Act. Now there is another reason for it; there is a reason for this Board being an advisory one rather than final, and that is that the allowances will not be so fixed; there would be a scale of allowances under this Bill, because these are so diverse; we cannot set down a scale definitely here as we could under Mothers' Allowances, or as we should under Mothers' Allowances, because we can always calculate in the case of a family that there will be a mother,

that there will be so many children; we may set down the basic rate for the mother; we may set down the basic rate for the children, and by-and-large that makes it definite. But under the conditions which will arise, which will be evoked, if you will, which will have to be recognized, by such an Act as this, we shall have to be more flexible, and therefore in the first few years' operation it will be a good thing to have an advisory Board which will advise the Minister rather than be a final authority in themselves. The only final authority here is in the chairman of the Board, who will be an official of the Department, and be advisory to the Minister.

Now, I think, Sir, that there is nothing new in this Bill thereafter, additional to what has already been indicated in the Mothers' Allowance Act. Let me say that this is not going to be an easy Bill to administer; it will be a good Act to administer; it will be an Act which will cover a great variety of needy classes in this country, but it will not be easy in the sense that it will not be easy to determine need, and we hope that we may be able to set up, we may be able to get the services of qualified persons at large who will be able to give us standard, uniform, precise information, such as medical certificates, documents of various kinds which will demonstrate that the need exists. Let it not be expected that as soon as this Bill comes into being, that every person with a solitary ache or pain will qualify for an allowance in perpetuity. That will not happen. The needs will have to be determined; the tests will have to be strict, especially in the first year of operation, until its functions and its purposes become

known. And it should be also observed that the province of Newfoundland pays one hundred per cent, or will pay one hundred per cent of the cost of operating this Bill. At the present time we are, as I have said, making certain allowances for classes of persons who would come under the provisions of this Bill, and it will be a desirable thing that the allowances to these people would become more uniform than they are at present, so that there can be no complaint that individuals in different parts of the country are being treated in different ways.

Now, Sir, in presenting this Bill I shall be expected to say something further, and it is merely this: that as the Government spreads its care, if you will, over an enlarging section of the country, of the needy section of the country, I hope that the feeling will not thereby be engendered, that now the Department of Public Welfare is going to look after us, that hereafter Government will not see us starve, that now we are safe, and therefore we need not exercise any more thought for ourselves. It would be too unfortunate if the spreading of the Government services over a wider area, or over the same area in a better way, should mean that the springs of charity should dry up. I do not anticipate they will; the structure of our Department, the outlook of our Department, the outlook of this Government, is toward the direction, is conceived in this hope, that the springs of charity at large will not dry up. We shall undertake to maintain as well as we can—and by “as well as we can” I mean to the limits of our resources—we shall try to maintain a minimum level of

care for certain classes of people. Beyond that, well, beyond that, what will happen? It is not for me to speculate to give suggestions, but I can merely say that the contribution of the people, whether organized or not, should not diminish because the Government is doing so much. But I hope that by the leadership that the Government may give in such Acts as these that it will be a means for the community at large to do what it can, in whatever way it can, to supplement these assistances. For let it be understood that the government as it has taken up this measure of Works Relief, cannot thereby guarantee a high standard of living to everybody in this country. It is supplementary to what is already there, and these allowances are intended to be supplementary to what is already there. The Department of Public Welfare cannot through these social benefits correct an incorrect social system. The Department of Public Welfare, through its benefits as directed by the Government, cannot thereby make up for the deficiency of any quantities of earnings altogether. But it can do a great deal, and it is endeavouring by such gestures as this to accomplish just such an end.

Now, Sir, I have been drawn into a longer address on this Bill than I intended, but I shall say that this Bill is designed therefore to help complete a coverage of the needy in Newfoundland. It fills out our gap, and whatever you may think of it in this House, I do know that the people who will benefit under a Bill like this will know what to think of it, and I hope that the resources of this country will enable us from stage to stage to be able

to take care of the beneficiaries of such an Act as this in a fairly generous way. I can tell you that the coverage of this Bill and the other Bills we have passed will equal anything that is in any province of the Dominion, but where we fall short is in the kind of allowances that we shall be able to make. We cannot have it both ways. The coverage, I think, is unexcelled, but where our deficiency will be is just this, that we shall not be able to grant to any individual what we should like to, but our intention is to do it as fully as we can within the limits of our resources. One virtue of this legislation, and any legislation of this kind, is that there will be systematic coverage, and a person who lives next door to the Department of Public Welfare will not thereby have a special edge over the person in Cook's Harbour or in Lark Harbour because he lives so far away. The person in Cook's Harbour or in Seldom-Come-By will, because his need is the same as the need of another person three hundred miles away, will in the same way be taken care of under this Bill. The time when a person could come and make a special show of his need because he happened to be alongside the Department when he was going out; it will be—the time is here now, I can say, when an individual who comes and presents himself in that way, will have to show that he has need; the element of political engineering will be reduced to a minimum. In other words, this will be a means of rendering the administration of our social services equitable and just and defensible before all men.

And so, Sir, I have much pleasure in moving the Second Reading

of this Bill.

MR. HIGGINS: Mr. Speaker, the honourable Minister has said about one class, widows, children, I presume he means a widow with children who cannot support her. If the widow has children who will not support her, I presume steps will be taken so that these children will be taught their natural duty to support their mother or their parents. I presume that will be done. I mean, supposing there is a widow who has children who can support her, and will not support her, does she come under this, or does the Department undertake to support her? This is on the principle of the Bill.

MR. SPEAKER: Is the House ready for the question?

MR. HIGGINS: This is Second Reading.

MR. SPEAKER: The honourable Minister will probably be anticipating questions from some other members and he will no doubt conclude the debate by answering them all at one time. Does the honourable Minister care to reply to the question at this point?

MR. SMALLWOOD: Mr. Speaker, I am assuming that if the honourable Minister now speaks that closes the debate.

MR. SPEAKER: Except that if questions are asked to clear up some statement which appears to be ambiguous, the honourable Minister may reply to those questions without being considered as having spoken a second time in closing the debate.

MR. HIGGINS: On Second Reading we are discussing the principle

of the Bill, are we not?

MR. SMALLWOOD: Mr. Speaker, if I may, all but the mover of the motion may speak, but once only; the mover of the motion may then reply to any points that have come up during the debate.

MR. HIGGINS: I made my speech and sat down.

MR. SMALLWOOD: But there may be other members who wish to speak, and if they do the procedure would be for them to speak, and then, to close the debate on Second Reading, the Minister would reply to all the points that had been made.

MR. SPEAKER: Precisely. It is for that purpose I asked if the House was ready for the question. It is a signal for any other member to speak who has not done so. If no one rises the honourable Minister will close the debate.

MR. MILLER: Mr. Speaker, the point raised by the honourable member is one that I have an interest in myself. I believe it refers to the same question. That is, where a widowed mother has grown-up sons, put it that way, and they may be all gone away somewhere, or may be they are home idle; may be they are young boys who never did get very much of a chance and had to ship out with someone else for very small earnings during the summer months. And I do know that currently there many cases like that, and that such widows are refused, under the regulations at present existing, the widows' alms, and I would like to have the assurance of the Minister that that is going to be corrected in future. I think it is a real hard-

ship, that such widow would be refused the widow's allowance, because the earnings of those boys, sixteen on, they would be considered men, I believe; their opportunities are none too great in this country, and consequently that whole house is suffering a hardship, and I think that thing should be taken care of.

MR. SMALLWOOD: Mr. Speaker, it would be unworthy the importance, the fundamental importance of this Bill, if the Debate on Second Reading, which is the only occasion when a real debate about the Bill as such, and about the principles which the Bill sets forth to effect, can occur, because in committee of the whole the Board should be three or five, whether they should be appointed or elected, whether they should serve for one year or longer, and details of that type, leaving the Second Reading stage as indeed the only stage during which or at which the general principles, the general purposes and scope, of the Bill may properly be debated. I do not know to what extent that fact is thoroughly appreciated in this legislature; nearly all of us being members who have never before sat as members of an elected legislature. The main full-dress debate on any piece of legislation is at Second Reading; it is at support or dissent of the Bill itself, of the whole idea in the Bill, and all the big debates that one reads about in other legislatures and in parliaments are debates which occur always on Second Reading, and it would be, it seems to me, a pity that a Second Reading of a Bill of such importance as this one should pass by with virtually

no debate at all. Now, it is one more of these Bills which could be summarized, all of them, under the description "Social Welfare State", and there has been considerable discussion throughout the world of the Social Welfare State, the latest notable statement that I have noticed on that matter being the statement of the Prime Minister of Canada at some convention or conference which he addressed within the past two or three days, to the effect that the Social Welfare State did not mean necessarily any conflict with the idea of the free enterprise system. So far in this Session we have had two Bills, one of which has already become an Act—at least will become an Act when His Honour the Lieutenant Governor signifies his formal assent to its passing. That one is the Mothers' Allowances Act. Now we have the second, which is the Dependent Persons' Allowances Bill, if I have given it its correct title. And as the honourable and learned Minister has already told us, the adoption of this Bill and passing it into law will round off to a large extent the whole field of social welfare in Newfoundland, because, as he has already said, Family Allowances which are paid wholly by the Federal Government of Canada, take care, very good care, at least of the children of Newfoundland under the age of sixteen. The Old Age Pensions' Act to which the Government of Canada contributes seventy-five per cent of the cost, leaving twenty-five per cent to be borne by us, takes fairly good care of the aged beginning at the age of seventy. Then these two new Acts, these entirely provincial Acts, are

paid for by the Government of Newfoundland out of the public Treasury of Newfoundland. So that, as the honourable and learned Minister has said, with the adoption of this present Act, to which we will probably shortly give Second Reading, will leave in Newfoundland uncared for from the Social Security standpoint, uncared for perhaps, the able-bodied adults of Newfoundland, who are poor still and must be the greater number, the majority of our population, and who indeed must always pay the cost of Social Security for those other members of our Newfoundland families who are themselves unable to bear it. There will still remain, it is true, one or two other fields into which Social Security can well enter in this province. There is, for example, the question of Workmen's Compensation, a very traditional method of providing social security to people under certain conditions, namely, when they are injured in industry or when they are killed, when they lose their lives in their employment. There has been another field of Social Security into which we might well enter in Newfoundland, and that is the field of providing insurance, occupational insurance, for the fishermen of Newfoundland. If and when we occupy those two fields properly and adequately, namely, workmen's compensation, which is partly occupied, but not adequately, and the field of fishermen's insurance upon a cheap, low-cost insurance against death, occupational death, in the fishing industry. I think at that point we may perhaps congratulate ourselves that we have done fairly well; if

we will not have completely entered the field, we will have gone a long way toward it. Now, we must, as responsible men in this legislature, we must be guided, be limited, by the amount of money available, safely available the amount which we can safely spend of the money belonging to the whole public of Newfoundland, on certain sections of the public, namely, the widows, and children, and infirm, and others, who, due to the state of their health, of mind or body or for other reasons, are not able to earn a half-decent living. We must, I say, in the amount of the public money, belonging to all of us, that we are prepared to spend on some of us, worthy as these cases may be, we must be guided by the overall picture of the total amount of public money we have and the total amount of public money we have and the total amount which we are able fairly and safely to take from the public in taxation. On the other hand, it must, it must be clear, that as one form of expenditure goes out, that is, on Social Security the form of expenditure on another side goes down;; not perhaps immediately—there is bound to be a time lapse, the favourable result will not come at once, but as the cost of Social Security goes up the cost of health must, some time, come down. We—not to make, not to make too partisan a play, and not to take too partisan an attitude, we are, quite frankly, quite frankly, we are very proud of this legislation. We feel that our honourable friends on the opposite side will be as keen about this legislation as we are ourselves. We feel that whatever differences there may be

between us, these differences do not include the question of social security, and that the honourable gentlemen opposite, enlightened and civilized in their viewpoint as they are, some of them consisting of trade union leaders, and as such throughout their lives brought into intimate touch with the lives of the common people, that they especially will be highly sympathetic to legislation of this kind; and also that the honourable and learned Leader of the Opposition, with a lifetime of reading and culture behind him, will also have the same social tenderness of conscience and enlightened outlook so as to share the feelings of his colleagues in that respect. Except in the sense that this legislation comes from the Government side, it is not partisan or even controversial legislation, because I am quite sure that we, all of us in this House unite in our desire to reach out the helping hand to those of our Newfoundland families who need that helping hand. The cost of it I must confess frankly I do not know, at this moment. The Bill does no more than enable the Government to set up the organization, to prepare, to pay the money, to prepare the necessary regulations and organization generally. How much will be paid under this legislation will be determined as time goes on, and finally, the Government, no doubt, will come before the House with a request that the House vote it a certain sum of money out of which to pay the scales of benefits that will be determined between now and then. Then, in the course of time, through practical experience, if we find that the finances of the

province allow payments on a more generous scale, or if they do not allow payments on as generous a scale as we may establish in the first place, amendments can be made, and annually, as the legislature is asked to vote money to implement this program, variations in the scale and in the amount may be made from year to year. I am exceedingly proud to identify myself with this legislation and I think in saying that that I am speaking the feelings of every member, not only on this side of the House, but on all sides of this present House of Assembly.

MR. SPEAKER: Is the House now ready for the question?

MR. POTTLE: Mr. Speaker, one or two questions have arisen, and both are quite pertinent to the legislation under consideration, or the Bill under consideration. The honourable member for Placentia-St. Mary's raised the question about what will happen to widows, for instance, who have children or who have sons and daughters of earning age and capacity who themselves have responsibilities of their own, and so forth. I am aware, as my honourable friend of the Opposition is aware, that the regulations as they apply to widows at the present time are a bit severe, and where a widow with one single able-bodied son, or a widow with two single able-bodied sons over seventeen years of age is not eligible for any allowance, for instance. We have been working on these regulations. They were drawn up in times of stringency, and they have worked reasonably well, as far as they go. The thought is that each case

will be considered on its own merits and the fact that a widow may have two single able-bodied sons over seventeen years of age will not in itself disqualify a widow from allowances, if it is shown that they are not in a position to support her; the Act will make up for what they fail to support, or if they do not support at all, then the full scale will apply, and if it is a case where they should, and they wilfully do not, there are other processes of law which can apply, of course, already under other legislation. But if these are applicable, and it is shown that the person has made every effort to get support from her children, and the support is not forthcoming, then the full effect of this legislation will take place. I can say in a general way, for the benefit of the House, that certainly the regulations, while they will be strict will not be harsh, and it is our thought that any individual who can show genuinely that he or she stands in need of government assistance will be assisted under this legislation.

Now, the references to the Welfare state are well taken, and I can only agree wholeheartedly with the view expressed by the honourable the Premier, which I expressed in other terms a few minutes before, namely, that the wider the sweep of interest, in the welfare of people, we hope and we have a large stake in this and I hope that we shall do what we can to achieve this, and we hope that it will not enervate the people themselves from helping themselves.

I would just say this in closing, Sir, that the union of Government agency and private agency, the

state and society, they are complementary; they are a team when they are working best together; the Government is rigid; in spite of what I have said the Government will still be a bit rigid; there are regulations, and you cannot change a regulation every day and every hour; the regulations are there, they will be inflexible; they are like that; and so an individual will get an allowance of thirty dollars, twenty dollars, as the case may be, from one place to another. But even when we have tried our best, when we have tried to see the exact needs that are there, we shall still miss out something, in spite of all our good intentions, there will still be something that we have not been able to make up, no matter how well-intentioned we are. Now that is where a private agency comes in. If there were a private individual of means and good intentions and good feelings towards his fellowmen; there is where a private organization will come in. It is flexible, where we are rigid, and so the two together ought to make a complementary team, and we hope that that ideal will be achieved.

I gives me pleasure, Sir, to introduce this Bill, and because of something that I said earlier in *the proceedings relating to social legislation*, we are trying our best in this country to build up a preventative scheme of social welfare, where we shall be ahead of the game a little bit, instead of being in there after the trouble has long developed to a very late stage; we shall try to get in and prevent trouble from arising. I will just give one example. Here is a widow trying to get along as

well as she can, say, with children from fourteen years of age down to six. Of course, this really applies to the Mother's Allowance; we are making certain measures applicable here. Now, without such a scheme as this or other scheme, that mother would have to have her son possibly go out at fourteen or fifteen or sixteen years of age, fifteen years of age, say, and get a job, because a job is available now; it is a great temptation; but instead of that we make these allowances to allow these boys to stay in school, two years longer, and so his capital is built up; he will be able to get further along in school, and thereby become a more permanent asset, whereas if he were allowed to leave school earlier—it is true he has a job; it may pay him six dollars a week, but next year he would still be earning only six dollars a week, but now he is seventeen or eighteen—he is a man; he looks around for a man's wages; a man's wages are not available; competition is getting keener, standards of education are getting higher, he is dropped; he has just got into a blind-alley occupation. So by giving that mother sufficient to enable that boy to stay in school, we are thereby preventing trouble from arising, preventing problems from developing; we are thereby enabling that mother to attain and maintain a more reasonable standard of living, and, as it is here, to maintain or assist in maintaining a reasonable, normal and healthy existence.

These are all the remarks, Sir, which I have to make at this stage, and I already moved the Second Reading.

Bill read a Second time. To be referred to Committee of the Whole on tomorrow.

MR. SPEAKER: Second Reading of Bill "An Act Respecting Relief Works Administration."

MR. POTTLE: Mr. Speaker, for the purpose of this Bill, it must be already plain to the House, in the light of developments in the last few days, keeping with the Government's policy to set up a relief works organization for the purpose of taking care of those who are in need and for whom the Government has designed work instead of relief, the Government has seen fit to introduce a Bill, to be called "The Relief Works Administration Act", which will merely legalize that fact, and set up a division of government in effect in the Department of Public Welfare, which will be charged with the responsibility of administering this work. The Bill is formal in its structure; it sets up the division within the Department of Public Welfare, because the division has to be set up within some Department. It provides for an administrator, and it provides for the staff which are necessary for the proper conduct of the business of that office. Clause 4 states the powers of the administrator, and the Minister of the Department concerned will be responsible to the Government for the accounting for the funds involved. I say, Sir, it legalizes the position with regard to relief works and enable the government to go ahead to appoint individuals who will have a proper status for the purpose of carrying out the work involved. I move the Second Reading of the Bill, "An Act Re-

specting Relief Works Administration."

Bill read second time. To be referred to committee of the whole House on tomorrow.

MR. SPEAKER: That is the end of the Orders of the Day.

MR. CURTIS: Mr. Speaker, on behalf of the Minister of Finance, who is not here, I would like to give notice that I will on tomorrow ask leave to introduce a Bill "An Act to make Provision for the making of Returns of Income to the Assessor of Taxes by Certain Tax-Payers."

MR. SMALLWOOD: Mr. Speaker, I move that the House at its rising do adjourn until tomorrow, Tuesday, at three of the clock. It will be Tuesday, instead of Monday. It will be a long week-end and give the Government an opportunity, and especially the Cabinet, a much-needed opportunity, to catch up on some of its work. It has been meeting every morning and most nights, and we have the afternoons here, and we have not been able to get to our offices and catch up on some of our work there, and it would give some of the outport members a better opportunity to get to their homes and it would also give some of the members of districts that are fairly near to St. John's perhaps to get around to them and take a look at the unemployment situation and see if they could be of some help.

House adjourned accordingly.

Tuesday, November 1, 1949.

The House opened at three of the clock.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, in the absence of the Minister of Public Works I beg to table answer to Question number 79, asked by the honourable the senior member for Harbour Main-Bell Island. It reads as follows:

(1) Expenditures have been made on public roads, wharves, slipways, bridges and cottage hospitals from April 1st to September 30th, 1949, as follows:

Roads

Maintenance	\$ 854,194.94
Reconditioning	332,534.08
New Construction ...	539,456.19
Local Roads	40,386.34
Bridges	103,571.19
	<hr/>
	\$1,870,151.74

Wharves and Slipways

Disbursements made on behalf of Dominion Government	\$13,287.50
Cottage Hospitals Maintenance	20,840.26

It is not possible to show road expenditure under the heading of electoral districts, as the accounting system is not designed to show expenditure on that basis.

HON. C. H. BALLAM (Minister for Labour): Mr. Speaker, I give notice that I will on tomorrow bring in a Bill "An Act to Amend the Department of Labour Act, 1933." I also give notice that I will on tomorrow bring in a Bill "An Act Respecting Boilers and Pressure Vessels and Steam, Refrigeration and Compressed Gas Plants."

MR. CASHIN: Mr. Speaker, it should be "ask leave to introduce."

MR. SPEAKER: There is a notice of motion standing in the name of the honourable the Minister of Finance, to ask leave to introduce a Bill "An Act to Make Provision for Making of Return of Income to the Assessor of Taxes by Certain Taxpayers." Has the honourable Minister leave to introduce this Bill?

Leave granted. Bill read a first time. Ordered to be read a second time on tomorrow.

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, unfortunately I was talking to my learned friend opposite when the notice of motion item came up. I give notice that I will on tomorrow ask leave to introduce a Bill entitled "An Act Further to Amend the Highway Traffic Act, 1941." I would also like to state, Mr. Speaker, that the Select Committee appointed to consider the application of the St. John's Municipal Council, asking this honourable House to pass a Bill terminating the franchise with the Golden Arrow Coaches, Ltd., met and made a report to this honourable House. I have now a letter from the City Clerk addressed to the Clerk of the House of Assembly:

October 28, 1949

The Clerk of the House of
Assembly,
Colonial Building,
St. John's.

Dear Sir,—I confirm that, pursuant to the direction of the House of Assembly, notice of the application of the Council to the Legislature for the enactment of a Bill relating to the termination of the exclusive bus passenger transportation franchise of Golden Arrow Coaches, Ltd., was duly advertised

in the Daily News on October 25, 26 and 28, and in the Evening Telegram on October 26 and 28.

I also confirm that a copy of the Petition of the Council to the Legislature, a copy of the proposed Bill and a copy of the Notice advertised in the press were served on October 25 on the Golden Arrow Coaches, Ltd., at the registered office of the Company at the corner of Merrymeeting Road and Linscott Street, St. John's.

Yours very truly,
(Sgd.) J. J. MAHONY,
City Clerk.

Under these circumstances, Mr. Speaker, your committee makes its report and suggests that the Bill as presented be received and read a first time.

MR. HIGGINS (Leader of the Opposition): Mr. Speaker, my position in the matter is somewhat qualified. I would like to say that this Act be not presented because it would tend to take away any right which may have existed and which could be heard in the Supreme Court. Due to the fact that there have not been any objections I see no reason why it should not go through.

MR. SPEAKER: Is it the pleasure of the House to receive this report?

Report received and adopted.

MR. CURTIS: Mr. Speaker, the Bill was presented to us; the clerk has it there attached to the petition. I might say, Mr. Speaker, I am not prepared to sponsor the Bill myself. We are just carrying out instructions in having this read the first time; when it comes to

second reading and the principle has to be accepted it will be a matter for the House.

MR. SPEAKER: Moved and seconded that this Bill "An Act for the Termination of the Exclusive Franchise of the Golden Arrow Coaches Ltd. to Transport Passengers for Reward by Motor Omnibus in the City of St. John's and for Other Purposes" be now read a first time.

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SPEAKER: Third reading of Bill "An Act to Provide for Loans to Co-operative Societies and to Create a Co-operative Loan Board for Newfoundland."

Bill read a third time and passed.

Committee of the whole on Bill "An Act to Amend the Life and Accident Insurance Agent's (Licensing) Act, 1944." This is the Bill on which the Committee reported progress and asked leave to sit again on tomorrow. Therefore it is not necessary to put the motion for this committee unless some member would wish to have it deferred.

Mr. Courage took the Chair of Committee.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Preamble read and passed.

Title read and passed.

The Committee rose and reported having passed the Bill.

Ordered to be read a second time

on tomorrow.

Committee of the Whole on Bill
"An Act Respecting Allowances
to Dependent Persons."

Section 1 read and passed.
Section 2 read and passed.
Section 3 read and passed.
Section 4 read and passed.
Section 5 read and passed.
Section 6 read and passed.
Section 7 read and passed.
Section 8 read and passed.
Section 9 read and passed.
Section 10 read and passed.
Section 11 read and passed.
Section 12 read and passed.
Section 13 read and passed.
Section 14 read and passed.
Preamble read and passed.
Title read and passed.

The committee rose and reported having passed the Bill without amendment.

Ordered to be read a third time on tomorrow.

Committee of the Whole on Bill
"An Act Respecting Relief Works
Administration."

Mr. Speaker leaves the Chair.
Section 1 read and passed.
Section 2 read and passed.
Section 3 read and passed.
Section 4 read and passed.

Committee rose and reported having passed the Bill without amendment.

Ordered to be read a third time on tomorrow.

The second reading of a Bill "An Act Respecting District Courts" was further deferred.

MR. SMALLWOOD: I move that the House do now adjourn until

tomorrow at three of the clock.

Adjourned accordingly.

Wednesday, November 2, 1949.

The House opened at three of the clock.

MR. CASHIN: I give notice that I will on tomorrow ask the honourable the Minister of Public Works to table the following information:

(1) Give the name of the architect or firm of architects who prepared the plans for the construction of the new wing to the Mental Hospital.

(2) What fee or fees are to be paid for this particular work?

(3) What architect or firm of architects is now supervising the construction of this particular job and what fee or fees are being paid for these services.

(4) Are the fee or fees being paid the present Superintendent in addition to the fee or fees to be paid the original architect or firm of architects for the preparing of the original plans?

To ask the honourable the Minister of Supply to table the following information:

(1) How many office desks, chairs, tables, costumers were purchased by the Government since April 1st, 1949, to date? Give the number of items supplied to each department. If tenders were called for—to table a copy of each tender. If no tenders were called for, why not? What quantity of goods was supplied on each order?

(2) Table the number of unfill-ed orders for desks, chairs, tables, costumers on which no tenders have been called for. Have prices been requested by telephone instead of by usual tender form and

if so why has not the usual tender form been sent out to the various dealers in these commodities? Have instructions been issued not to send out tender forms on any commodities and if so why? And who has the authority in the Supply Division to purchase goods without calling for proper tenders?

(3) How many typewriters and adding machines were purchased by the Government since April 1st, 1949? Give the names of the firms receiving the orders, as well as the number of machines supplied by each firm. Were tenders called for and if not why not? If tenders were called for, give a copy of each tender and if the lowest tender was not accepted why not?

(4) Have orders been placed for the supply of all drugs to the various public institutions? Were tenders called in connection with this business? If so table copy of the tender together with the name of firm or firms who were given this business? Have orders for drugs been placed with any firm or firms not legitimately in the drug business and who have no license to deal in drugs? If so why? Give the name of such firm or firms.

(5) Who are the personnel of the Provincial Sales and Contractors Company? This firm has been receiving orders from the Government and it is understood is not incorporated.

MR. SPEAKER: Notice of motion standing in the name of the honourable the Attorney General asking leave to introduce a Bill "An Act Further to Amend the Highway Traffic Act, 1941." Has the honourable the Minister leave

to introduce this Bill?

Leave granted. Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SPEAKER: Honourable the Minister of Labour to ask leave to introduce a Bill "An Act to Amend the Department of Labour Act, 1933." Has the honourable Minister leave to introduce this Bill?

Leave granted. Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SPEAKER: Honourable the Minister of Labour to ask leave to introduce a Bill "An Act Respecting Boilers and Pressure Vessels and Steam, Refrigeration and Compressed Gas Plants." Has the honourable Minister leave to introduce this Bill?

Leave granted. Bill read a first time. Ordered to be read a second time on tomorrow.

Orders of the Day:

Third reading of Bill "An Act to Amend the Life and Accident Insurance Agents' (Licensing) Act, 1944."

Bill was read a third time and passed.

Third reading of Bill "An Act Respecting Allowances to Dependent Persons."

Bill was read a third time and passed.

Third reading of Bill "An Act Respecting Relief Works Administration."

Bill read a third time and passed.

Second reading of Bill "An Act

Respecting District Courts" was deferred.

Second reading of Bill "An Act to Make Provision for the Making of Returns of Income to the Assessor of Taxes by Certain Tax-payers" was deferred.

MR. SPEAKER: Before taking up the next item, second reading of Bill "An Act for the Termination of the Exclusive Franchise of the Golden Arrow Coaches," etc., I would ask, Mr. Clerk, has the sum of fifty dollars been deposited with the Clerk of the House?

CLERK: No. it has not been.

MR. SPEAKER: It would be impossible, therefore, to proceed with the second reading according to the Rules of this House, if I remember correctly, No. 297.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I wonder if that would apply in the case of a Bill brought in here at the request of the St. John's Municipal Council? This Bill, I believe, is here at the request of the Municipal Council of St. John's, and I believe that earlier in the present Session there came before us another Bill at the request of the same body, and that no deposit or fee was made or paid on that occasion, and it may be that precedent has it in this House that the fee is not collected when the Bill is one from the St. John's Municipal Council.

MR. SPEAKER: I know that in the case of two private Bills a cheque for the sum of fifty dollars accompanied each Bill, and Standing Order 297 says the sum of fifty dollars, receipt for which shall be

lodged with the Clerk of the committee to which such Bill shall be referred, such payment to be made immediately after the first reading and before the second reading. I would be guided by the decision of the House if that is correct form in connection with the Municipal Council of St. John's, if there is no objection?

MR. SMALLWOOD: The Council, I might remind the House, is the creation of this House. I believe the City Council was created by this House, and it is a public body, not a private profit-making corporation, still less a private individual; it is a public body, and it might be the feeling of the House that when that public body, created by this House for the purpose of administering certain affairs, public affairs, in the city of St. John's, presents to us a request for the enactment of a certain piece of legislation which they say is in the interest of the city, it might be the feeling of the House not to demand payment of the ordinary fees which the House requires from private profit-making corporations or individuals, when they bring legislation forward.

MR. SPEAKER: That was my own personal interpretation but I would like to have the opinion of the House before I proceed. If there are no objections—second reading of the Bill "An Act for the Termination of the Exclusive Franchise of the Golden Arrow Coaches Limited to Transport Passengers for Reward by Motor Omnibus in the City of St. John's and for Other Purposes."

MR. VARDY: Mr. Speaker, in moving the second reading of this

Bill I should like to point out briefly to the honourable House the fact that it was imperative, in order to facilitate the negotiation of a transport system for the City of St. John's, the Municipal Council have this Act, inasmuch as the previous franchise which this Act is asking to cancel was set up with the permission of the then existing government of the day, the Commission of Government, and was set up following a very complete and exhaustive investigation on the part of the, at that time, Commissioner for Finance, who approved in every detail the financial stability and responsibility of the individuals concerned.

Therefore, Sir, the Council felt, through its legal representatives, that it was not incumbent upon it to take upon itself the responsibility of dismissing from being some Act that had been made possible through the existing government of the day. Therefore, Sir, it was felt that in order that we shall be clear in every respect, I say "we" being sponsor of this Bill of the Municipal Council, that it was felt that the Municipal Council should be clear in every respect of any future difficulties which might arise through technicalities and so forth and interfere with any transportation system which they might in the meantime set up in order to provide transportation for the residents of St. John's. We do not want, in this instance, to have the present condition continue. It is essential and in fact it is vital to the well-being and the health of the people of St. John's that some definite steps be taken to provide for a properly administrated and financially, morally, responsible organization to undertake the in-

roduction of a proper system. We believe, Sir, that that can be done—as a matter of fact it was stated at the time the permission of the House was sought to introduce this Bill—at that time it was pointed out that negotiations were in effect between several companies, but the hands of the Municipality are tied until such time as the House in its wisdom agrees to approve the request which is now before it in the form of the present Bill. It is not, Sir, as has been suggested, any attempt on the part of Municipality to pass the "buck" to the House of Assembly, because that is not the feeling at all. The Municipality, as the Premier stated a few moments ago, is really a creation of the now Provincial Government. It does not hold, as is well known, a complete charter. In fact, there are very few things that the Municipality or the Municipal Council can do without the ultimate approval of the Provincial Government. If the time comes when that condition is changed, well then the situation will be somewhat different, but so long as it remains in its present state, then, Sir, the Municipality has no alternative in matters of this nature but to come and seek the permission of the legislative body, the Provincial Government, before it takes any steps which commits the city and as a result, the legislature itself.

I think, Sir, that the House is familiar with the conditions. This merely clears the air, as it were, and enables the Municipal Council to proceed with the negotiations and to finalize any negotiations it may now be involved in for the interest and welfare of the Municipality at large. I now, Sir, have great pleasure in moving the second

reading.

MR. HIGGINS: (Leader of the Opposition): Mr. Speaker, I must say I do not agree with the contention that because the Municipal Council is a creation of this House therefore it is different from any other person who is asking for a Private Bill. The creation of the House is nothing more than the creation of a statute and that means nothing more than that the House has created a fictitious or artificial person. There are many private companies which are creatures of statute or, if you wish, a creature of this House. That does not give them any other rights than an ordinary person before this House. However, the rule that a deposit must be made, should ordinarily be enforced, but that rule has been waived by this House, so that that matter has been settled now. Now, the other member for St. John's East has drawn my attention to Section 303 of the Standing Orders, "Every private Bill when read a second time, shall be referred to a select committee, and all petitions for or against such bill shall also be referred to such committee."

I presume that the exigency of the moment demands that we should waive that rule also and we have no objection if the House agrees to waive that rule.

Now, I have no objection to this Bill, and why I have no objection is because the party who may be aggrieved has made no objection itself. In this case we are apt to create a precedent and I do not wish to be a party to making a precedent in this case, for we would be laying down a very dangerous

precedent. We are trying to settle ourselves, or take the place of a court of law and settling the rights of a party under a contract or under a charter. I would not like to interfere with the terms of a contract and rights of a party under any contract; it is a very, very, dangerous practice, but I understand in this case the position is that there are many thousands of people being inconvenienced by the fact that no franchise can be granted to anybody in this city at the present moment unless it is clearly settled that the old franchise has ceased. I am informed, and it has been brought to the attention of this House, that the bus company was notified that their franchise was cancelled by the Council under the terms of the charter and the bus company was notified that if it had any claim to make it should do it under arbitration. For that purpose the bus company was asked to appoint an arbitrator so the matter could be gone into and that they have refused to give an answer; at least, they have paid no attention to the demand for an arbitration. Now, the Council are rather chary about making a new charter because after the charter has been granted, the company might come in and claim that their franchise was not properly cancelled, or for some other reason; anyway, whether they had any claim on it or not, a proper claim I mean, they might hold up the position for a long time until they could settle it; that might mean months of inconvenience to thousands of people in this city who are going to work every day and have to walk down and walk back.

In other words, I am supporting this Bill, because first, there is no

objection to it, and secondly there is a very grave and urgent reason why the rights of the parties under the franchise should be settled once and for all. In other words, this Act is brought in in order to remove any doubts whatsoever as to whether the franchise was cancelled or not. That is the whole position. If this Act is passed the Council can, without any fear whatsoever, grant a new franchise and the public will be better served, by this Act, which settles once and for all that the Council can grant a new franchise because the old franchise has been cancelled. In other words, an Act of Parliament is so over-riding that the Company can no longer come in under the old franchise and say "We have some rights." I think all of us on this side of the House are willing to agree to the Act under those conditions, but we are supporting it on account of the urgency and exigency of the moment, and not with any desire to lay it down as a precedent in any future attempt to do away with the rights of a party under a contract or a charter.

MR. SPEAKER: I would like to say at this point, without attempting to be categorical, that the second reading of a Bill such as this—this Bill is founded upon alleged facts and therefore it is quite proper, as has been done so far, to discuss the underlying principle of such a Bill. When the Bill reaches, if it ever does, committee stage, then the facts in themselves are thoroughly enquired into and any objections are considered by the Standing Committee. I merely mention that for the guidance of any other member who cares to speak on this second reading.

MR. FOGWILL: Mr. Speaker, in private Bills, I understand, and we have a private Bill here now, but I am not going to discuss the Bill; the senior member for St. John's East did say something about it, but I would like to draw the Speaker's attention to Rules 204 and 305, which may have some effect on the passing of private Bills of this nature, and you may have to waive these too; but in private Bills such as we have here now, or any private Bill—I do not want to have it laid down now as a precedent, as the senior member for St. John's East has explained. The Premier just a few minutes ago mentioned a precedent which was established before. Now because there was some precedent established in this House in the waiving of Rules in the passing of any Bill, I do not wish it at all, and I do not think any member would wish, to have it a regular feature in the passing of any legislation whatsoever, and I think we should adhere to the Rules as closely as possible and see that they are carried out. I bring the attention of the House to Rules 204 and 305, which I do not think were carried out in this case.

MR. SPEAKER: There are several precedents for the action we have taken today, but I thought it wise to bring it to the attention of the House to get some clarification on that point. Is the House ready for the question?

MR. SMALLWOOD: Mr. Speaker, before you put the motion and while we are still on second reading only of this Bill, there are one or two points I would like to make that may be of some interest to the public of St. John's in general

and the City Council in particular. Whether for good or ill, the people of St. John's in the past eight or ten years have grown accustomed to going back and forth to work, and elsewhere, by bus. Then again, quite a number of people in St. John's have in recent years removed from the more central part of the City to the more external parts, so that today a great many people of St. John's have two and three and four miles, and even more, to go to reach their place of business, and place of worship, and place of entertainment, and other places they go to. So that transportation has become a quite important matter for a large number of people. I often wonder what would happen actually if all transportation, public transportation, came to an end. Would people not begin walking again? The man who has a car grows very accustomed to the car and very fond of it, but I know from my own experience that when he ceases to have a car in a matter of a week or so he gets accustomed to walking again, and forgets almost that he ever had a car. It might be the same with the buses; I do not know. But the fact is that people have grown accustomed, and this bus system has closed down. Now I do not know just what are the practical probabilities that the City Council or anyone else will be successful in persuading some other transportation company to come and operate a regular transportation system. I have heard that attempts have been made and are being made to induce some sizable and dependable company to undertake that service; whether that happens or not I do not know, but I

have noticed, as all of us have done, in recent days and weeks in St. John's that a very large number of buses of varying sizes and types are now plying their trade on the streets of St. John's in an attempt, apparently, a voluntary attempt, to fill the place of the Golden Arrow buses. There must be dozens of buses of one kind and another plying the streets of St. John's in every direction. The thought has occurred to me that, given one or two conditions, that might, in the failure of a large modern, dependable bus company with adequate financial resources to come here, these existing buses, given one or two conditions, might indeed fill the transportation needs of the people of St. John's, and the principal one of these conditions I would say is the creation and operation of a public utilities commission, which, as the Speech from the Throne indicated, the Government intends to lay before this House for its concurrence or otherwise. The difficulty, of course, with the present system, if it can be called a system, is that it is entirely voluntary, and that the owners or drivers of the buses now plying the streets are left to their own free will as to where they will ply, and the result is that you see a bus going westwards on LeMarchant Road, followed a moment later by another bus going in the same direction, and a moment later by still another. Similarly on other streets and roads of the City, there is not, and in the circumstances there cannot very well be, any system to it; it is left entirely to each driver to go where and when he desires to do it, and the City Government, the City Council, agreed

with that public utilities commission, the matter could perhaps be quite easily straightened out in this way: That any person desiring to operate a bus, a bus service within the Municipality of St. John's, could, and would be required, to apply to the public utilities commission, who, acting in behalf of the City, would grant a franchise or concession for certain streets, for certain routes, over which the bus or buses would do business. One of the conditions of giving that franchise would be that the bus owner would have laid down for him by the public utilities commission, routes over which he would have to go, the schedule or number of trips he would be required to make and the fares which he would be permitted to charge. With a considerable number of bus owners applying to the public utilities commission for franchises the commission itself would be in an ideal position to correlate the activities of these various independent buses, and would be in a position to prevent what is very likely happening now, that during the rush hour there are more buses than are needed and at other parts of the day no buses at all, because, quite clearly, if it is left to each individual bus owner or driver, he is going to cover only the routes and at such times only as will represent in the passenger traffic the cream of the trade, and in the balance of the day and in the remainder of the City, each driver is going very scrupulously to avoid taking any interest whatever. So that, with the removal, the final removal, of the existing franchise held by Golden Arrow buses or coaches, and the setting

up, as we may perhaps with some confidence anticipate, the setting up of a public utilities commission in the not too distant future, and the making of an arrangement between the City Council and the public utilities commission, I would see no great difficulty in the way of working out a fairly satisfactory bus system, without subsidy, without financial assistance, private enterprise, free enterprise, operating under public regulations, even perhaps to the extent of a system of transfer tickets, so that one bus system would mesh into the other. Indeed, I would imagine that all of the great, or most of the great bus transportation systems in North America today began in much the same way. Few, if any, of these bus systems were born full-grown, but began rather as very small enterprises, and I can well imagine a man beginning with a franchise, operating one bus, perhaps only a jitney bus, or station wagon; adding to it with another and another, and I can well imagine a number of individuals operating under franchise, under public regulation, each of them growing, until finally two or three or four of them either amalgamate outright or federate or come to some private financial arrangement whereby the thing grows, and in the end St. John's would have by natural growth an efficient and sizable bus system, but, as the honourable and learned Leader of the Opposition has said, the obstacle presently is the possible existence of a franchise. This House cannot well assume, I take it, that the franchise exists; it is alleged that it does; and it is alleged that it does not. Our adoption of the

present Bill will finalize the matter, will settle it completely that there will be no franchise. That obstacle will not exist, and you will not have any possibility of a cog in the manger afterwards. For these reasons I favour the Bill personally; it is not a Government measure; any member of this House, on this side of the House, is free to vote as he will; there is no party whip, no party discipline in the matter; it is not a party matter; it is not a government measure. Every individual is free to speak his own mind as an individual and not as a party man, and I speak today only as a private member of the House, committing no one beyond myself to anything that I have said. I do personally favour the Bill as paving the way to what a great many people in St. John's so strongly desire, a better bus system even than we have had in the past.

Bill read a second time, to go into committee of a whole on tomorrow.

MR. SPEAKER: The next regular step is clearly laid down in Standing Order 303, but before proceeding to that I think it is only fair to ask the honourable House if it is aware of Standing Order 314, which states that if the matter is of urgent importance Standing Order 303 might be suspended.

Standing Orders 303, 304 and 305 were suspended for the purposes of this Bill.

MR. VARDY: Mr. Speaker, in view of the urgency of this Bill, I wonder if it would be imposing too much on the indulgence of the House, to ask that it be facilitated through all stages today, if that

were possible, and it is only fair to them that the final decision be conveyed to the Municipal Council tomorrow so that they may proceed with their negotiations.

Standing Order 261 was suspended and the House resolved itself into committee of a whole.

Mr. Speaker left the Chair.

Section 1 read and passed.

Section 2 read and passed.

Preamble read and passed.

Title read and passed

Committee rose and reported having passed the Bill without amendment.

On motion Standing Order 261 was suspended to permit the third reading of the Bill now.

Bill was read a third time and passed.

MR. SMALLWOOD: Mr. Speaker, in moving that the House at its rising do adjourn until tomorrow, Thursday, at three of the clock, I would like to give the House some idea of how the legislative programme of the Government stands at this moment.

To begin with, there are two points. We have in the Department of Justice several important, quite important, pieces of legislation which are in course of preparation. We have also in some of the Departments other pieces of legislation which are at that stage; that is, in the first stage of consideration. Most laws originate in some department or other; they then go to the Department of Justice for consideration and polishing; then come back to the Cabinet for consideration there, and after approval of the Cabinet go back to Justice to have incorporated in them any changes made by the Cabinet, and then

the next step is that they are sent to the printer for printing, and once we know they are in the hands of the printer we feel safe in giving notice here that we will on tomorrow ask leave to introduce this or that Bill, in the hope that when second reading comes on the following day the Bill will have been printed and distributed, so that it can be given its second reading. Well, as I say, a number of Bills are at the first stage, that is, they are in the originating department; others are at the stage where the Department of Justice is giving them their polishing, and still others are at the stage where they are in the hands of the printer.

Speaking from memory, we have, though I think they are on the Order Paper, two or three of them, the Boilers Act, and another one from the Department of Labour, and another important one from the Department of Justice, the Highway Traffic Act; these are on the Order Paper, but in addition to these we have quite a lengthy Alcoholic Liquors Act, quite a lengthy one of, I think there must be fifty or sixty sections to it, the idea being to have this new one replace the existing one. Then there is the Act which would authorize the Government to enter into a Tax Rental Agreement with the Government of Canada under which we would, in return for certain cash payments annually to us from the Government of Canada, rent to them for a period of years the exclusive right to impose income, corporation, profits and succession taxes. Then again we have a Public Utilities Commission Act to set

up the Public Utilities Commission. It is perfectly true, Mr. Speaker, that there is already on the statute books a Public Utilities Act; we did think for a while of bringing in here an amendment which we would propose to the House to be made in that existing Act, but on second thought and after examining the needs along that line, and examining the Public Utilities Acts of various provinces of Canada, we concluded that it would be far sounder to repeal the existing Act while at the same time we brought in this entirely new and much more comprehensive Act. There are two—the Public Utilities Commission Act, the Alcoholic Liquors Act; the Tax Rental Agreement Act, that is three, but for the life of me, at this moment I do not recall the titles of the character of several others—. There is one that has been on the Order Paper here for quite a considerable period of time, and that is the District Courts Act. That has been deferred from day to day until, as my honourable and learned friend, the Attorney General, remarked to me here sitting beside me yesterday, he was beginning to get ashamed to be asking every day for its further deferment.

Well, the position there is, that an official of the Department of Justice of Canada came here for consultation with our Attorney General and his staff, and since then, so I understand, the Law Society, or the Benchers of the Supreme Court, are considering the matter with a view to offering their professional advice to the Attorney General, and the Attorney General, I believe, is hopeful that in a matter of days that Act

will be ready. Then, in addition to that, we have several Acts which were drafted for the Minister of Labour Advisory Commission which we set up, and which sat for something like two months. A new Trade Union Act, a Labour Relations Act, a Minimum Wage Act, and a brand-new Workmen's Compensation Act replacing the one which was enacted only quite recently I believe by the Commission of Government.

These latter four, I am sure, will at least interest, if they do not win the complete approval of, several honourable members on the Opposition side who have had, and still have, specialized interest in Trade Unions. And, while I would not attempt to lay down the nature of them, I might indicate at this moment that there are to be some pieces of legislation designed to strengthen the financial position of the Treasury and of the Government, and about that I would not at this moment care to say any more; indeed it would be my honourable and gallant friend, the Minister of Finance, who will have the pleasure of introducing legislation of that kind into the House. Now to be quite candid with you, Your Honour, we on this side are slightly embarrassed by the fact that for days past we have been coming here without enough legislation to occupy our time as a legislature for the whole of the afternoon. We are sure that the House will not judge us too harshly for that, because actually we had to call the House together under the Terms of Union within, I think it is four months of the date of Union. Well, between the date of Union and the calling together of the House there happened to be two small

matters which had to be disposed of, as a result of which all of us are here today, the first being, of course, the Provincial General Election and as a result of the second some seven Newfoundlanders are sitting today in the House of Commons at Ottawa.

These were interesting matters which intervened and left the Government as such with less time in which to prepare legislation. Nevertheless, the House had to be opened here, and we came here, and as you know, Your Honour, we did have by a considerable effort, I may say, considerable burning of midnight oil, a fair slate or programme of legislative action with which the House dealt with rather unexpected efficiency, so that suddenly, where we had expected that we would have a brand-new batch of Acts ready before that batch was disposed of, instead of that suddenly we discover that all of our first batch was disposed of before we had the second batch ready. So we took adjournment, as the House will remember, for I think, two or three weeks, during which we hoped, when the House reassembled we would have a nice large batch of new legislation ready. Unfortunately, a good bit of that is still not ready.

The Tax Rental Agreement Act, which we will lay before the House, had involved very considerable correspondence with the Minister of Finance in Ottawa, and involved also the visit here of a high ranking official of the Department of Finance, of Ottawa, and considerable consultation between him and our Finance Department and Department of the Attorney General. Following that

there was still more correspondence, and indeed that correspondence is still proceeding, so that it may be a week, or even two weeks yet, before we can have that Act ready. Now, the practical thing to do is for the House to adjourn again, so that instead of our being tied down to spending an hour or an hour and a half or two hours a day here, and thereby making it virtually impossible for any of us, because it is not a matter affecting only the members of the Cabinet; it affects also private members on both sides of the House; they all have their private affairs to which to attend, as well as their duties as members of this House, and I suggest that instead of tying ourselves down, spoiling our days so to speak, not doing justice to our official duties as members of the House, and at the same time spoiling days for our other work, whether it be public or private, the practical thing, in view of the fact that quite a considerable volume of legislation is in process of being made ready but is not yet ready, the practical thing would be, I suggest, for the House to adjourn. Now in addition to that, it has been intimated privately to me that some prominent members of the House, on both sides, are anxious to leave the province for varying periods of time to attend to, to them, rather important matters in other parts of Canada, and while they, I am sure, would not suggest for a moment the adjournment of the House to suit their private or personal convenience, nevertheless, it so happens that the time they want to make these special visits to other parts of Canada is a time when the Government finds itself

just, as I say, a little embarrassed, because it is not able to bring before them matters that will occupy their full time every afternoon and possibly every night. These two things fit together, and I would suggest perhaps that we meet tomorrow—we have on the Order Paper several of the District Courts Act, with which the honourable and learned Attorney General will not, I believe, be able to proceed for some days in any case, certainly not tomorrow, but with that one exception we might meet tomorrow and everyone being agreeable put the remaining Orders on the Order Paper through; I would hope that the answers to any outstanding questions might be ready also for tomorrow, and I would ask any honourable Minister who have unanswered questions before them to pay special attention to them between now and tomorrow afternoon, with a view to tabling the replies tomorrow. That would then clean up all outstanding business before the House, and at its rising tomorrow the House might adjourn for a matter of until about the fifteenth or sixteenth. I think the fifteenth would suit the convenience of all members of the House, and I would tomorrow at the rising of the House make that motion, if it is agreeable to all concerned. I move now that the House at its rising do adjourn until tomorrow Thursday, at three of the clock.

House adjourned accordingly.

Thursday, November 3, 1949

The House opened at three of the clock.

HON. W. J. KEOUGH (Minister of Fisheries and Co-operatives): Mr. Speaker, I have here answer to Question number 83 addressed to me by the honourable the member for Placentia-St. Mary's:

Question: Does the Government propose to reinstate the payment of Bounty on repaired fishing boats?

Answer: During August of this year legislation was enacted by this House of Assembly in Legislative Session convened to provide authority for the payment of the then existent Shipbuilding Bounty rates until June 30th, 1950. At that time I did state that in the meantime the whole of the existing Shipbuilding Bounty legislation would be reviewed with the intent in mind of proposing modifications to this House that might be deemed to be desirable. Such review is now in hand and the basis of the review has been broadened out to make investigation into the desirability of re-instituting the bounty for the repair of vessels that was sometime previously in effect.

I may say that no considerable representation has been made to my Department to have the Repair Bounty restored. In all, not more than half a dozen enquiries have been made. It may well be that many more than that number are interested. If so, my Department would welcome hearing from them.

I may add that this argument has been advanced to my Department as an argument against any re-institution of the Repair Bounty—namely that taken as a whole (and given some exceptions) our fishing fleet is an outmoded instrument. It is argued that re-institution of the Repair Bounty

would have the effect of continuing in operation in our fisheries for somewhat longer than need necessarily be so, instruments of production that are no longer adequate. It is further argued that the monies that might come to be applied to a Bounty in respect of the repair of vessels might much more advantageously be applied to the advance of assistance for the construction of vessels of such design as would seem to be the more suited to fishing on such scale as to enable our fishermen to compete in a highly competitive world market.

I may state definitely that in the Amended Estimates that will be brought before this House shortly provision will be made only for such payments in respect of Shipbuilding Bounty as are presently in effect. In such Amended Estimates, no provision will be made in respect of Repair Bounty.

In two instances only have representations been made to my Department to this effect—that in the event Government decides to re-institute the Bounty for rebuilt vessels it should be made retroactive to cover any rebuilding that might be undertaken during this Fall and next Spring. In that regard I have to state that the making of any such Bounty retroactive would involve difficulties that would seem at this moment to make it unlikely. However, that is a question that will have to be considered on its merits and the matter will come up for consideration only in the event that the re-institution of the Repair Bounty is decided on by Government.

I may state that as at this moment Government has a completely open mind on the whole matter of

the re-institution of the Bounty on Rebuilt Vessels. I may go further and add that my Department in particular would welcome an expression of opinion in this matter from the public, the Press, and in particular the fishermen who may be immediately interested.

MR. SPEAKER: Are there any answers to questions prior to number 85? Question number 85 standing in the name of the honourable member for Ferryland addressed to the Honourable the Minister of Public Works.

HON. J. R. SMALLWOOD (Prime Minister): I might say, Mr. Speaker, that the honourable Minister of Public Works has been absent from the city for, I think, about a week past, and will be for another few days, on a tour of inspection of new highroads in course of construction, and for that reason the answer is not forthcoming to this particular question.

MR. SPEAKER: Question number 86 standing in the name of the honourable member for Ferryland addressed to the honourable the Minister of Supply.

HON. P. S. FORSEY (Minister of Supply): Mr. Speaker, I have here the answer to Question number 86 on the Order Paper of November 3rd, asked by the honourable the member for Ferryland.

Question 1. How many office desks, chairs, tables, costumers were purchased by the Government since April 1st, 1949 to date? Give the number of items supplied to each department. If tenders were called for—to table a copy of each tender. If no tenders were called for, why not? What quantity of goods were supplied on each order?

Answer 1. I have here the furniture Doomsday Book containing the actual details of all furniture purchased since April 1st, 1949. Any member of the House can peruse this book at leisure if he cares to call at the Department of Supply. The details are too voluminous for me to read in toto, but, for the information of the House, I will read the actual purchases made during the month of September in full detail.

Tenders were called for in all instances, except where the requisitions were urgent. I would point out that this Government has in the last few months set up many new departments. Let us consider just two—the Department of Old Age Pensions and the Relief Works Administration. During the past few months applications have poured into the Department of Old Age Pensions. New staff has been hired on to cope with the situation. Requisitions for office equipment have likewise poured into the Department of Supply. This is what we might have done—we might have sent out tenders for every item; we might have made Old Age Pensions Department wait a fortnight for necessary equipment; we might have let the old age pension applications pile up on a table and gather dust; we might have let that wizened old lady of eighty sit in her rocking-chair with storical endurance wondering when in heaven's name she was going to get that old age pension—she needed so urgently, so badly. That is what we might have done had we been lined up on the side of a few furniture dealers; that is what we would have done had our chief consideration been the feelings of some catalogue-thumber en-

scounced in some office waiting with lip-smacking anticipation the delivery of a Government tender. But, this is actually what we did do. We adopted the policy of giving the Old Age Pensions Department its equipment with immediate despatch. What we said in effect was tenders are made in the interest of the people, but the welfare of the people is never subordinated to a scrap of paper or any particular office routine. We said we will slash the red tape if it means that one old age pensioner will get his pension one hour sooner than if tenders had been called. We said we will slash the red tape if it means that the Public Works Administration will be enabled to organize and get into operation one half hour earlier than if we had called for tenders. We said, in effect, let the furniture dealers belly-ache and anyone so choosing may weep with them that weep. That was the philosophy we applied to expedite the getting out of old age pensions; that was the philosophy we applied in the setting up of the Relief Works Administration. I make no apology for that departure. It was done in accordance with my conscience and my Liberal philosophy, and when I have to embody in my Liberal philosophy the prosaic cold-blooded and sadistic routine of sending out tenders, no matter how commercially ethical it has been white-washed and when that policy of red tape is put above the welfare of any section of our people, that is exactly when I shall know I have lost my own self-respect.

Question 2. Table the number of unfilled orders for desks, chairs, tables, costumers on which no tenders have been called for. Have

prices been requested by telephone instead of by usual tender form and if so why has not the usual tender form been sent out to the various dealers in these commodities? Have instructions been issued not to send out tender forms on any commodities and if so why? And who has the authority in the supply division to purchase goods without calling for proper tenders?

Answer 2—There are no unfilled orders for desks, chairs, etc., on which no tenders have been called for. The latest requisitions for office equipment were tendered for because they were not considered a matter of urgency and the tenders, even now, are awaiting award. However, in times of urgency prices have been requested by telephone in the exceptional circumstances as explained in Question 1. Instructions have been issued not to send out tenders under such urgent circumstances as also explained in Question 1. When articles have been requisitioned urgently I have instructed that the lowest prices be ascertained by telephone. Most of the dealers have only been too glad to co-operate; most of them have acquiesced in the simple fact that the Government, which is the people collectively, may solicit competitive prices by telephone as well as the individual. There have been exceptions. The irrational grounds for such dis-service to the people in this late trying transitional period I leave for those to determine who are more capable of diagnosing profit-seeking aberrations. Who has the authority in the Supply Division to purchase goods without calling for tenders? To answer this question with another question — who has the authority in the Supply

Division to slash red tape in the interest of and on behalf of the people? I will assume that authority, because I have already assumed the corresponding responsibility of placing the welfare of the people first and I must of necessity have delegated to me the authority to live up to my first and greatest obligation.

Question 3—How many typewriters and adding machines were purchased by the Government since April 1st, 1949? Give the names of the firms receiving the orders, as well as the number of machines supplied by each firm. Were tenders called for and if not why not? If tenders were called for, give a copy of each tender and if the lower tender was not accepted why not?

Answer 3—Twenty-eight typewriters have been purchased by the Government since April 1st, 1949. The names of the firms receiving the orders are as follows:

Butler Brothers—19 machines.
 Ship's Stores—4 machines.
 D. H. Gosse, Ltd.—2 machines.
 Dicks & Co., Ltd.—2 machines.
 W. J. MacDonald—1 machine.

From April to July, I am informed that very few tenders were issued for typewriters, because there were no supplies available and in addition the Department knew that Butler Brothers' price of \$145.43, for a standard 11" machine, was the best price that could be obtained. Since July tenders have been sent out for all typewriters and have been awarded to the lowest tenderer. The only exception since July is four machines urgently required at two hours notice for the Relief Works Administration.

Since April, the Department of Supply has bought only one adding

machine. This was purchased by tender at the lowest price from Walter E White and the total cost of this machine was \$48.00, Mr. White having accepted a trade-in.

Question 4—Have orders been placed for the supply of all drugs to the various public institutions? Were tenders called in connection with this business. If so table copy of the tender, together with the name of the firm or firms who were given this business. Have orders for drugs been placed with any firm or firms not legitimately in the drug business and who have no licence to deal in drugs? If so, why? Give the name of such firm or firms.

Answer 4—Orders have not been placed for the supply of all drugs to the various public institutions. Requisitions for drugs are submitted intermittently by the Department of Health. These drugs are always tendered for and over 80% of all such tenders are awarded to Mainland firms. I am not aware of any order being placed with any firm not legitimately in the drug business. As a matter of fact, the only drugs requisitioned by the Department of Health in the past two or three months have been penicillin and streptomycin at various intervals. The lowest tender has been accepted in every instance except one. In this particular instance the lowest tender on streptomycin manufactured by Merck & Co. was disallowed and the order revoked when the expiry date on the drug was found to be unsatisfactory to the officials of the Department of Health.

Question 5—Who are the personnel of the Provincial Sales and Contractors Company? This firm has been receiving orders from the

Government and it is understood is not incorporated.

Answer 5—The personnel of the Provincial Sales Company is a matter of complete indifference to the Department of Supply. The two or three tender forms received from this company have been signed by Geo. Gillies, Esquire.

The concluding sentence in this question is merely a statement of purported fact and presumably solicits no answer. I would point out, however, that whether this particular business organization is a partnership, a corporation, or a cooperative enterprise is absolutely none of our concern. We will judge the submitted prices. We will leave the judging of the business principles to the enforcement agency of each corporation laws as do apply in this Province. Hence, as far as the Department of Supply is concerned to say the firm is not incorporated has about as much relevancy as to say that the Managing Director has 'white-whiskers.'

MR. SPEAKER: The Orders of the Day. Second reading of Bill "An Act Respecting District Courts."

HON. LESLIE R. CURTIS (Attorney General): I would ask, Mr. Speaker, that this order be deferred.

Deferred accordingly.

Second reading of Bill "An Act to Make Provision for the Making of Returns of Income to the Assessor of Taxes by Certain Taxpayers."

HON. H. W. QUINTON (Minister of Finance): Mr. Speaker, in moving the second reading of this Bill, I would like to offer a word or two of explanation on the principle involved in the measure. Section 26

(2) of the Income Tax Consolidation Act, No. 53 of 1944, provides that a member of a partnership or the proprietor of a business whose fiscal period or periods is other than the calendar year shall make a return of his income from the business and have the tax payable computed upon the income received therefrom for the fiscal period or periods ending in the calendar year for which the return is being made. The Act No. 20 of 1949 entitled "The Income Tax (Relief from Taxation) Act makes provision for the filing of returns for this class of taxpayer, but no specific date is mentioned for the submission of those returns, and as a result Section 26(1) of the Income Tax Act applies. Now this means that a business whose fiscal year ends at any time between January 1, 1949, and December 31, 1949, such a business would not ordinarily file returns in respect of that fiscal year until the 30th of April, 1950. Now we are anxious, as is the Assessor of Taxes, now a Federal officer, to finalize provincial work as quickly as possible, and it is considered that taxpayers in the group that I have just mentioned should be required to file their returns within four months of the date of the end of their fiscal year, and any tax due in connection therewith shall become payable within one month after the date from which notice of assessment is mailed. This Bill is designed accordingly. I move that this Bill be now read a second time.

MR. CASHIN: Mr. Speaker, in view of the fact that we no longer handle the administration of the income tax—we do not collect them any more; it is done by the Federal Government. The idea of this

Bill is that there are certain amounts of money owed the Government that have not been paid and people evidently have not paid—for instance, this year we do not have to file any income tax reports to the Provincial Government; we have to file it with the Federal. Is not that right? What you are trying to get at is to collect what money is outstanding to the Provincial Government covering 1948 and the years previous. For instance, by the end of April, 1950, an individual does not have to file any income tax return to the Provincial Government.

MR. QUINTON: No, it refers to pre-Confederation business.

MR. CASHIN: Pre-Confederation business, because from January 1, 1949, to December 31, 1949, that was pre-Confederation business, because we are exempt from a certain portion, but on April 30, 1949, people filed returns for their business for 1948. Now from January 1, 1949, to April 30, 1949, the Provincial Government is going to collect income tax on that? That is what I am trying to get at.

MR. QUINTON: No.

MR. CASHIN: Well, what is the idea of this Bill? We have nothing more to do with corporation or income taxes. We are all over with that; that is, if we adopt the Tax Agreement when it comes down. Honestly, I do not understand this.

MR. QUINTON: It refers to past business, you know.

MR. CASHIN: Well, if people pass in their returns for past business and they owe the Government money, is it necessary to

pass this Act now in order to collect it?

MR. QUINTON: They are not obliged to put their statement in until April.

MR. CASHIN: I know; that would be to the Federal Government.

MR. QUINTON: No. There is a period for business arising out of Confederation in which returns must be made. We want to clear up the backwash.

MR. CASHIN: You see the Federal Government under the Terms of Union have agreed to tax us individuals, you people who have lots of money; it does not matter to me—only for income from July 1st, to December 31st. That was the Terms of Union, if I remember correctly. Now is it the idea of the Provincial Government that any business people or individuals who prior to Union, that is from January 1st 1949 to March 31, 1949, if they made some money, that the Provincial Government is going to tax them on that three months' profit?

MR. QUINTON: No.

MR. CASHIN: Well, what does it mean? I cannot understand it. I brought an income tax Bill in here one time, the foundation of the present one.

AN HONOURABLE MEMBER: What is the difference between a partnership and a company? Is the company clear? "A member of a partnership or a proprietor of a business." What about a business which is incorporated? Is there any reason why that is left out?

MR. QUINTON: I do not think so. This applies to a particular class of taxpayer.

MR. JOHN G. HIGGINS (Leader of the Opposition): You mean, a business partnership is apt to close its fiscal year on March 31st.

MR. QUINTON: Their fiscal year does not always correspond with the Government's fiscal year.

MR. HIGGINS: No. But what about a company? A company may be in the same position.

MR. CURTIS: I think, Mr. Speaker, that probably companies are provided for in the original Act. The effect of this section is to make the provisions that apply to companies in the ordinary course apply to partnerships, so that the position, as I take it, would be that if a partnership, ended its fiscal year, say, now, they have so many months in which to make their returns, but, of course, they pay taxes only up to December 31st last on that portion of the year.

MR. HIGGINS: Well, I should judge there must be some reason for companies being left out. That is what I am trying to find out. Has provision been made for companies in the regular Act, in the original Act, and not for partnerships.

MR. MILLER: Mr. Speaker, I am not quite clear on that either, whether this partnership also includes companies; but I would not agree to this, simply because it does not fall in line with Federal policy in collecting income tax, which we are under now. Under

that system it is made somewhat easy, painfully easy I suppose, to pay income tax over periods, and this Act becomes law people must make these payments. Provision for their having to notify within four months, why that is all a part of our past life and, as I see it, would not apply any more once this year is gone by, and in consequence of that I think it is more or less too fast to put the thing across, and I feel quite sure that the Canadian Treasury is able to stand, just as well as our own, to let the thing follow its normal course, what we have been used to for the last number of years past, and let the payments come in in the ordinary manner in which people who have always paid them will continue to do so. I really oppose this on that basis, that this coming now suddenly to the trade of the country is not exactly full consideration for the burdens that they carry.

MR. CASHIN: I know I am only allowed—

MR. SPEAKER: Have you a question?

MR. CASHIN: I am asking a question. Does this mean, this Act mean, that every year from now on we will have to make two income tax returns, that is, partnership or corporation, one to the Federal Government and another to the Provincial, because it says here, "Returns of Proprietors and Partnerships Act, §1949 notwithstanding anything to the contrary contained in the Income Tax Consolidation Act, 1944, as amended . . . shall make a return of income to the Assessor of Taxes within four months of the end of

such fiscal period." Well, does that mean every year?

MR. QUINTON: No, it certainly does not. It is only to clean up the odds and ends.

MR. CASHIN: That is what I am trying to get at. Is it just to clean up what is in arrears, or something like that; people who have not put in their income tax returns, get after those people, and—

MR. SMALLWOOD: Mr. Speaker, to a point of order. I wonder if the honourable and gallant member would be willing—it is second reading, one speech for a member and no more—I wonder if the honourable and gallant member, and all of the members, would be agreeable to this: Either defer the second reading or give it second reading now, with a view of going into Committee of the Whole and thrashing it out by paragraph. In the meantime, the honourable and learned Attorney General went out to order the Act, 1944, sent up here, so that in Committee of the Whole we can compare these amending clauses with the original Act and thrash out, in Committee of the Whole, where freedom of debate allows you to speak as often as you like, and answer and ask questions and the like; we might either defer second reading to later in the day, or give it second reading now and thrash it out in Committee of the Whole, although the danger there is that we would be talking about the principle of a Bill when we did not all of us clearly understand, which would be a rather illogical thing to do. I am quite sure most of the House lacks clear under-

standing of the principle of the Bill. Well, if we give it second reading we are adopting a principle which we do not quite understand, so that perhaps my honourable and gallant friend, the Minister of Finance might be prepared to move that second reading of this Bill be deferred until later in the day, and it could be resumed when the other orders were completed.

MR. SPEAKER: I was about to remark, since the questions were obviously created by a desire to discover exactly what the principle was, and that members could speak only once, yet I should point out that questions are allowed after members speak, provided he advances no new argument to support his contention. I was about to make that same suggestion, that the Bill might be more properly discussed in Committee of the Whole, since principle and details seem to be identical. Would the honourable Minister care to adopt the suggestion put forward by the honourable the Premier?

MR. QUINTON: I certainly would be glad to move that the second reading be deferred until later in the afternoon.

MR. HIGGINS: I would say, Mr. Speaker, that a man may talk of something of which he knows nothing and get away with it, if his audience is just as ignorant as he is. We have not had an explanation, and I would certainly like an explanation. The only thing I would say is that if the Assessor of Taxes did this, he had some good reason for doing it, and if that good reason is given us I do

not think we would have much trouble.

Second reading deferred

MR. SPEAKER: Second reading of Bill "An Act Further to Amend the Highway Traffic Act, 1941."

MR. CURTIS: Mr. Speaker, I would like to move the second reading of this Bill, which has been distributed and to which I would invite the attention of the honourable members, item by item. The present Highway Traffic Act is dated 1941, and the Section under review is Section 36. Section 36 (1) reads as follows:

Any person who, when driving or attempting to drive or when in charge of a motor vehicle on a highway, is under the influence of drink or a drug to such an extent as to be incapable of having control of the vehicle shall be liable—

(a) on summary conviction to a fine not exceeding two hundred and fifty dollars or to imprisonment for a term not exceeding four months and in the case of a second or subsequent conviction within two years to imprisonment for a term not less than seven days and not exceeding six months;

(b) on conviction on indictment to imprisonment for a term not exceeding six months or to a fine not exceeding five hundred dollars or to both such imprisonment and such fine.

In 1948 this Act was amended, and a compulsory fine on first offence was instituted of \$200; the minimum fine for conviction on first offence \$200. Since January 1st there have been seventy prosecutions in St. John's for drunken driving, seventy; thirty-nine convictions have been recorded, seventeen dismissals, and fourteen

cases are still pending. There have been twenty-eight outport cases tried, twenty-three convictions, three dismissals, and two pending. It seems clear, Mr. Speaker, then that the increase of the fine to \$200 has not reduced the number of drunken-driving cases, as the government of the day hoped. We therefore propose to make an effort, still further effort, to stop drunken-driving. We therefore propose by this amendment to provide imprisonment in case of all convictions for drunken-driving. Section 2 (1):

(a) Upon summary conviction, for a first offence to a term of imprisonment not exceeding thirty days and not less than seven days, for a second offence to a term of imprisonment not exceeding three months and not less than one month, and for each subsequent offence to a term of imprisonment not exceeding one year and not less than three months;

(b) Upon indictment, for a first offence to a term of imprisonment not exceeding three months and not less than thirty days, and for each subsequent offence to a term of imprisonment not exceeding one year and not less than three months.

MR. HIGGINS: When is the indictment? What offences would be on indictment and not summary procedure?
summary procedure?

MR. CURTIS: I take it that it is optional with the prosecution, Mr. Speaker, whether they proceed summarily or by indictment, and presumably they would only proceed by way of indictment in a very serious case. This is the

first amendment proposed, Mr. Speaker, in this Bill.

Section 2 makes a provision which makes the jail sentence obligatory. Under the provisions of Section 98 of the Summary Jurisdiction Act, a magistrate can, should he so desire, substitute for a jail term, a fine. The effect of this sub-section is to make this section 98 of the Summary Jurisdiction Act inapplicable to cases of drunken driving.

MR. HIGGINS: Then the magistrate must send him to jail if he is found guilty?

MR. CURTIS: The magistrate must send him to jail if he is found guilty. Section 3 amends the Act in an important matter. It provides that in any case where a person charged with an offence under this Act, for which, on conviction, his driving licence would be suspended, or in any case where a person is charged with manslaughter, arising out of his operation of a motor vehicle, his licence to drive shall, unless the court or magistrate before whom he is charged other wise orders, be suspended from the date on which he is charged to the date of the determination of the case against him. This Mr. Speaker, was brought most forcibly to our attention very recently, when a man who had a case pending against him for drunken-driving, was before court on a second charge of reckless driving. Under the provisions of this section the moment the man is arrested and charged his licence will be suspended. If it is a prosecution proceeding against him for manslaughter, his licence is suspended pending his trial. There is, however, a provision so that

in an extraordinary case the magistrate may stop the suspension. We felt it better, Mr. Speaker, to put it that way; the onus is not on the magistrate to take the licence, the onus is on the magistrate if he continues it. I think the House will agree that that is a wise precaution.

The third amendment which this Act proposes to institute is one enabling the department to follow the practice followed in other countries of giving tickets to drivers. There have been considerable complaints, well founded complaints, that summonses are served on those who have broken the Act, some weeks after the offence was committed, and in a local paper the other day, the matter was commented upon. Long before that, however, Mr. Speaker, we had under consideration the question of proceeding by tickets, as is done in other countries, and the effect of this section is to enable the minister to accept from motorists served tickets the minimum or maximum or intermediate fine, such as may be agreed upon, which will avoid the necessity of a prosecution in Court, the serving of the summons, and the delay. As I understand it, Mr. Speaker nobody objects to paying the \$1 fine, for parking out of place; nobody objects to small fines for other minor fractions of the Act, but what the public does resent, and I think properly so, is being served a summons, days or weeks after the offence was committed, when he has forgotten all about it, a summons which requires him to appear in court and perhaps wait a couple of hours for trial.

Under this section it is proposed to follow the practice prevail-

ing in other provinces, and adopt the ticket system, and the effect of this amendment is to enable the minister to designate an official to whom these tickets may be surrendered, and the payment made accepted in full settlement of the fine. I feel, Mr. Speaker, that this Bill will commend itself to the House, and I move its second reading.

Bill read a second time.

MR. CURTIS: I would move, Mr. Speaker, the House would resolve itself into Committee immediately to consider this Bill.

Standing Order 261 was waived and the House resolved into Committee of a Whole.

Section 1 read and passed.

Section 2 read and passed.

MR. FAHEY: Mr. Chairman, "Not exceeding thirty days and not less than seven," if I may ask the honourable the Attorney General, why such a spread—in other words, a magistrate may give one person seven days' imprisonment and tomorrow he may give another person thirty days. Why such a spread of time for the same offence in between, on the Act? Perhaps the honourable Attorney General will explain why? Between seven days and thirty? Leaving a latitude for the magistrate or the judge to govern themselves. Why couldn't it be the same in each offence rather than leaving a latitude of seven days to thirty?

MR. CURTIS: Mr. Chairman, I might say that I think the spread is very small. At the present time the spread is no term of imprisonment to four months. We have cut it down to seven days to thir-

ty, depending upon the aggravation. My honourable friend will certainly know, Mr. Chairman, that in one case there may be no harm done. A man may have just happened to sit in his car when drunk; well, in that case, it just would not be as serious as if he had driven the car and had an accident. Everything will depend, Mr. Chairman, upon the seriousness of the consequence of the Act; and in another case, of course, a constable may have warned him not to get in and drive, and he may have still done it; several things might aggravate an offence, for that reason it has always been the practice to leave some latitude to the magistrate, so that he can be fair in accordance with the circumstances. Of course, it would be inconceivable for him to make two penalties in identical cases. That would be out of the question.

Section 2 passed with few verbal amendments.

Section 3 read and passed with few verbal amendments.

Section 4 read.

MR. HIGGINS: How does that apply to Section 2 (1) (a), that the minister may accept from the person payment of a sum not less than the minimum or more than the maximum penalty, for any violation of this Act. Under Section 2 (1) (a) there is a violation of this Act and there is no minimum or maximum penalty, money penalty.

MR. CURTIS: Yes, I think, Mr. Chairman, that point is well taken, and we should consider that.

MR. HIGGINS: ". . . for violation of the provision of this Act where

a fine may be imposed."

MR. CURTIS: I think, Mr. Chairman, that perhaps—I do not think we ought to rush a thing like this, and perhaps the committee could rise and report progress—we have another long Bill, and we could do it deliberately; so I think, Mr. Chairman, the committee might rise and report progress and ask leave to sit again later this afternoon.

Mr. Speaker resumed the Chair.

Committee reported progress and asked leave to sit again later in the afternoon.

Second reading of a Bill "An Act to Amend the Department of Labour Act, 1933."

HON. C. H. BALLAM (Minister of Labour): Mr. Speaker, in moving the second reading of—

MR. SPEAKER: If the honourable minister will permit me—on my order paper it says "An Act to Amend the Department of Labour Act, 1933," on the Bill itself it is "1938"; which is correct?

MR. BALLAM: "33" is correct. In moving the second reading of this Bill, Mr. Speaker, I want to say that it is quite a formal thing. The provisions in the Bill are in line with the provisions in other Acts setting up new departments. It provides for the appointment of a deputy minister, and other employees, and for the transfer of the staff of the Labour Relations Department from the Public Works to the Department of Labour. That is the form of the Bill, Mr. Speaker, and without going into it further I would move its second reading.

MR. CASHIN: As I understand the Minister, Mr. Speaker, this Bill removes certain things from the Department of Public Works into the Department of Labour. Is that what he meant?

MR. BALLAM: The Department of Labour Relations formerly came under the Department of Public Works; this will transfer them, or they have been transferred, to the Department of Labour. Bill passed second reading.

On motion Standing Order 261 was suspended, and the Bill was referred to committee of the whole.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Preamble read and passed.

Title read and passed.

Committee rose, and reported having passed the Bill with some amendments.

MR. BALLAM: Mr. Speaker, with the concurrence of the honourable members of the House I would ask that the Bill be read a third time.

Standing Order 261 was further suspended and the Bill was read a third time.

Second reading of Bill "An Act Respecting Boilers and Pressure Vessels and Steam, Refrigeration and Compressed Gas plants."

MR. BALLAM: Mr. Speaker, in moving the second reading of this Bill, I might say that upon Union with Canada, jurisdiction over inspection of boilers was divided between the provincial and the Federal Governments. As a province our inspection no longer applies to railway locomotives or to mar-

ine boilers, but the remaining boilers in factories, plants, mills, etc., and pressure vessels are a provincial responsibility, and because of that it is necessary for us to bring in an Act regarding their inspection. This I might say is more or less requested by the Federal Government, because just as soon as this Act is passed and the regulations under the Act passed by the House, it will repeal our present Boiler Inspection Act, under the Terms of Union, so that it is rather long and probably will become a little tiresome, but this new Act was arranged by Justice, with the Department of Public Works and with the Department of Labour, and it follows after a pattern of the other provincial Acts regarding the inspection of these plants. You will notice that previously the inspection of boilers came under the Department of Public Works. Well, in the other provinces this comes under the Department of Labour, tying somewhat with safety, which is also under the safety measures under the Department of Labour, and because of that this department will come within the Department of Labour rather than Public Works. Without going further, Mr. Speaker, I would move the second reading.

On motion Standing Order 261 was suspended and the Bill was referred to the Committee of the whole.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Section 6 read and passed.

MR. CASHIN: Mr. Chairman, this is a rather lengthy document, and

in order to facilitate passage — I think it is more or less drafted in line with other provincial legislation—

MR. BALLAM: That is so.

MR. CASHIN: And if I am in order, Mr. Chairman, I would suggest that we take this Bill as read.

MR. BALLAM: Well, so far as I am concerned, if it is in order—

MR. CURTIS: Mr. Chairman, I think that perhaps we might read the first couple of lines of each paragraph.

MR. CASHIN: Yes.

MR. CURTIS: A couple of words of each paragraph, and then move it section by section, and in case there is any particular paragraph which any member thinks should be amended, he could bring it forward.

MR. SMALLWOOD: We might read a number of sections and subsections and then pause long enough for members to glance at it to see if there is any point they want to make or any correction they want to suggest, because although it is lengthy it is a very important Bill. We sweated over it and we would like the whole House now to have a chance to sweat over it too.

MR. FAHEY: Mr. Chairman, we did not have a chance to peruse this Bill until now, and in order to speed up business the honourable Minister moved committee to-day. Now there are different paragraphs here that I would like to raise a question on. For instance, that one you just read, No. 6, says inspection will be made periodically. I think that should be made that an

inspection would be made each year. That has been the custom. That is leaving it too much on the elastic side, in my opinion; it should be allowed to run more than twelve months without an inspection. For that reason, since we have only got the Bill now, we should go through it clause by clause or else defer it until a later date, so that we will have a chance to read it in the interval and then we would have a chance all right to put it through as the honourable member for Ferryland referred to. This is the first time we have got a copy of the Bill so as to peruse it—right now.

MR. BALLAM: I think that point would probably come up under the regulations; that is, when the inspection should take place.

MR. MILLER: Mr. Chairman, I would like to ask the honourable minister if these regulations apply on the bases? Our ordinary laws apply, do they not? I presume when the Compensation law is through this province would have to see to their compensation, and now they would have jurisdiction to that extent, but not to the extent of removing say some means which would be instrumental in bringing about an accident.

MR. HIGGINS: I think they would have their own scheme, their own insurance Act. We have no control over American bases at all. We even have to get permission to serve a writ there.

MR. BALLAM: They have their own inspection, I think.

MR. MILLER: But is there not a working agreement. After all, if a man gets killed on the bases this province has got to support his

children, more or less, under these new laws which have come in, more particularly.

MR. BALLAM: We can certainly go into the thing, Mr. Miller, and let you know exactly where we fit, and if we find it necessary and if we can do it, we can make it a regulation under this Act.

MR. CHAIRMAN: I think we might ascertain whether it is the wish of the committee that we should read every word in this Bill or whether we should, as the honourable member for Ferryland suggested, and the Premier agreed with him, whether we should just the first few lines in each section. Would you make that a motion, Sir?

MR. CASHIN: Yes.

Motion carried

Section 6 read.

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Chairman, the matter that the senior member for Harbour Main-Bell Island raised with regard to "periodically" I think might be looked at for a moment. I believe the honourable minister piloting the Bill indicated that it would be covered in the regulations. I believe that the regulations do not cover the conditions of inspection.

MR. BALLAM: The regulations are not ready yet.

MR. POTTLE: I know they are not ready, but even in generality they do not include such.

MR. BALLAM: I think the inspection will have to be made once a year at the least.

MR. SMALLWOOD: We could put in Section 6 "to inspect periodically, but at least once a year."

Section 6 passed with above amendment.

Section 7.

MR. FAHEY: As I have already stated, Mr. Chairman, this is the first time we have seen the Bill, and we agree that it is a difficult job to read a lengthy Bill all the way through. I do not get time enough—I do not know about the rest of the members — when he stops, to read a clause. We did not have a chance to have this Bill to study it before. It seems to me, although I do not say it is the fault of the chairman or any of the members, but we only spent three-quarters of an hour here during the week, some afternoons. Now we have to rush through a Bill without even reading what we are passing. I do not think it is good business.

MR. CURTIS: Mr. Chairman, I think the honourable member is correct, and unless the House unanimously agrees I think the Bill should be read section by section. I presumed, when I made the remarks I did before it was thought that every member would agree, but if the House is not unanimous I think we ought to carry out the Rules of the House which requires the Bill to be read, so if any member wants it to be read he is entitled to have it read.

MR. SMALLWOOD: The honourable member might be satisfied if the procedure of the last few minutes were followed, but much more slowly than it is. Would that meet the case?

MR. FAHEY: Mr. Chairman, I think we should at least have a chance to go over each clause at least once before we vote on it. How can you vote on a clause in-

telligently if you have not had a chance to read it? I am not now referring to the clerk going too fast, but it has occurred to me that we have not had a chance to read the Bill before, and I did not have a chance to read a clause before we were on the next one, perhaps other members may have.

MR. CHAIRMAN: Since all honourable members do not agree to the procedure, the clerk will read every clause.

Section 7 read and passed.

Section 8 read and passed.

Section 9 read and passed.

Section 10 read and passed.

Section 11 read and passed.

Section 12 read and passed.

Section 13 read and passed.

Section 14 read and passed.

Section 15 read and passed.

MR. FAHEY: Mr. Chairman, under 15(a), it says the Minister may cancel the certificate issued. I should think that if an inspector passes a boiler and issues a certificate, there should not be any reason to cancel that certificate. On the other hand, why should an inspector issue a certificate, if the boiler is not proper, or whatever kind of equipment is not proper, to take care of the pressure mentioned. In other words, I understand that clause that an inspector may issue a certificate with certain instructions that work should be done, if that work is not done later he may cancel that certificate. Well I contend that the certificate should never be issued until that work is done, because if it is necessary to have the work done, the danger must be there and the certificate should never be issued.

MR. BALLAM: If you will notice in section 15, it says where in the opinion of an inspector the plant is unsafe, then (a) the Minister will cancel the certificate. That would be on the inspector's recommendation. I take it that the Minister signs all the certificates.

MR. FAHEY: It says the Minister may cancel the inspection certificate issued in respect of such boiler—

MR. BALLAM: He was thinking of unsafe boilers, you see.

MR. FAHEY: Yes, but why should a certificate be issued to run for a certain period if the equipment is not in the proper manner to be taken care of—

MR. BALLAM: If it becomes unsafe after the certificate has been issued, then during some of the period after it becomes unsafe, the boiler inspector informs the Minister, who cancels the certificate until the plant is made safe again.

MR. SMALLWOOD: Or if you follow the sections of some other columns, the certificate might have been improperly issued. That is discovered and it is cancelled, or the Minister may cancel it. He is given the authority here to cancel it.

Section 15 passed.

Section 16 read and passed.

Section 17 read and passed.

Section 18 read and passed

MR. SMALLWOOD: In 18 there, the word "inspector" clearly has a different meaning to the same word elsewhere in the Act. An inspector throughout the Act means an

inspector of the Department of Labour. Here is reference to what is clearly a different kind of inspector, a person employed by an insurance company.

MR. BALLAM: That is right.

MR. SMALLWOOD: Well, ought he not to be described by some word other than the word "inspector?" "No person operating in Newfoundland on behalf of any boiler insurance company." "No person" instead of "no inspector," would not that cover it? "No person operating in Newfoundland on behalf of any boiler insurance company shall reset pressure gauges or interfere with safety valves." "No person."

MR. BALLAM: Yes, instead of "inspector," substitute "person."

Section 18 passed.

Section 19 read and passed.

Section 20 read and passed.

Section 21 read and passed.

Section 22 read and passed.

Section 23 read and passed.

Section 24 read and passed.

MR. FAHEY: "No person shall install a high pressure boiler without first notifying the chief inspector and obtaining his permission in writing." I do not think that should be "no person should install" but "no person should operate." If a person wants to install a boiler, that is their own business, if they want to take that risk; it is for operating under pressure, he should obtain permission first. I do not see why we should make a law forbidding anybody to install a boiler; after they install it they may never create pressure on it, and that should be "no person should operate a pressure boiler."

MR. BALLAM: If the honourable member will bear with me, I think the wording is correct as it is, because it is necessary for an inspector to see the location or the site on which the installation will be laid. I think that is the reason for that part in there.

MR. FAHEY: I think the department is more concerned about the pressure rather than the installation.

MR. BALLAM: Yes, but I think the building inspector has to see where the plant is being installed, for safety measures I think that is the reason for that.

MR. FAHEY: Mr. Chairman, supposing some person wanted to install a boiler and perhaps never use it; this law would forbid him to do so, would it not? I would imagine what the law would be interested in would be that no person would operate a boiler under pressure, for the purpose of safety. This law would forbid a person to install a boiler even if he did not operate it under pressure.

MR. BALLAM: Well, I think this is necessary, if the honourable member would bear with me for a moment; if a person installs a boiler, I think he should notify the inspector—people around the country could install a hundred boilers and the inspector would never know anything at all about it.

MR. FAHEY: I agree it is necessary to have it in writing before he can operate it, from the inspector, but I do not see where it is necessary to get permission to install; naturally he will get

permission to operate under pressure. I would move that this be amended to "no person shall operate."

MR. SMALLWOOD: For all purposes clearly to put upon the person who proposes to install a boiler or some other apparatus under this Act, the onus for getting the certificate, and before he installs it at all, he gets permission to do so. This is to enable the Department to know what is being done—a perfectly, ordinary thing you find throughout the whole world. You might argue that he might install it and still may not be able to operate it; well, that might entail some hardship on someone; the thing to do in the very first is to get a permit to install it.

MR. FAHEY: As I see it, if a person wants to take a chance he could install it, but of course, we are interested in the laws, that he wouldn't be allowed to operate it, for safety measures, until their certificate would be issued. Now, if some person wanted to take it upon themselves to install a boiler and perhaps six months, or before they could operate it, change their mind and never operate it, I don't think that should interest the laws if they were, if I may use the word, foolish enough to do so. Our chief motive is the protection. Nobody should be allowed to operate pressure without having a certain certificate, but to install it, I think that is up to a person's self if he want to make doubly sure to get permission before, it still would be their own business. If he didn't want to and the inspector did not pass it later, he would be that much out himself.

But I think what we are chiefly interested in is that nobody would be allowed to operate under pressure without first having a certificate from the proper inspector.

MR. SMALLWOOD: It could be very probably a hardship imposed on a man if he is permitted to install without applying for a permit. He buys a second-hand engine, steam boiler, which has perhaps been condemned, and innocently buys it, installs it, and then applies for a permit to operate it, and he is refused a permit, which would be a hardship on him, and if the Act itself provides that he must have a permit to install, and the regulations made under the Act lay down the manner in which he makes application, and that manner provides for a description by him of the engine or of the boiler, that may reveal to the inspector, to the Department, that this is an old worn-out thing, about which they already know, and they can advise him, "look if you buy this thing and install it we would not let you operate it," and that hardship can be avoided. As there is no substantial difference between "install" and "operate", practically speaking, except in that one respect, that hardship may be avoided, it is far better to leave it as it is "install."

HON. JAMES J. SPRATT (Minister of Public Works): I would like to point out that protection against installation without permission is a direct form of procedure. I know many instances; I have had a lot to do with the installation of high-pressure boilers, over a period of years. Well, once they are installed, with regard to a boiler which has been in use be-

fore, the people in the immediate vicinity are at the mercy of anyone; it is only a matter of turning on the water and filling the boiler and lighting a fire, and perhaps have an explosion. The fact is that it should be examined before it is installed. That is what the law is there for.

MR. FAHEY: I still contend it is no concern of the Government who installs a boiler or who does not; it does concern the Government if you operate it under pressure, but it does not concern the Government in my opinion if a person or a company or otherwise wants to install a boiler without first having permission.

MR. SMALLWOOD: It concerns the Government, as shown by the fact that they so wish it; it ought to concern the whole House for the reason that it is designed to protect the public and to prevent hardship on the individual who buys a second-hand boiler.

MR. CURTIS: I think, Mr. Chairman, the position is that a boiler is a dangerous thing to have around, and it is a dangerous thing to have in a position to be operated; if, as my honourable friend says, any man can put up a boiler, the Government has more or less to keep a continuous watch on it to see that he does not use it. Well, it is like having a gun; you have to have a license to have a gun, although there is no danger inherent in it; the danger is in using. But you see a boiler is a thing which may be a menace to the community; therefore, the Act says you must have a license before, you can operate one; we want to know where it is, so as to keep an eye on it; otherwise, it would

be too late after an accident.

MR. BALLAM: I think it is quite in order myself. It is there for the protection of the person who is installing the plant, so that we can advise exactly where to put it for safety. If, after the plant is installed, then the inspector is called around, and the inspector says, "Well, you cannot operate here; it is not safe", then it is too late. That is why this is here, for the protection of a person putting in a plant, and the public.

MR. MILLER: Mr. Chairman, the Premier has raised a point; he says when a person buys a second-hand steam-boiler, that they should not be permitted. In my opinion, no one should be permitted to sell a boiler which is not up to standard, and of course this would add further protection to the person. It is an entirely new point; I do not know whether it could be brought in or not. A person might have a boiler and unloaded it on a purchaser, whereas if the Government inspector called for inspection before the date, it could be avoided.

MR. BALLAM: The next section, 25, looks after the transfer and selling of boilers. I think this Bill will explain itself all through if we go through it.

MR. FAHEY: Supposing in this building, the boiler was installed twenty-five years ago, for argument's sake, and an inspector goes down tomorrow and condemns that boiler, and it has got to be taken out; you are not allowed to use it any more. Well, if a person, innocently or otherwise, installs a boiler, and the inspector

comes along afterwards before he can operate it and condemns the boiler, it is his hard luck, so to speak. I feel myself that the proper wording there should be, so far as we are concerned, no person should be allowed to operate. In this building the caretaker or engineer is not allowed to operate the boiler because of safety, then it will not be operated.

Amendment lost. Clause adopted as read.

Section 25 read and passed.

Section 26 read and passed.

Section 27 read and passed.

Section 28 read and passed.

Section 29 read and passed.

Section 30 read and passed.

Section 31 read and passed.

Section 32 read and passed.

Section 33 read and passed.

Section 34 read and passed.

Section 35 read and passed.

Section 36 read and passed.

Section 37 read and passed.

Section 38 read and passed.

Section 39 read and passed.

Committee rose and reported having passed the Bill with a few verbal amendments. Ordered to be read a third time on tomorrow.

MR. QUINTON: Mr. Speaker, if it is in order I would like to go back to the second reading of a Bill which was moved earlier in the afternoon, a Bill 2 "An Act to Make Provision for the Making of Returns of Income to the Assessor of Taxes by Certain Tax-payers."

Bill passed second reading.

Standing Order 261 was suspended and the House resolved itself into a committee of the whole.

MR. QUINTON: Mr. Chairman, the House will remember that

when this Bill was first discussed this afternoon some points were not clear, and time was taken to discuss the matter with the Assessor of Taxes. The simplest way to continue the explanation of the Bill in principle now is that Mr. Allan, upon being questioned on the matter, says that it is all in order, but one or two points made may be explained at this time. In the first place, the period which this Bill will cover refers to the pre-Confederation year, the income year 1948; it has no meaning beyond that. In the second place, provision is made in the main Act, the consolidation of the Income Tax Act, for three classes of taxpayers, one the incorporated body, including companies and all persons doing business who are incorporated, who have, I believe, to make their returns one month after the close of the year's business, that is the 31st of January in the year subsequent to the year in which the tax is payable; private individuals, persons other than incorporated businesses, who have to make their returns previous to the 30th of April in the subsequent year, and a third class of persons for whom this Bill is presently before the House. Now provision as I have said, has been made for incorporated bodies and individuals to make their returns at specified dates. Partners or proprietors of businesses other than incorporated businesses do not have a specified date in the other legislation, so this is to provide for the collection of all taxes that are due and to get them cleared up, in reference to 1948, as soon as possible. I think that would be clear to the House, and it would enable the Assessor's Depart-

ment, as far as provincial collections are concerned, to clean up all the business and get it out of the way.

Section 1 read and passed.

Section 2 read and passed.

Preamble read and passed.

Title read and passed.

Committee rose and reported having passed the Bill with a few verbal amendments.

On motion Standing Order 26 was suspended and the Bill was read a third time and passed.

MR. CURTIS: Mr. Speaker, we were in committee, you will remember, on the Highway Traffic Act. I ask now that it be recommended.

Mr. Speaker left the Chair.

MR. CURTIS: Mr. Chairman, I got in touch, concerning a matter which was brought up by my honourable and learned friend, the Leader of the Opposition, with my Department, and I am advised by them that, in their opinion, no change is necessary, but in order that there may be no question I would suggest the following addition to Section 4.

"Sub-clause (3). This section does not apply to a breach of Section 36 of the said Act as amended by Section 2 thereof."

MR. HIGGINS: Mr. Chairman, as it stood, I think it was nugatory of Section 2, because even a judge had no discretion to give a fine, and still this section as it is gives the Minister the right to make a fine, which I do not think is right; if a judge has not got the right to do it after hearing all the evidence, then the Minister should not, so I think that clears it.

Section 4 passed.

Committee rose and reported having passed the Bill with some amendments.

Standing Order 261 was suspended and the Bill was read a third time and passed.

MR. QUINTON: Mr. Speaker, I move that the House at its rising do adjourn until tomorrow, Wednesday, the 16th.

MR. FOGWILL: Mr. Speaker, if it were adjourned until the following Monday, the 21st perhaps, it might give the Government more time to prepare the legislation they have been speaking about. That would give us time to finish before the Christmas season.

MR. SPEAKER: The motion is not debatable, nor can it be amended.

MR. SMALLWOOD: Mr. Speaker, the motion for adjournment until the 16th, Wednesday the 16th, is made in part because of the fact that there are two prominent members of the House who are not likely to find it convenient to be here before that date. It might be that they would be here on the 15th, but they might be delayed by plane, and we feel pretty confident that they would be here on the 16th, and it was for that reason that we proposed adjourning until then. Perhaps we would adjourn until Friday, the 18th. I make the motion that we adjourn until Friday the 18th. That would be for Notices of Motion; in fact, I think there is also one important Bill outstanding for third reading for that day. It would be a case

of giving Notices of Motion for the following Monday, a case of half an hour or so.

MR. SPEAKER: What we have now is, a motion that the House adjourn until November 16th, followed by an amendment until the 21st, followed by sub-amendment to November 18th, all of which is highly irregular. However the House must decide the date.

MR. CURTIS: Perhaps, Mr. Speaker, it would simplify matters if the House reopened on Thursday, the day in between. I say this advisedly because on Thursday, when we reassemble, the Government will have to give notice of certain Bills. On Friday, they will be read a first time, well then they could go on to the second reading, which should be the real business on the following Monday, and if any of the honourable members found that they could not be here Thursday or Friday, they can feel quite satisfied that no business will be done because the business on those two days would be largely formal; so—we are anxious to meet the wishes of every member of the House, and I think if we met on Thursday, the 17th, if any of the honourable members found that they could not conveniently be here on the Thursday and the Friday, they could feel quite sure that there would be no contentious business done; all that would be done is, on the first day we meet Notices of Bills, on the second day the Bills would be read a first time, so that the real business of the House would start on the following Monday; so if my honourable friends would consent, I suggest we make it Thursday, and if any of

the honourable members cannot come they will not be losing anything.

MR. SPEAKER: No amendment may be proposed to this question. I think the honourable Minister might withdraw his motion and offer another when the House has agreed upon a day to be set.

MR. QUINTON: Mr. Speaker. I do not wish to complicate this, and I should like to withdraw my motion.

MR. CURTIS: We will withdraw our motion—the Government—and if the honourable member for St. John's East agrees we can clear the decks and make it Thursday 17th.

MR. FOGWILL: If the original motion is withdrawn, by leave of the House the amendment is killed too?

MR. SPEAKER: Amendments are first disposed of. In this case there is no amendment to die. Has the honourable Minister leave to withdraw his motion?

Leave granted.

MR. QUINTON: I now move, Mr. Speaker, that this House do adjourn until tomorrow, Thursday 17th November.

The House adjourned accordingly.

Thursday, November 17th, 1949
The House opened at three of the clock.

MR. SPEAKER: I have the honour to inform the House that I have been in telephone conversation with the honourable the Speaker of the Ontario House, and he informs me that some little delay

has been experienced in getting the new throne ready for us, but he expects to arrive in St. John's shortly after today; he will advise us as to the exact date of his arrival.

Presenting Petitions:

Honourable the Minister of Natural Resources presented a Petition from the residents of Bonavista re land for erection of a war memorial.

The following gentlemen were appointed a Select Committee to consider said Petition:

Hon. the Attorney General.

Hon. the Minister of Natural Resources.

Hon. the Leader of the Opposition.

Notice of Motion and Questions:

Hon. the Premier to ask leave to introduce a Bill "An Act to Provide for the Regulation and Sale of Alcoholic Liquors."

Hon. the Premier to ask leave to introduce a Bill "An Act Respecting a Public Utilities Commission."

Hon. the Attorney General to move the House into a Committee of the Whole to consider Certain Resolutions relative to the Imposition of a Tax on the Income of Certain Corporations.

Hon. the Attorney General to ask leave to introduce a Bill "An Act to Authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada.

Hon. the Attorney General to ask leave to introduce a Bill "An Act to Authorize the Government of Newfoundland to enter into an Agreement with the Government of Canada with respect to the Collection of Corporation Income Tax."

Hon. the Minister of Finance to ask leave to introduce a Bill "An Act Further to Amend the Act 'Of the Auditing of Public Accounts'."

Hon. the Minister of Labour to ask leave to introduce a Bill "An Act Respecting Industrial Statistics."

Hon. the Minister of Labour to ask leave to introduce a Bill "An Act Respecting Trade Unions."

Hon. the Minister of Education to ask leave to introduce a Bill "An Act Relating to Public Examinations in Schools."

Hon. the Minister of Natural Resources to ask leave to introduce a Bill "An Act Entitled 'The Veterans' Land Act.'"

MR. JOHN G. HIGGINS (Leader of the Opposition): Mr. Speaker, I suggest that during the session the House be supplied with copies of Bills which are being brought forward. Now, you have the right to object even on the first reading of the introduction of a Bill so that the Bill might not even be introduced, and how are you going to object to a Bill being introduced if we have no idea what the Bill is. The mere name does not give us any idea what the character of the Bill is, and I would suggest that at least two days before the Bill is presented to the House that copies be handed along to the various members. Moreover, it is very difficult to take any objection to any part of a Bill, unless you know before-hand what the Bill is. I have seen here the second reading of a Bill take place on the very day that a Bill was introduced. I do not think that that is fair either to the public or to

the members of this House, and I suggest, to you, Mr. Speaker, to pass on to the Premier that proper notice of Bills to be introduced should be given to every member of the House so that he will be fully aware what the Bill is, so that it can be argued properly.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I have a great deal of sympathy for the point expressed by the honourable and learned member the Leader of the Opposition with regard to the honourable members on all sides of the House having due notice or information of the business coming forward, and that is why the Rules of the House provide that no Bill may be read a second time before its actual physical distribution to the members of the House. That Rule, however, does not apply in this or any other House with regard to first readings. I believe I am right when I say that it is the privilege as well as the duty of the Government, any Government in any House, to introduce Bills without permission—give notice without permission; after all, it is the duty of the King's Ministers to rule, to govern, and for that purpose the King's Ministers must introduce legislation which the House may or may not endorse, so there is not any question about the right of the Government to give notice of its intentions or of any Minister to give notice of his intention to introduce a given Bill. The only restriction made on that right, I believe, is that it may not be read a second time—it may be read a first time, but not a second—until it has been printed and distributed to all the members. Now the fact is that all we can do today by the Rules

of the House is give notice that we will on tomorrow ask leave to have certain Bills read a first time. Then on tomorrow all we can do is ask to have these Bills read a first time. On Monday, second reading stage is reached, and no Bill may be debated or given a second reading until it has been printed and circulated, and I think we can promise the honourable Leader of the Opposition that by Monday all these Bills and a number of others, of which we have not today given notice, but of which we will tomorrow give notice, all of these Bills will be printed and circulated to the House by Monday, so that long before most of them can hope to get second reading they will have been in possession of members of the House.

Now some of these are very long Bills, some of them are quite important, and on Monday if we were able to get second reading of, say, three or four of them, that is, an explanation by the Minister, comments by such members of the House as cared to comment; if we could do that with regard to two or three or four of these Bills, on Monday, we will be quite fortunate, in which case it is not likely that other Bills will get second reading before probably Wednesday or Thursday, next week, because these first ones will require such a considerable amount of time in debate on second reading on Monday, and the committee stage perhaps on Tuesday and Wednesday, and perhaps on Thursday; they are quite lengthy. The Alcoholic Liquors Act, as the honourable and learned Leader of the Opposition will appreciate, repealing, as it proposes to do, the existing Act, would therefore be a

very long Act of a hundred and seventy sections, I believe, so that by the time that gets its second reading and goes into Committee it will be nearly a week, so that I can assure my honourable friends opposite that they will have ample time, ample time indeed, to study all these Bills long before second reading comes on, with the possible exception of one or two of them which we hope will come up on Monday next; but the point taken by the honourable and learned Leader of the Opposition is a good one, with which we sympathize completely, and I do not think he will have very much grounds for complaining on that score for the remainder of the session, and so far as next session is concerned I think perhaps we will be in a position to have all our Bills printed so that they may be indeed circulated on first reading, although perhaps that is not necessary under the Rules of the House, though they must be ready and printed and distributed for second reading.

MR. HIGGINS: Mr. Speaker, I thank the Premier for his explanation. I am perfectly aware, and I am not denying the right of the Government to give notice of introduction of Bills, but I understand that in England particularly there is an explanation given when a Bill is being introduced. I think that is so.

MR. SMALLWOOD: On first reading?

MR. HIGGINS: I understand that. How are you going to object to Bills here? Supposing a Bill comes up—

MR. SMALLWOOD: Have you the right to object?

MR. HIGGINS: Well, take it this way. You take the Municipal Council Act. When the Municipal Council Act came in first, there was *nothing controversial*, but the second part of it interfered with private rights; we did not disagree because we did not know what the Bill was, but that Bill should never have been read. You had a safeguard there because in private Bills *certain preliminary matters* have to be carried out, but how are you going to know whether preliminary matters have been carried out; and first you have to know if it is a private Bill. In the case of the Municipal Council Bill *preliminary matters were not carried out*. How are you going to know whether there should be an objection to a Bill? There have been many Bills in the House of Commons in England that have been objected to at first reading and thrown out, because there were certain objections to them, technical objections.

MR. SMALLWOOD: I do not think so.

MR. HIGGINS: I think, Mr. Speaker, is not that right?

HON. LESLIE R. CURTIS (Attorney General): They were read a first time.

MR. HIGGINS: They were not allowed to be introduced.

MR. SMALLWOOD: Mr. Speaker, if the honourable and learned Leader of the Opposition will allow me, in no Parliament that I know of are bills ever thrown out at first reading, unless the Gov-

ernment which introduces them decides itself to withdraw them—the reason for that being that first reading, the third day it's second reading; at that stage, and that stage only, at its second reading, the purposes of the Bill are explained, the principle of the Bill is advocated, or objected to, as the case may be, and only at that stage, on the third day, the second reading, may the Bill be discussed at all. The same situation arises with regard to resolutions, when a Bill is introduced by resolution, although there may be indeed debate at the resolution stage, there rarely is, for the simple reason that a resolution says merely that it is expedient to introduce a Bill, whereas the Bill, when introduced, will explain itself. There is really no need of the debate on the resolution stage, for when the resolution has been adopted the Bill still has to come in a first time, and the second time and then Committee of the Whole, and finally third reading. But on the first reading I have never heard or read of any debate whatever, and the only time I have known or heard of a Bill not to come forward for the second reading, is the Government that introduced it withdrew it when it passed the first reading and before it came to the second. I am fairly sure of that.

MR. HIGGINS: I know that in public or private Bills I know that there have been times—have you got the book there—

MR. CURTIS: The matter is referred to, Mr. Speaker, in Rule 205 which says that "A Bill having been read a first time, shall be ordered to be read the second

time on a future day, and shall forthwith be printed."

MR. HIGGINS: Yes, I am not denying that at all. But I understood that when a Bill was introduced in England there was always an explanation given as to what the Bill was. Now, I may be wrong there, but I feel sure that is so.

MR. SMALLWOOD: And I can assure the honourable and learned Leader that in the House of Commons in Ottawa, having heard many Bills brought in a first time being read a first time—many Bills, I know I have not read Hansard for the last three years, I read them now, steadily, every word uttered in the House of Commons I read, because there is a daily edition of Hansard, and I get them and I read every word. I can assure the honourable and learned Leader that there was never a word spoken on first reading. Mere formality.

MR. SPEAKER: The custom of explaining—very briefly—a bill on first reading has fallen into disuse in England and I am informed that it is never done in the Canadian House. Certainly no debate takes place at this stage for every bill is introduced on leave and the question is, "Has the honourable member leave to introduce this Bill?" It is the right of every member to bring in a bill if he so wishes, but whether he obtains leave to introduce it or not is another matter. However, an attempt to initiate legislation touching the interests of the Crown requires the consent or recommendation of the Crown. It is much better to defer all explanation of a bill un-

til Second Reading when its principle may be thoroughly debated and the bill read or not as the House decides. The Committee stage discusses the bill in detail. It is not proper to anticipate any stage of the proceedings on a bill.

Are there any outstanding answers to questions?

MR. HIGGINS: I wonder when my question regarding pensioners might be answered—question number 77 I think it is.

HON. H. W. QUINTON (Minister of Finance): I thought that was answered before the last session closed, but apparently it is not. I shall have the answer to place before you tomorrow, Mr. Speaker.

MR. HIGGINS: Also question number 82, supplementary question to question number 77—the honourable minister said he will answer it tomorrow.

MR. SPEAKER: Orders of the Day. Third reading of a Bill "An Act Respecting Boilers and Pressure Vessels and Steam, Refrigeration and Compressed Gas Plants." Bill read a third time.

Second reading of Bill "An Act Respecting District Courts," was deferred.

MR. SMALLWOOD: Mr. Speaker, in moving the adjournment to three o'clock tomorrow, Friday, I think perhaps I might give the House some tentative indication of the order of business for the immediate future. The estimates, the amended estimates, are now in course of printing, and should be ready for presentation to the House by say, Monday week. I should think that it would be feasible to be ready with the estimates

for Monday, and the budget around that same time. It may, in view of the pressure of legislation, the heavy programme of legislation, much of it quite important, that remains to us in this session, become desirable and perhaps even necessary, to have night sessions, if we are to avoid being here too late in the month of December, and I would take it that the members of the House would like to get away well before Christmas, in which case, as I say, it may become necessary to have night sessions. We have not in Newfoundland adopted the practice frequently followed in other parts of Canada and in the United Kingdom of having morning sessions, where they frequently commence their sessions at 11 o'clock in the forenoon, adjourn for lunch, adjourn for dinner and adjourn at 11 o'clock at night, but we could meet at night perhaps and get through quite an amount of work. That seems at this moment to be the likelihood, that we will have the estimates early the week after next; they are actually being printed now; and the budget around that time and by night sessions get the foundation early, perhaps way into the first week and certainly perhaps not later than the 10th of December. I move that the House on its rising do adjourn until tomorrow, Friday, at three of the clock.

Adjourned accordingly.

Friday, November 18, 1949.

The House opened at three of the clock.

HON. H. W. QUINTON (Minister of Finance): Mr. Speaker, I would like to table the answer to

question number 77 asked by the honourable the Leader of the Opposition. The question is:

- (1) Is it the intention of the Government to allow pensioners living outside Newfoundland the cost of living bonus that is allowed to pensioners living in Newfoundland.
- (2) If the matter has been considered by the Government, it is asked that the reasons why no change has been made in the payment of the bonus been made public.
- (3) If the matter has not been considered by the Government, is it the intention of the Government to consider it.

The answer is:

- (1) No.
- (2) The Government does not consider that the same need exists outside Newfoundland.
- (3) Does not arise.

HON. E. S. SPENCER (Minister of Public Works): Mr. Speaker, I beg leave to give the answer to question number 85 asked by Major Cashin, prepared by my Department, the Department of Public Works.

1. Mr. A. J. C. Paine prepared the plans for the construction of the new wings at the Mental Hospital.

2. The architect receives a fee of 5 per cent on structural work and 2 1/2 per cent on mechanical services. The consulting engineers are paid fees varying from 5 to 6 per cent on mechanical services.

3. The works approved to date are excavation, foundation work and purchase of materials. Mr. J. E. Hoskins is Supervising Architect and Builder. He is paid a fee

of 5 per cent. There is no contractor's profit. Should contracts be let for the general construction work and for the mechanical trades then the fee for the Supervising Architect will be 2 per cent.

4. Yes.

MR. MILLER: Mr. Speaker, may I give notice of question? I give notice that I will on tomorrow ask the honourable the Minister of Labour has the Government any assurance from the Newfoundland Base Command for the continued employment of Base Workers adversely affected by the switching of Supply Depots from Fort Pepperrell and McAndrew to Halifax.

HON. S. J. HEFFERTON (Minister of Education): I give notice, Sir, that I will on tomorrow ask leave to introduce a Bill "An Act Entitled the Education (Amendment) Act Number 3, 1949." Also I give notice that I will on tomorrow ask leave to introduce a Bill entitled "The Memorial University College Governors Act number 45, 1935, Repeal."

MR. SPEAKER: Has the honourable the Premier leave to introduce the Bill "An Act to Provide for the Regulation and Sale of Alcoholic Liquors?"

Leave granted. Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SPEAKER: The honourable the Premier to ask leave to introduce a Bill "An Act to Provide for the Regulation of Public Utilities." Has the honourable member leave to introduce this Bill?

Leave granted. Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SPEAKER: Honourable the Attorney General to move the House into committee of the whole to consider certain resolutions relative to the imposition of a tax on the income of corporations. The motion is that I do now leave the Chair.

Mr. Speaker left the Chair.

HON. LESLIE R. CURTIS (Attorney General): Mr. Chairman, the resolutions before the Committee must be read in conjunction with the two Orders, or the two Bills, for which permission will be asked later to have first reading this afternoon. As honourable members are aware, under the Terms of Union the Federal Government undertook to offer to Newfoundland a Tax Agreement similar to that in force between the Federal Government and several provinces except the provinces of Ontario and Quebec. It would be impossible at this session for us to present to the legislature for ratification this proposed tax agreement. The wording of the agreement is not in dispute and will offer no difficulties, but attached to the agreement are certain schedules which do cause and make necessary a great deal of study. The tax agreement as such has two schedules: Schedule A, which includes taxes which will no longer be collected or collectable by Newfoundland; Schedule B refers to taxes that will in future be collected by the province.

MR. CASHIN: Will the agreement be brought in before we adjourn now?

MR. CURTIS: The agreement, Mr. Chairman, will not be coming in now, but the Government is

asking the legislature to pass an enabling Act so that we can sign this agreement as and when it is ready; otherwise it will not come into force until the next session of this House, and Newfoundland will not be able to collect the payments to which we would be entitled.

MR. CASHIN: This is, this Corporation Tax?

MR. CURTIS: This Corporation Tax Act, Mr. Chairman, is an Act to authorize the Government to impose the five per cent tax that is imposed in all provinces, but this Bill will come into force only on Proclamation, and the Proclamation will only issue as and when the Tax Agreement has been signed.

MR. JOHN G. HIGGINS (Leader of the Opposition): The Tax Agreement will be before us before we pass this Act here?

MR. CURTIS: I can tell the honourable member, Mr. Chairman, that we can show him a copy of the Tax Agreement that has been submitted to us for signature. We will not be permitted to alter any of the sections; it is a uniform agreement, offered to all the provinces, and accepted by all the provinces; the only deviations in the case of Newfoundland will be the schedules, and those, unfortunately, we have not as yet been able to agree to.

MR. HIGGINS: We will not, I presume, be asked to pass the Bill to authorize the execution on behalf of Newfoundland of the Tax Agreement between the Government of Newfoundland and the Government of Canada until we

see that full Tax Agreement with all the schedules. I presume the House should not be asked to pass an Act of which they know nothing and which they have not seen.

MR. CURTIS: We did propose, Mr. Chairman, to ask the House to authorize the Government to execute that Agreement as and when it is ready, but the details of that Agreement cannot be fully ascertained until many more negotiations with Ottawa have been completed. There is no endeavour on the part of the Government to conceal the provisions.

MR. HIGGINS: Oh, no, I am not saying that at all.

MR. CURTIS: The provisions are obvious, and we have got to take them. The only thing is, as my learned friend knows, we have in Newfoundland many taxes which now will have to disappear under the Tax Agreement. Many other taxes we can hold by amending the Acts and not calling them taxes but by calling them by some other name, and that, as my learned friend will appreciate, Mr. Chairman, is a difficult thing that we cannot undertake to have done before the adjournment. But in the other provinces, when tax agreements were negotiated during the session, enabling Acts were passed, and we are following the same practice now as was followed in the other provinces. Of course, we can delay this legislation until the House meets again, but in the meantime we would be able to collect nothing from the Dominion Government.

MR. CASHIN: But you are collecting something now, are you not, from the Dominion Government?

MR. HIGGINS: Collecting double now.

MR. CURTIS: This Agreement, when signed, Mr. Chairman, will be dated the first of April, the date of Union, and it will be effective as from the first of April.

MR. HIGGINS: But you have double taxation here now; for instance, Death Duties, you get both the Federal taxes and the local taxes, do you not? And in the case of sending money out of the country, you pay two taxes, do you not?

MR. CURTIS: Mr. Chairman, that is the position at the moment, and one of these Bills that will be introduced this afternoon has a provision to the effect that these taxes will no longer be collected as from April 1st and refunds will be made to the people who have been called upon to make payments, but only when the Tax Agreement has been entered into. Until the Tax Agreement has been entered into we cannot repeal any of the existing taxes. The Premier has asked me to say that we have not, of course, collected anything from Canada under the Tax Agreement, and we will not until it is signed—

MR. CASHIN: What money did you collect from Canada?

HON. J. R. SMALLWOOD (Prime Minister): There is no agreement.

MR. CURTIS: Only the transitional grant.

MR. CASHIN: But you have collected money from Canada.

MR. SMALLWOOD: Not under the Tax Rental Agreement.

MR. CASHIN: Well, under what?

MR. SMALLWOOD: Only other amounts due us under the Terms.

MR. CASHIN: Well, what amounts were they?

MR. SMALLWOOD: Transitional grants, subsidies and the like.

MR. CASHIN: Well, all that is in lieu of our passing—

MR. SMALLWOOD: No, nothing whatever to do with it.

MR. CASHIN: Did you collect, for instance—excuse the informality—but did you collect, for instance, the expenditures that were made at the Railway and the Gander.

MR. SMALLWOOD: That has nothing to do with the Tax Agreement.

MR. CASHIN: I know, because—supposing for argument's sake we did not pass this Tax Agreement, let us assume that, then what happens?

MR. SMALLWOOD: We can collect nothing, until—

MR. CASHIN: You can collect nothing.

MR. SMALLWOOD: Nothing.

MR. CASHIN: And will we have the right—

MR. SMALLWOOD: Nothing that is due under the Tax Rental Agreement; we can collect nothing under the Tax Rental Agreement until there is an agreement.

MR. HIGGINS: I tried to send money out of the country, and I found that I had to pay the Federal authorities and I had to pay

the local authorities income tax. I was not allowed to send it out until I had paid those, so we are taxed by the Federal authorities and also pay our own tax. The same body collects both; it is the Assessor of Taxes. He collects for Newfoundland, and he also collects for the Federal authorities; it is the same body.

MR. CURTIS: I do not think at this stage, Mr. Chairman, I need discuss these Resolutions in detail. These Resolutions have to be brought in, because, this being a Money Bill, it has to go through the Resolution stage before the Bill can be introduced; but I might say that the purport of this Bill is to effect a tax, of five per cent, on corporations. This tax is to be a similar tax to that imposed in other provinces. Newfoundland as a province imposes the tax. We have another Bill coming up this afternoon which will authorize the Dominion Government to collect this tax, and the Dominion Government not only collects this tax but keeps it; therefore the effect of the tax is exactly the same as if five per cent were added to the present Dominion tax on corporations.

MR. HIGGINS: You mean, at the present moment on companies income tax ten per cent is charged up to ten thousand dollars; now it will be fifteen per cent?

MR. CURTIS: Yes.

MR. HIGGINS: We collect five and the Federal authorities collect ten.

MR. CURTIS: No, we do not collect the five. The Dominion Government, Mr. Chairman, has

its own tax, but for some reason which arises out of an agreement between the Dominion Government and the provinces, they have asked the provinces to pass this additional tax, which the Federal Government collects.

MR. HIGGINS: Well, they get the whole fifteen per cent, do they?

MR. CURTIS: The Federal Government gets it all.

MR. HIGGINS: I see. I thought.

MR. CURTIS: And this is purely an Act putting that legislation into force. However, Mr. Chairman, that is a matter which I shall be able to explain to the House very fully—

MR. HIGGINS: What is the reason of that?

MR. CURTIS: I think the Dominion Government made an Agreement with certain provinces that they would not tax the provinces by Dominion Income Tax more than thirty per cent, and during the War and since they found that they needed thirty-five per cent, and rather than break their promise to the provinces, they asked each of the provinces, as I understand it, to put in their own tax agreement.

MR. HIGGINS: That is not so, because in the case of corporations with incomes from ten thousand up they pay thirty-three and a third per cent, and now it will be thirty-eight.

MR. CURTIS: But now the effect is to make it thirty-eight.

MR. HIGGINS: I see.

MR. CURTIS: And now the posi-

tion is, as I understand it, Mr. Chairman, that the Federal Government very shortly is very likely to ask us to repeal this Act, and to have their own Act read thirty-eight per cent, but I think there was an agreement whereby they would not increase it at the present time. On the other hand, under the terms of the Tax Agreement we are going to be compelled to impose this Tax. However, Mr. Chairman, the tax will not come into force until the Tax Agreement has been signed, and ratified. I would move the Resolution.

MR. CASHIN: Mr. Chairman, it appears to me that we have to be very careful in connection with this Bill here. It does not come into force until we sign the Tax Agreement, I take it from the Attorney General. Well now, we have not even seen the Tax Agreement in the House. We really do not know what it is. We know that we do not collect any more customs duties, and we know that we are not collecting any more income taxes, and we know we have no post office any more; but there are other taxes which we are permitted to retain, such as two dollars per square mile on land that we have rented, leasehold land; the liquor tax, and so on. Even then they collect a duty on the liquor tax. Now we have not seen the liquor tax; we have not seen the agreement, and we are now asked to pass a Bill subject to an agreement which we have not seen and know nothing of. The Government may know something about it, but the members of the House as a House know nothing about it. Very well. This five per

cent covers up, so to speak, the Federal Government; they make an arrangement by which they were to charge thirty-five per cent or thirty-three and a half per cent. Now they want an extra profit, and they come along to the Provincial Governments in the other parts of Canada, and they say, "Now we were wrong when we made that arrangement for thirty-three; we want another five and we want you to stick on five and we will collect it and we will take the whole thirty-eight." In other words, they are using the provinces to collect this extra five per cent tax. We get nothing out of this at all. Now we were not a part of Canada when these agreements were made, and as I see it, in our own Terms of Union, there is nothing applicable here. In Ontario and in Quebec they have not signed tax agreements yet, none whatever, and I do not know whether they are going to sign them or not. It is immaterial to me. But there is one point that I would like to stress here this afternoon with respect to Corporation taxes, and that is, I understand from when I was in Canada, I was told—the matter came up in the House and the Attorney General would probably be able to enlighten me on this, and I do not think, Mr. Chairman, I am out of order when I ask this question—under our agreement with the Bowater people, which dates back to 1927, and prior to that, 1923, they had to pay the Newfoundland Government \$150,000 as a maximum amount of income and profits tax. The reason that that legislation was enacted at that time was because we were guaranteeing ten million, securities for these peo-

ple in order that they may be able to raise money to create a new development. I understand that the other day in the House of Commons in Canada, some members there was informed that now that we are into Union with Canada that the profits tax, or the corporation tax, as we call it, comes into effect in Newfoundland, and that that agreement which this legislature made in 1927 with the International Paper Company or 1923 with the Newfoundland Power and Paper Company is no more; even though in the Terms of Union they say that all agreements that have been signed by former governments of Newfoundland will be kept, nevertheless—and I am not a director of Bowaters and have no financial interest in it, but I know the reason why these agreements were made at that time—now we come along and I understand, from a question asked but I do not know whether it was Mr. Higgins or Mr. Browne, one of them, in the House of Commons, and they were told that from now on Bowaters were going to have to pay Profit Taxes, or Corporation Taxes. In other words last year if they made three million dollars they would be called up to pay thirty-eight per cent on that three million dollars, something like that, or approximately a million and a quarter. Now, is Newfoundland going to receive a hundred and fifty thousand in addition to it?

MR. SMALLWOOD: They will have to pay thirty-three per cent.

MR. CASHIN: Well, whatever it is, thirty-three or thirty-five or whatever it amounts to. Prior they were paying the Newfoundland

Government a hundred and fifty thousand dollars a year; now they have got to pay the Dominion Government thirty-three or thirty-five, it does not matter what it is, they have got to pay them; in other words, the agreement this House made with the International Paper Company and eventually handed around to Bowaters in 1927 is ripped up, and—the Attorney General I think is a director of Bowaters, a Government director of the Bowater Paper Company—does Bowater now have to pay income tax to the Canadian Government, and if they do, does the Province of Newfoundland lose \$150,000, which we agreed to charge them as a maximum amount in 1927? Now that we are discussing Corporation Taxes, Mr. Chairman, I do not think I am out of order in asking that question.

MR. SMALLWOOD: Mr. Chairman, I think that perhaps a little explanation is due, although—

MR. CASHIN: I am not representing Bowaters.

MR. SMALLWOOD: Although it might more properly come on second reading. The House has always the privilege of doing at the Resolution stage what is normally done at second reading stage. But if the House desires to have the debate and all the explanations at this stage rather than the stage of committee of the whole or second reading, that is perfectly all right. The position is this: Under the Constitution of Canada, the British North America Act, the provinces are very definitely restricted in their taxation, to direct taxation, within the province. But the Federal Parliament, the

Parliament of Canada, is in no wise restricted. The Parliament of Canada can impose any taxation or form of taxation whatsoever on the people of Canada generally. It can be direct or indirect, and since 1917, they have had an income tax, imposed, I think, in the same year that ours was first imposed by the late Sir Michael Cashin, father of the honourable and gallant member opposite. Ours, however, ceased, but the other is in effect to this day, the Federal income tax of Canada.

MR. CASHIN: Oh, yes, the Federal one, but the other one ceased.

MR. SMALLWOOD: The other ceased and was reimposed. Now, before we entered the Canadian Union, and since, and presumably for many years to come, Canada has had and will have an income tax, and a Corporation Tax—Corporation Income Tax—and on entering the Union, we became liable to pay the Canadian Income and Corporation Tax. Now, before we entered Union, the Government of Canada approached the provinces with a proposal to this effect: Some of you have income tax of your own, provincial income taxes, and provincial corporation taxes. We propose to you that for a period you rent to us the sole right to impose income and corporation taxes. The sole right to do it; you have the right to do it now because it is direct taxation within the province; we have the right to do it because we can impose any kind of taxation. But we propose to you that for a period, five years in fact, you should rent to us the sole right to impose income and corporation taxes in your province.

In return for that we will pay you certain sums of money. And there were three different forms for that agreement, and each province was given its choice as to which of the three forms it would have; one was that the province was given its choice as to which of the three forms it would have; one was that the province would receive 15 dollars per head of its population in 1942; the other was that each province would receive \$12.75 per head of its population in 1942, plus one half of the income tax which that province collected itself, under its own income tax law, if it had one, in 1941 or 42; and the third one was that the amount payable to any one province should be less than, I think the amount is, \$2,000,000.

Now, the province could look at the three alternatives and pick the one which to it seemed to be the most profitable. Seven of the provinces of Canada made that agreement with the Canadian Government, renting to them for five years the sole right to collect income tax or corporation tax. Prince Edward Island chose the third alternative, because under that she would get more than she would under the other two. British Columbia chose the second one, that is, \$12.75 per head of population plus one half of the amount which British Columbia herself, under her own provincial income tax had collected from her own people, for her own treasury, in 1941 or 42. But the other five provinces selected choice number one, that is, \$15 per head, with certain other adjustments which were common to all provinces, based on the population of all Canada, the relation which the

population of the province bore to the population of all Canada, based also on the GNP of all Canada—Gross National Profit. And all these figures were related to the base figure which the province might choose. Now, these things were done before we became a province, and so when we were about to become a province, or when we were negotiating the terms under which we would become a province, the Government of Canada, as they were obliged to do, offered Newfoundland, in the Terms of Union the opportunity to make a tax rental agreement with the Government of Canada on any one of the three propositions submitted to the other provinces. And that is provided in Terms of Union, that we may make a tax rental agreement. We were given one additional privilege which had not been extended to the other provinces, which was this, that we might make the agreement with the Government of Canada for the five years, which the other provinces were entitled to do, and which several of them did, or we might make our agreement for a longer period, seven years.

Now, one of the conditions of the tax rental agreement is this: that the province signing the agreement undertakes to impose Corporation Tax of five percent, that is, to pass a law requiring that a five percent Corporation Tax shall be paid.

MR. CASHIN: To the Federal Government.

MR. SMALLWOOD: Now, then, the actual collection, once that would become law, the actual collection, would be made by the

Government of Canada, and the amount would remain with the Government of Canada. Now, we have not got to pass that law, but the penalty is this, that the amount that the Government of Canada would collect under it, and then cannot collect, because we have not passed the law is deducted from the subsidies which are payable to us under the Tax Rental Agreement. So that, in actual fact, we have no choice. If we have a tax rental agreement we must impose this five per cent tax, Corporation Tax, which Canada will collect, and Canada will keep, because if we do not Canada will charge the Provincial Government with the amount that the tax would have brought in at five per cent, and deduct it from any subsidies due us under the Tax Rental Agreement.

Now, there is another side to it, and before I forget it, let me deal with this five per cent tax which these Resolutions propose or with which the Bill that the Resolution deal with would propose. That is not applicable to all cases, because of the fact that another Term of the Terms of Union provides that Newfoundland shall not be obliged to impose any taxation upon any corporation which is exempt by the Statute of Newfoundland from it, any taxation whatever, other than the taxation which is provided in that legislation, that original early legislation.

Now that applies also to any other company there may be in Newfoundland today enjoying, by virtue of any legislation of the old legislature of Newfoundland exemptions from taxation. We as a province are not required, accord-

ing to the Terms of Union, to impose on any such corporation exempt by early Newfoundland legislation, previous Newfoundland legislation, any taxation from which they are exempt. But that does not exempt the Parliament of Canada from doing exactly that thing.

Now, must we have the Tax Rental Agreement? The Answer, of course, is, yes, we must. We do not, by failing to have a tax rental agreement with Canada, absolve the people of Newfoundland from the payment of Federal Income and Corporation Taxes. Whether we have the Tax Rental agreement or not, whether we give or do not give Canada the sole right to collect Income Corporation Taxes in Newfoundland, they will in any case collect Income and Corporation Taxes in Newfoundland at the same rate exactly as they do in the rest of Canada. But if we do not make the Tax Rental Agreement we would then be up against this situation: that either we would have to impose our own provincial Income Tax and our own provincial Corporation Tax, or we would have to do without the money which the Tax Rental Agreement will give us, or the money which our own Income Tax and Corporation Tax would give us, and the province would be out some six or seven million dollars a year. So that, practically speaking, we have no alternative but to make the Tax Rental Agreement with the Government of Canada. Now to make that Agreement it is necessary first that we impose this five per cent tax on corporations, which we will not get, but which we lose if we

do not have the Act. And second, it is necessary that we shall enact, first, this one, which authorizes the imposition of the tax of five per cent; then the other one, which authorizes the Government of Canada to collect that five per cent. That is two. And the third one is, as the Attorney General has said, to authorize the Government of Newfoundland to make the Tax Rental Agreement with the Government of Canada. Now there is another point; it is a point well taken. Can the Government expect the House to give the Government authority to make the Tax Rental Agreement without producing the Agreement first?

Well, in the first place, that is exactly what the other provinces did. The governments of the other provinces went into their legislatures and said, "Will you give us authority to make this Tax Rental Agreement?" Their legislatures gave them the authority by Act, by legislation. Well, all of them, or nearly all of them. I remember distinctly that the last of the provinces to pass the Act was Nova Scotia, because I was in Ottawa when the Nova Scotia legislature was in session in Halifax, and they passed a short enabling Act, enabling the government and authorizing them to make the Tax Rental Agreement. So that the matter is well precedented.

In the second place—of course, the Agreement would have to be tabled in this House when it has been made, but then the House might not be in session, and when the House was subsequently in session the Agreement obviously would have to be tabled in the

House, which would be in the session of this coming winter, the session of next year.

Now, the other point is this. We must sign that Agreement; we are given nine months from the date of Union within which to sign the Agreement. Now the House may say, "Why have you not got the Agreement? Why are you not ready with the exact terms of the Agreement that you are going to make?" And I think the answer is this: that there is attached to the Agreement—the Agreement itself is a perfectly simple matter, that in principle it is simple; it would send the lawyers, most lawyers, completely insane to read and try to understand it; it is one of the most involved, complicated bits of drafting that has ever been put together, but when it is all disentangled it is very simple; it says merely that for the period of the Agreement, for the term of the Agreement, Canada shall have the sole and exclusive right in the province to collect Income Tax, Corporation Income Tax, Corporation Tax, and succession duties tax; that is all it says. But attached to it are two schedules (a) and (b), one of which repeals certain taxation Acts of our, and the other of which brings other taxation Acts into effect.

Now, all of the legislation of Newfoundland has to be searched carefully, very carefully, to determine exactly which Acts shall be mentioned in which schedule. And *not only have these Acts, taxation Acts, to be searched, but all Acts containing taxation clauses have to be examined very closely to have those schedules exactly right,*

schedule (a) and schedule (b). In addition to that, we have had the benefit of the information and advice of a tax expert from the Treasury of Canada, from the Department of Finance of Canada, here, visiting us, consulting with my honourable and gallant friend, the Minister of Finance; my honourable and learned friend, the Attorney General; and their Departments.

In addition to which, and going back and forth to Ottawa, coming back and forth here; in addition to which we have the benefit of advice and information from our own special financial adviser, Mr. Thompson, of Peat, Marwick, Mitchell & Company; in addition to which, the lawyers have been looking into it.

So that at this very moment, except for the main agreement itself, we are not ready, because the schedules are not ready, and I think perhaps I have stated the case just about clearly in those words. That is the situation. There is nothing mysterious about the Agreement. That is a conventional thing; it is standard; it will be found in the Revised Statutes of Canada; it will be found in the Provincial Acts of the seven provinces. It is a perfectly standard document; the only difference is that the schedule is different for each of the seven provinces, because each of the seven provinces that did sign the Agreement had different systems of taxation of their own, one from the other, and their schedules had to specify the particular Acts of each particular province in each particular Agreement, and now we must do the

same, and we are not quite ready for that yet, and may not be ready for perhaps another week or two weeks, to bring that here.

MR. CASHIN: The Tax Agreement?

MR. SMALLWOOD: The Tax Agreement itself, as I say, is perfectly simple, except for the very complicated working of it; it is a very complicated and involved bit of drafting, but the principles of the Agreement are perfectly simple.

MR. CASHIN: That is what I am getting at.

MR. SMALLWOOD: The Agreement says merely that for a certain term, it says that we for that term rent to Canada, sell to Canada, rent to her, the sole right to collect Income and Corporation Taxes and succession duties in Newfoundland. Now that is all the Agreement does.

MR. CASHIN: We rent them that for a certain thing.

MR. SMALLWOOD: And in return for that we get certain payments made to us during the life of the Agreement. The Agreement itself is simple and uncomplicated, although the drafting of it is exceedingly complicated. The only thing which makes that Agreement vary from the other seven, from the Agreement with the other seven provinces, is the schedule, and our schedule varies from the other seven just as the seven vary from each other.

I do not know that there is anything I can add. The more we talk about it, the more complicated the whole thing will get. Some

of us have grown up with it, so to speak, in the period of the last two or three years some of us have followed it and read it and studied it closely, and the thing has therefore, for us at least, become extremely simple and easy to understand.

MR. CASHIN: Mr. Chairman, I thank the honourable the Premier for his explanation, but I would like to point out that, whilst the Government, or the Cabinet, know all about this Tax Agreement, we as members of the House know nothing about it; we have not seen it; and we are asked here to pass a Bill which comes into effect if we sign the Tax Agreement. Now, one of the questions I asked the Premier, or asked the Attorney General, was this: When we sign this Tax Agreement, does Newfoundland continue to receive \$150,000 a year from the Bowater Paper Company or does it not?

MR. CURTIS: I think that can be answered very simply, Mr. Chairman; Newfoundland will not collect the \$150,000.

MR. CASHIN: Well now that is the answer the Premier took a quarter of an hour to try to give me.

MR. SMALLWOOD: No, I did not address myself to that at all.

MR. CASHIN: Oh, yes, you said it did not affect Bowaters.

MR. SMALLWOOD: I said the five per cent did not.

MR. CASHIN: Well, now, that is the point. In other words, here is the position, that the Treasury of Newfoundland by this Tax Agreement is losing \$150,000 a

year from Bowaters, and Bowaters then are going to pay out to the Federal Government a million and a quarter or a million and a half dollars, as the case may be, in proportion to their profits. Now, what I would suggest, Mr. Chairman, to the Honourable the Attorney General, to defer this debate in connection with this thing until such time as the second reading comes up. I have asked the clerk here this afternoon if he had a copy of the Terms of Union. I had one myself; I have got it here. But I want to make myself quite clear on the point with respect to that Bowater thing. Now I have no connection with Bowaters personally. I made them come through the nose when they tried, their predecessors tried, to gyp this Treasury, but I want to make myself quite clear on the point that the Terms of Union with Canada definitely state that when we went into Union, if we went in at that time, that agreements made between the Government of Newfoundland in the past and corporations or companies or individuals would not be affected by these Terms of Union. I have not seen the Terms of Union now for some time, and consequently I ask my friend the honourable—

MR. SMALLWOOD: You have a good memory.

MR. CASHIN: Well, I want to make myself quite clear on it, but if my memory serves me correctly, and on taxation and stuff like that I think my memory is as good as anyone's in this House, the Canadian Government undertook to carry on our old agreements that we had with these various corporations. Now the position is this: The position is this, and the idea

of these income tax concessions to the Bowater company, the International Paper Company, their predecessors, and the Newfoundland Power and Paper Company, who were the original outfit, was because the Treasury of Newfoundland were guaranteeing ten million dollars, and we wanted to give them time, to release them from taxation in order that they may get an opportunity to pay off these bonds; that was the idea behind that taxation. We had a lot of criticism in Newfoundland because Bowaters, the International, and the Newfoundland Power and Paper Company, the original A.N.D. Company; we had a lot of criticism in those days on both sides of this House. I was into it myself until I saw the error of my ways. And I want to make myself quite clear that the Canadian Government should carry on this agreement on the letter of the Terms of Union. No one has the Terms of Union here now, so that we could read it, and I am just as ignorant now about it as the rest of the people; no one can tell quite clearly what is in those Terms of Union. If my memory serves me correctly, there was a clause in there which says that the agreements made by previous governments of Newfoundland will be respected—words to that effect.

MR. CURTIS: Not exactly. I think the wording is, Mr. Chairman—

MR. CASHIN: Mr. Chairman, excuse me for five minutes. I will see if I can get it.

MR. CURTIS: I may save your going out.

MR. CASHIN: Oh, no, I want to

have a look at the Terms.

MR. HIGGINS: Do I understand, Mr. Chairman, that the agreement made between the legislature of Newfoundland and Bowaters is now being rendered null and void, and that the Federal Parliament intends to put the ordinary taxation on Bowaters?

MR. CURTIS: I think that is the position, Mr. Chairman. I understand that the matter is likely to go to the Supreme Court of Canada for decision.

MR. HIGGINS: I am rather surprised that a conspiracy between the Newfoundland—what could correspond ordinarily with the Newfoundland legislature—I put the delegates down as that anyway—and the Canadian Government should attempt to do away with contractual relations which were made by the Newfoundland legislature and one of its subjects. I do not agree at all with the Premier that any Parliament is absolutely supreme or sovereign; that the Federal Parliament can impose any taxation it wishes. No Parliament is absolutely supreme or sovereign; we know that; it has certain limitations; it has limitations caused through its own inherent majesty, through the character of its members, and in another way through the public spirit manifested outside. As Dicey says in his book, Parliament can pass any law and it is valid; if it passes a law that all blue-eyed babies should be put to death, well that law is perfectly valid. But no Parliament would ever dare do such a thing, because the inherent decency of members of the House would never allow such a thing, and, moreover,

fear of the public outside. For that reason too no Parliament should stultify itself by trying to break an agreement made by a previous parliament, and I say that the Government of Newfoundland, this legislature, and the Federal Parliament has stultified itself by trying to break an agreement which was made, solemnly made, between the legislature of Newfoundland and one of its subjects. I think it is unfortunate, and I think it is a terrible thing. If they can do that in one case, they can do it in every case. The inherent majesty and decency of the House have been violated.

Now with regard to this other matter, this five per cent, it is hardly likely that the people here should have to pay the five per cent of taxation. As I was saying, the corporations pay a small tax up to ten thousand dollars, or ten per cent, and if they have to pay fifteen, well, if they do not pay it then the people of this country have to pay it; well, that is hardly likely to be allowed. But I do say this much, that I am surprised, that the majesty of the Canadian Parliament has been violated in such a way as to allow a contract to be broken which was solemnly made between the Newfoundland legislature and one of its subjects.

Now I have no brief for Bowaters; I have done work for them now and then, but I do not feel under an obligation to fight for a man or anyone else in the Parliament because I have done some work for him. I have no personal interest in it, except I am shocked, my conscience is really shocked, to think of such a thing happening. If it happens in this case, it can happen

in other cases.

There is another matter which I would like to bring up, regarding this taxation. I presume there are certain Acts which give up the right to tax at the present moment. That is right, is it not? Canada wants some of these Acts repealed so that they can take the full force and effect of them, is that right?

MR. CURTIS: The Dominion Government thinks that certain taxes that we collect are Government Taxes and therefore we undertake in the Tax Agreement not to collect them.

MR. HIGGINS: I know; I mean, in the Tax Agreement they want the Income Tax, do they not?

MR. CURTIS: Yes.

MR. HIGGINS: What else?

MR. CURTIS: Corporation Tax, succession duties; those three thing only.

MR. HIGGINS: Well, why does not the schedule say "all Income Tax, all taxes collected under the Income Tax and Corporation Tax of Newfoundland and previous to Confederation shall be handed over—all these taxes handed over to the Canadian Government, and all other taxes belong to the province and shall be collected by the province itself under the present Acts."

MR. CURTIS: That sounds pretty simple, Mr. Chairman, but my honourable and learned friend must know that the definition of Corporation Tax is very vague; the Department of Finance at Ottawa holds, or tries to hold, that

all taxes collected from corporations—

MR. HIGGINS: That is the very question I asked; I asked whether the Corporation Tax was just an Income Tax.

MR. CURTIS: No, the wording is "Corporation Tax."

MR. HIGGINS: Oh, I see, it is not Income Tax alone then.

MR. CURTIS: No, it is Income Tax, Corporation Tax and succession tax.

MR. HIGGINS: We talked about Corporation Tax previously, taxes collected under Income Tax—

MR. CURTIS: My learned friend will appreciate the fact. You take—we collect at the moment \$72,000 from the cable companies, four thousand dollars from each cable. These taxes are payable by corporations, and the question arises as to whether or not they come in (a) or (b) of the schedule. The other day, for instance, we passed a tax Act, putting a tax on the gasoline corporations here; we are not allowed to put these taxes in until after the Agreement.

MR. HIGGINS: I see. What is the difference between the tax on a firm which is not a corporation and the corporation tax?

MR. CURTIS: It seems to me that any tax paid by a corporation is a Corporation Tax, unless it is a license or some other form—

MR. HIGGINS: Yes, we allow that, but why should there be a different shade between a tax paid by a business firm which is not incorporated and a corpor

ation?

MR. CURTIS: Well, of course, a firm as you know, as my learned friend will know as a partner himself—a one-time partner—he files a personal Income Tax—

MR. HIGGINS: We are talking about that—

MR. CURTIS: A Corporation is discriminated against just because it is a corporation and it is defined accordingly.

MR. HIGGINS: Oh no, I am not talking about Income Tax. I understood Corporation Tax meant only the Income Tax which is payable by corporations; now you tell me it is every tax of any kind whatsoever that is payable by a corporation.

MR. CURTIS: Well, not every tax—but the difficulty is—

MR. HIGGINS: But may be every tax; it goes outside Income Tax. What taxes, then, will be charged? Is that the question of the schedule?

MR. CURTIS: This is the difficulty of the schedule, Mr. Chairman, to find out which ones go out and which ones stay in.

MR. HIGGINS: Well, how are we going to get that? I mean, if it is a case of the Federal authorities insisting on this, how are you going to offset it?

MR. CURTIS: We can offset it. We can negotiate and then we can amend our Act, and call it licence or call it something else, as long as it is not called a tax.

MR. HIGGINS: But how are you going to negotiate—by what authority are you going to negotiate,

by what force do you negotiate?

MR. CURTIS: Well, we do not sign.

MR. HIGGINS: You mean you will not sign.

MR. CURTIS: We just will not sign, we want to get the best terms we can.

MR. HIGGINS: I mean the authority given to you to go ahead goes as far as not to sign, but to sign anything that is reasonable. Is that right?

MR. CURTIS: That is right.

MR. CASHIN: Mr. Chairman, I think we have got this section about cleared up.

MR. SMALLWOOD: I think: Mr. Chairman, we are all out of order, we are only in resolution; we could get to the committee of the whole, we could have—

MR. CASHIN: Yes, we are on resolutions, we are in committee of the whole. Now, I had asked the honourable the Attorney General what effect this would have on Bowaters. Not that I love Bowaters, any more than I love myself, but the position is this: That I understand that Bowaters now come under the Federal Income Tax or Corporation Tax, whatever it might be, and they have to pay probably next year, if they make \$300,000,000 a million and a quarter dollars in taxation. Under their agreement with Newfoundland they would have had to pay \$150,000 a year. I am told by the honourable Attorney General that we are going to lose that \$150,000. Now, what are we getting in return? And I pointed out, I think,

if my memory serves me correctly, this afternoon, that that was a violation of the Terms of Union. Now, here is the proof. Here are Terms of Union, and incidentally I do not know who is in charge of the Library, Mr. Chairman, but they have not even got a copy of the Terms of Union up there.

MR. SMALLWOOD: What number is that?

MR. CASHIN: Under Tax Agreement, Section 27, sub-section 4, and here it is:

"The Government of the Province of Newfoundland shall not by any agreement entered into pursuant to this Term be required to impose on any person or corporation taxation repugnant to the provisions of any contract entered into with such person or corporation before the date of the agreement and subsisting at the date of the Agreement."

Now—

MR. SMALLWOOD: That is what exempts Bowaters.

MR. CASHIN: Are they exempt? They are sticking it on. We lose \$150,000, and they pay over probably one million and a quarter dollars. Is not that repugnant to Bowaters, or do they love paying a million and a quarter dollars instead of \$150,000? It is a violation of the Newfoundland Government agreement with Bowaters, and it is a violation of that Term—this Tax Agreement. That is what it means. And, Mr. Chairman, I would suggest now to the honourable—I just got this a minute ago. I do not care how much Bowaters have to pay; it is

nothing to me, but if they have to pay it they got to take it from somewhere, and who is it coming from, particularly in view of the position of the sulphite business in the country at the present time; and I would suggest to the honourable the Attorney General that we leave further debate on this thing until the second reading of the Bill. We can pass the resolutions when we go into second reading of the Bill, tomorrow, or whatever day it is; we have to pass the first reading first and then we can go into the second reading of the Bill, and then we can have a debate on the whole thing. Because I knew, I knew; my memory is not too bad.

MR. CURTIS: I might say, Mr. Chairman, the suggestion of my honourable and gallant friend is a good one.

MR. CASHIN: I am not honourable, I am absolutely ignorant.

MR. CURTIS: We did not propose to discuss this matter at this stage. We did propose to deal with it at second reading, but if my honourable and gallant friend will wait until he sees the Act we are now discussing, which is the five per cent tax, he will find that there is a clause in that Act that protects the Government from violating its pledge, and says that this tax shall not apply if it is repugnant to any contract in existence between the Government of Newfoundland and Bowaters and everybody else.

MR. CASHIN: Yes—

MR. CURTIS: Bowaters is not mentioned by name—but there is a clause in the Act that keeps

faith—

MR. CASHIN: That appears in the Bill?

MR. CURTIS: Yes, that appears in the Bill.

MR. CASHIN: Wouldn't that also appear in the resolution?

MR. CURTIS: No, because the Bill was too long to include in the resolution—

MR. CASHIN: I see.

MR. CURTIS: But if my friend will wait, he will see that we have that in the Bill.

MR. CASHIN: Well, Mr. Chairman, that is why—

MR. CURTIS: Is that discussion sufficient?

MR. CASHIN: Yes, I quite appreciate that. The point I am trying to make is this, that the Terms of Union themselves are a violation of the agreement which the Newfoundland Government entered into with people like Bowers, or anyone else. And to prove that, I think it is the Minister of Finance, Mr. Abbott, announced that from the House of Commons last week.

MR. SMALLWOOD: Mr. Chairman, I cannot allow the honourable and gallant member to have the last word on that matter, especially as his word is so completely wrong. It could not possibly be more wrong. If he spent several days trying to make it more wrong he could not succeed.

MR. CASHIN: Go ahead. Go ahead.

MR. SMALLWOOD: It is speci-

fically provided—he has just read—

MR. CASHIN: I have read the clause.

MR. SMALLWOOD: The clause, completely what I said when I was on my feet before, that we are not required in any of our taxation or any of our legislation—we are specifically exempt from doing that by the Terms of Union, by the very clause—

MR. CASHIN: The Provincial Government is exempt.

MR. SMALLWOOD: That is what I was talking about.

MR. CASHIN: But we are giving permission to the Canadian Government.

MR. SMALLWOOD: We are no such thing.

MR. CASHIN: We are.

MR. SMALLWOOD: I said that under the Terms of Union, we as a legislature were exempt from imposing on any corporation any taxation in violation of any agreement that any earlier legislature made with any such corporation. Now, the proof of that is sub-section 4, of Section 27, which says:

“The Government of the Province of Newfoundland shall not by any agreement entered into pursuant to this Term be required to impose on any person or corporation taxation repugnant to the provisions of any contract entered into with such person or corporation before the date of the agreement and subsisting at the date of the agreement.”

MR. CASHIN: Yes.

MR. SMALLWOOD: Now, on the

date on which we sign our Tax Rental Agreement with Canada, there would subsist a contract between the legislature of Newfoundland and Botwaters. It was made in 1923, amended in 1927, and again, I think, subsequently amended. An there it is today, as we talk this afternoon; there it will be on the day on which we sign the agreement with the Government of Canada to rent to them the field of income and corporation taxes.

MR. CASHIN: I fully understand that.

MR. SMALLWOOD: That it will be and we are not required under these Terms of Union to violate that contract, nor shall we do it; but on the other hand, the Parliament of Canada had its taxation laws under which it imposes taxation on Canadians generally.

MR. CASHIN: I quite understood that.

MR. SMALLWOOD: If the Parliament of Canada imposes its ordinary, and regular, and standardized corporation tax or corporate income tax, or personal income tax, or succession duties, its normal, uniform, standard rights of taxation on any Canadian citizen or any Canadian corporation, that surely is their right.

MR. CASHIN: Yes.

MR. SMALLWOOD: It does not concern this legislature. It does not concern this Government; it concerns wholly and solely the Parliament of Canada.

MR. CASHIN: Sure.

MR. SMALLWOOD: Now—

MR. CASHIN: But why give

them the power to do it right here by passing that Act?

MR. SMALLWOOD: We are doing no such thing.

MR. CASHIN: We are because—

MR. SMALLWOOD: We are doing no such thing.

MR. CASHIN: You are by passing that Act.

MR. SMALLWOOD: But the Terms of Union, if it had been needed, the Terms of Union did it, but the Terms of Union did not need to do it because the Parliament of Canada already had the right, before there was talk of our becoming a province at all. From 1917 the Parliament of Canada had the right to impose corporation tax, corporate income tax, individual or personal income tax, and succession or death duties, on any Canadian citizen or corporation. They had the right. The right is confirmed and particularly mentioned in the Terms of Union, where it says, and I refer to Clause 18, sub-section (2), which says:

“Statutes of the Parliament of Canada in force at the date of Union, or any part thereof, shall come into force in the Province of Newfoundland on a day or days to be fixed by Act of the Parliament of Canada or by proclamation of the Governor General in Council issued from time to time, and such proclamation may provide for the repeal of any of the laws of Newfoundland that

- (a) are of general application;
- (b) relate to the same subject matter as the statute or part thereof so proclaimed; and
- (c) could be repealed by the

Parliament of Canada under paragraph one of this Term."

What is paragraph one?

MR. CASHIN: Ha Ha! That is the one.

MR. SMALLWOOD: The honourable and gallant member has not read it.

MR. CASHIN: I have.

MR. SMALLWOOD: Now I shall read it.

(1) Subject to these Terms, all laws in force in Newfoundland at or immediately prior to the date of Union shall continue therein as if the Union had not been made—

MR. CASHIN: Right.

MR. SMALLWOOD: Oh, that is only part of it—

MR. CASHIN: Now that is just the same—

MR. SMALLWOOD: Let me go on; that is only part of it.

MR. CASHIN: That is just the same as your Term in here in connection with the transportation, one clause contradicts the other.

MR. SMALLWOOD: We will see if it does, I will read it again, "Subject to these Terms," subject to any other clause—

MR. CASHIN: "subject nevertheless to be repealed—

MR. SMALLWOOD: "Subject to these Terms," that is, subject to any clause in these Terms which may have any bearing on the matter—"subject to these Terms, all laws in force in Newfoundland;" it does not start off, you see with the words "all laws in force in

Newfoundland," but rather "Subject to these Terms, all laws in force in Newfoundland at or immediately prior to the date of Union shall continue therein as if the Union had not been made, subject nevertheless to be repealed, abolished, or altered by the Parliament of Canada or by the legislature of the Province of Newfoundland according to the authority of the Parliament or of the Legislature under the British North America Acts, 1867 to 1946, and all orders, rules, and regulations made under any such laws shall likewise continue, subject to be revoked or amended by the body or person that made such orders, rules, or regulations or the body or person that has power to make such orders, rules, or regulations after the date of Union, according to their respective authority under the British North America Acts." The wording is plain there, and how the honourable and gallant member can ask— I am sure my honourable and learned friend the Leader of the Opposition will not ask, any more than my honourable and learned friend, the Attorney General, will ask, two trained lawyers, they will not argue, as the honourable and gallant member does, that this Bill, or these Regulations, are a violation of the Terms of Union, or that they require that any prior contracts made with any corporation shall necessarily be violated. How the honourable and gallant member can argue that is more, I am sure, than the honourable and learned Leader of the Opposition or the honourable and learned Attorney General can understand and more than I can

understand either.

MR. HIGGINS: Did each of the seven delegates that signed those terms feel the full implications, understood what the Terms were? I do not want an answer, but I am just raising the question, having heard the honourable Minister's—I do not want you to answer it, I am just raising the question; I do not believe some of them understood it.

MR. SMALLWOOD: We did indeed; we understood it very fully, because the matter was very, very thoroughly comprehended, canvassed, discussed, debated and thought about, lasting over a period of weeks; very, very thoroughly I can assure my honourable and learned friend that I am perhaps more familiar with the implications of this than he is himself, because I have had the benefit of having tendered to me the legal advice taken on the matter in London, Montreal and Toronto, from some of the highest and most competent advisers on constitutional law in the British Empire; taken I may say, by no less a concern than Bowaters themselves.

MR. HIGGINS: Do you mean then that you recognized those Terms gave the Federal Parliament the right to break the agreement that was made between Bowaters and the Legislature?

MR. SMALLWOOD: Certainly; we all knew.

MR. HIGGINS: You understood that?

MR. SMALLWOOD: We all understood it. But what we insisted on, if the honourable and gallant

member will allow me, what we insisted on was this: That the legislature of Newfoundland should not be required to break that contract.

MR. HIGGINS: I do not recognize that, but you referred to Canada as making any laws—at least the laws that are made in Canada apply to all Canadians. Before the Union we were not Canadians; we were really sovereign and we could have made an agreement whereby any contract made between this legislature and a subject should be upheld, even in the Terms of Union. We were different from ordinary Canadians then.

MR. CASHIN: The position is just this: Prior to this Union with Canada we had an agreement with the Bowater Paper Company, the International Paper Company, and the Newfoundland Power & Paper Company, whereby they were to pay \$150,000 a year maximum income tax, to the Treasury of Newfoundland.

MR. SMALLWOOD: Are you sure of that? Or was it in lieu of income tax?

MR. CASHIN: In lieu of income tax.

MR. SMALLWOOD: Well, which was it?

MR. CASHIN: A minimum of \$150,000 a year in lieu of income tax, whatever it might be. That was the agreement. The Terms of Union and the passing of these Resolutions and the Act violate that agreement. If we do not pass that Act today, the Federal Government are not permitted to collect that five per cent Corporation

Tax, and why? They cannot without us, according to the Attorney General—

MR. SMALLWOOD: Yes, they can.

MR. CASHIN: Well, then, why bring the Bill in? Why not wait until the Tax Agreement comes in, till we have a look at it?

MR. SMALLWOOD: It is apart from the agreement.

MR. CASHIN: I think, however, we would like to have the two of them together. Surely goodness it is unreasonable to expect me or any other members of this House to discuss intelligently this Bill without having a look at the Tax Agreement. I think we are entitled to have a look at it; but, coming back, they were to pay \$150,000. I do not know, Mr. Chairman, whether Bowaters Company will give me a donation to my campaign for the next election or not. but—I am not here to fight their battle. The Terms of Union take a million and a quarter dollars from Bowaters, roughly, and consequently violate the agreement which the Newfoundland Government in 1927 made with that Company, at that time the International Power & Paper Company; true, you pass the buck, and you say the Province is not getting it, but those who negotiated the Terms of Union knew that this was going on and they said, "Yes, we are agreeable for you to violate that agreement of ours." That is what happened.

MR. SMALLWOOD: Mr. Chairman, if you will allow me. We did insist on this, that if it were done by Canada, it should be done not

by the Governor General in Council that is, not by the Government, but by Parliament.

MR. CASHIN: Yes.

MR. SMALLWOOD: The Parliament of Canada had to do it, not the Government. The honourable and gallant member will appreciate the great distinction there is there; it could not be done by Order in Council; it could not be done by Executive action; it could be done, if it were done, only by the Parliament of Canada. And it is the Parliament of Canada which has done it, because in the budget speech of Mr. Abbott, before the General Election, and again—

MR. CASHIN: I do not mind what Mr. Abbott said before the General Election; he said lots of things.

MR. SMALLWOOD: Before the General Election, and since the General Election he has delivered another budget, and it will be found by reference to Hansard that on each occasion Mr. Abbott in his budget speech tabled certain Resolutions, a common practice in the delivery of budget speeches, and one of these Resolutions required that Bowaters should pay a Corporation Tax, applicable to all corporations in Canada. Now, once that Resolution was adopted by the Parliament of Canada, or the Bill which flowed from the Resolution was adopted, then it became action by the Parliament of Canada and thereby our insistence, which is written into the Terms, incidental-

ly, is written into the Terms— Bill in here for?

MR. CASHIN: What?

MR. SMALLWOOD: It does not affect Bowaters.

MR. SMALLWOOD: Our insistence that if this were done by Canada, it be done, not by the Government, not by the Governor General in Council, but by Parliament itself. And that is what has happened.

MR. CASHIN: But it affects every corporation.

MR. SMALLWOOD: Not Bowaters.

MR. CASHIN: I understand all that, but without our passing this Act they cannot collect a nickel off Bowaters.

MR. CASHIN: Well, it does not exclude them in this Act.

MR. SMALLWOOD: Yes.

MR. SMALLWOOD: They can.

MR. CASHIN: Where?

MR. CASHIN: No, they cannot.

MR. SMALLWOOD: That is not the Act; that is only the Resolutions.

MR. SMALLWOOD: They can.

MR. CASHIN: They can stop our subsidy, according to the Attorney General, and according to yourself, Mr. Premier; they can stop our subsidy coming in here, but they cannot collect a nickel of that five per cent off Bowaters unless we pass these Resolutions.

MR. CASHIN: I know. Well, bring in the Act and let us have a look at it. If we pass this, Mr. Chairman, I am informed this afternoon by the honourable the Attorney General that we will not have the Tax Agreement until the next session of the House.

MR. SMALLWOOD: No, they will not.

MR. SMALLWOOD: Not the Tax Agreement, the Bill.

MR. CASHIN: I know, they cannot.

MR. CASHIN: Well, the Bill.

MR. SMALLWOOD: They cannot if we do pass it.

MR. SMALLWOOD: You get that Monday.

MR. CASHIN: Why?

MR. SMALLWOOD: Not the five per cent.

MR. CASHIN: Well, then, Mr. Chairman, I suggest that in view of this fact, that this Committee rise now and report progress and ask leave to sit again on Monday, when this Bill will be brought in.

MR. CASHIN: Well, we are giving them the power.

MR. SMALLWOOD: You cannot have the Bill until the Resolutions pass.

MR. SMALLWOOD: No, we are not.

MR. CASHIN: I know, but we can have a look at that Bill.

MR. CASHIN: What are we doing then? What have we got the

MR. CURTIS: The Bill cannot be

printed until the Resolutions pass.

MR. CASHIN: I suppose it is probably printed now.

MR. SMALLWOOD: Yes, prospectively.

MR. CASHIN: Well, the Premier says yes, and the Attorney General says no.

MR. SMALLWOOD: I say definitely it is not printed and cannot be distributed in this House until—

MR. CASHIN: I know all about it. The point I am making is this—

MR. SPENCER: Mr. Chairman, we are going to be here a long time if it goes on like this, it seems to me.

MR. CASHIN: My Good God, in addition to this, Mr. Chairman, we have been here for months doing nothing, wasting time with people tripping all over the North American Continent.

MR. CHAIRMAN: Did you make a resolution for adjournment. Are you moving a resolution?

MR. CASHIN: I am moving no resolution. I made a suggestion, and I was told I am wasting time. It turns my stomach. Who was wasting time these past two weeks, having a holiday, because there was nothing to do.

MR. SPENCER: Mr. Chairman—

MR. CHAIRMAN: Mr. Spencer wishes the floor.

MR. CASHIN: I have the floor—

MR. CHAIRMAN: I know you have.

MR. CASHIN: And I am going to

hold on to it as long as I like, or till someone throws me out. I am discussing this Act right here.

MR. HIGGINS: You were speaking there about moving an adjournment; I do not think that is right.

MR. CHAIRMAN: I asked him did he move an adjournment.

MR. CASHIN: No, I cannot move the adjournment. The only thing, Mr. Chairman, that I can do is move that this Committee rise, report progress and ask leave to sit again.

MR. CHAIRMAN: I beg your pardon, Major Cashin—

MR. CASHIN: You cannot adjourn this House.

MR. CHAIRMAN: I asked you did you make a motion just now.

MR. CASHIN: No, I am not making any motion, I was suggesting. I am told I am wasting time. Well, if the honourable Minister of Public Works thinks I am wasting time, I am prepared to take another holiday because it is going to take you the rest of another week to bring in the budget; to bring in your estimates. And I can tell you, Mr. Chairman, here now, for the information of the honourable minister that the budget speech in connection with the Provincial Government can be prepared in jig-time.

MR. SMALLWOOD: It depends on what kind of budget speech.

MR. CASHIN: To show the true situation of the country. He could do it this afternoon.

MR. SMALLWOOD: I wonder.

MR. CASHIN: I do not wonder at all. Then I am told—I am accused of wasting time. I do not want to waste time, I am fed up with being in here. You do what you like, as far as I am concerned, but I say that this is a violation of the agreement made by the Newfoundland Government with Bowaters in 1927; if that is wasting time, I do not know what it is.

MR. SPENCER: I was endeavouring to say, Major—

MR. CASHIN: The point we are discussing is—

MR. SPENCER: That we were wasting time.

MR. CASHIN: That I was wasting time. Now, I want you to get up and tell me if that was not a violation of our agreement with the Bowater Paper Co. or the International Paper Co. in 1929.

MR. SPENCER: I did not say that “you” were wasting time.

MR. CASHIN: Well, who is wasting time?

MR. SPENCER: I said “we.”

MR. CASHIN: Well, that includes yourself.

MR. SPENCER: Exactly.

MR. CASHIN: Well, I know we have been wasting time; it has been going on since July.

MR. SPENCER: It has been going on here this afternoon.

MR. CASHIN: Well, sure, you do not have to stay here if you do not want to. If he is wasting your

time here I do not know why he wants to be here.

MR. SPENCER: Mr. Chairman, I just want to say this, and I am not going to go into a lengthy argument about it at all, but the honourable the Attorney General has explained in reply to the gallant Major that when a Bill would be brought forward he would see the clause; the Premier explained exactly the same, and we are just here battling forth and back, just a battle of words, without accomplishing anything, and my reference to wasting time was just on that point alone. I have no desire to say that the Major was wasting time or that the Premier was wasting time, or that the Attorney General was wasting time—

MR. CASHIN: Well, who was wasting time?

MR. SPENCER: I contend that “we” were wasting time. And I still contend that that is true.

MR. CASHIN: Well, Mr. Chairman, if we are wasting time, I am not the Government.

MR. HIGGINS: With reference to so-called waste of time, I do not see any waste of time in matters involving amendments. I have learnt a lot. I confess candidly that I learned a lot from what the Prime Minister said, from what Major Cashin said and from what the Attorney General said. It is a subject of vast importance and if we spent days on it it would not be a waste of time. I can approach it very much better now because I learned quite a lot here this afternoon. It is unfortunate that one thing cannot be discussed without the other, and this second Bill is

before the House because the Attorney General brought it before himself. He brought it into the House to-day when he said that two of them had to be read together, and we are discussing both of them. We discussed both of them—one of them cannot be discussed intelligently without the other.

MR. SMALLWOOD: Of course, the honourable and learned Leader of the Opposition will admit that when a money Bill is brought in it must be by resolution; the Bill itself cannot be brought in until the House orders it to be brought in.

MR. HIGGINS: No I am not discussing that; I am only saying, a discussion on the Bill, a theoretical discussion—let me put it that way, not a practical discussion—was brought about by the fact that the Attorney General said that one had to be read with the other; that is just about it. When we get the Bill proper, I think we can approach it in a very much better manner than we would otherwise.

MR. SMALLWOOD: Yes, of course, but when a Bill is a money Bill, our own rules provide—we have no choice in the matter—our rules provide, as they do all over the world where there is parliamentary democracy, that a money Bill must be brought in by a form of resolution? That it is expedient to bring in this Bill. Now, how do we debate the Bill until the resolution passes? When it does pass, that is the order to bring in the Bill. Now, when the Bill is brought in, we can debate it to our hearts' content and pass it or defeat it, amend it or take it as it is—that is up to the House—but here we are debating the Bill

which has not been brought in and which under the rules cannot be brought in even if it were printed. All this dispute—after all this disputing it still cannot be brought in until these resolutions are passed, because the resolutions are to the effect that the Bill ought to be brought in. In the meantime, what I meant when I said that the normal course is to debate these things on the Bill itself, not on the resolutions, is that when you debate them on the resolutions you have two debates. There is nothing that we have said this afternoon, but will be said again. Every one knows we will say the same thing all over again on the—except perhaps my honourable friend the Minister of Public Works, in other words, he may perhaps not say then what he has said now, but all the rest of us are going to say all over again in the debate on the Bill itself what we have said here on the resolutions, which is why we should make up our minds either to have the debate on the resolutions or on the Bill, and the sensible thing is to have it on the Bill for this reason: That the Bill gives all the details but the resolutions do not. Now, here we are—in that sense, my honourable friend is right, we have been wasting time, all of us.

MR. CASHIN: Well, Mr. Chairman, in order that we do not waste any more time, I suggest that these resolutions be passed and we will continue discussions on this matter when the Bill is brought in here.

SOME HON. MEMBER: Hear. Hear.

MR. MILLER: Does that mean that we actually are going to have

a repetition of this afternoon's arguments again? Well, we have had quite a share, we invite more, do we now, by not going though the full stage this afternoon?

MR. CASHIN: Yes.

MR. SMALLWOOD: We have to go through the other stages.

MR. MILLER: But we need not necessarily, as you point out, have the debate on both occasions. Why not conclude it now this afternoon?

MR. SMALLWOOD: If the honourable member will allow me, it is hard to do that without any bill before us. If the honourable and gallant member for Ferryland says that this Bill violates our contract with Bowaters and I say it does not, it is hard to decide that until the Bill is here.

MR. MILLER: Is it pressing matters that we cannot deal with this in some other different stage? For instance, no one can question any statements made; no one has looked for any further information on it. There have been quite interesting statements made. There is that statement of the Attorney General which deals with Corporation Taxes, not Corporation Income Taxes, but Corporation Taxes, and now, I suppose, I am going to waste time. Now, Corporation Taxes go out very far in this country and I do not think it can be denied by any of the very capable members on the other side of the House who have dealt with it, but that Corporation Taxes are in some places, the almost sole earnings of certain town councils. Now, if these are removed, if they forfeit the right to collect these taxes from corporations—there are tele-

phone taxes, there are fishing firms taxes, there are cold storage taxes, lighting companies taxes, there are the taxes collected when a person sells a ticket at the door of a theatre, all helping to feed into municipal taxes, even here in St. John's, and very much so in the outports. Now, if we give the right to the Federal Government to collect all these taxes, we remove that right from the people, the councils of these areas. Once that is removed, what happens? You will have no money to work with, or they must be produced by some other form of taxation. I can only take it then that this is the first step, and I can see the Government have *no choice in it*; either because of the Terms of Union, or because of some other exigencies of law, we are told that we must impose these laws—this law. We are told we must do it. Also, not only will we lose this money, but the Federal Government will actually take it from us. They will penalize us, deduct it from our just rights. But I want to go back again, because it is a feature that is raised and I am interested in, of *what will happen to these councils*. We might have to turn around then and invite property tax; land tax. The only one great source of income that was coming easily, and I must say that there are some councils that have no other source of income than what they take off corporations. Now, remove that and what happens to these councils.

If any one of you could tell me with some sort of justice that we are wasting time when he go into the different phases of this thing—we are told by the Government that they *cannot produce the schedule (a) and (b) because they can-*

not discriminate what's left, or which should be left where. Least of all concerned, probably, is this Provincial Government who is going to get that money once we do this, but let us not do the dirt. Let us look a little out beyond our own budget; let us think about this effort that is being made around our country, and we are going to, knowingly, destroy that, well then I can say that the Government is only inviting critical conditions which will not help them any too greatly in the future. I submit, Mr. Chairman, that a Resolution like this, which deals with the decision to agree to a certain Act, is very far-reaching. We should give it full consideration; no use for anyone to get disturbed over it. If we must do these things, we must do them. We are in Confederation; we know all that. We think that last year in Mr. Abbott's budget reductions, he reduced the taxation down to ten per cent on small corporations; now we heard this afternoon about big corporations, Bowaters and all these. Truly so, if they pay more Corporation Tax, they must necessarily reduce the take-home pay of the logger that gets them there; but perhaps, on the other hand, a large corporation will not feel that, and perhaps they were having a privilege anyhow. But in the case of a small corporation, the last thing we are told was that they would pay ten per cent, and now we find there is some kind of a little hidden law or hidden tax that no one is going to accept responsibility for—their tax is increased by just half. That I do hold is a substantial increase. Now we must console ourselves, I know, about the fact that we have to do it, that this Provincial Government

has to accept the dictation of the Federal Government, or else. That probably is not as harsh as it seems, but nevertheless, due to the Terms of Agreement—and I am not going to go back over that, we just simply have to do it. But let us try to look into the whole situation, and I do not hold with the Government not having that schedule (a) and (b) ready. They have had nine months to do it; it was a very essential thing to do because unless it is done we possibly will lose five or six million dollars, or we do it this way blindly. Now in the future of our country and we are going to have here plenty, I am sure, taxes. Well, let us not try and get it done blindly. Let us come right out and face the blunt of it all. We need the money to balance the budget; we have reasonable people to deal with, and let us do it openly. Never mind asking that we get enabling laws passed to permit us to pass obnoxious laws back in a dark room.

MR. CASHIN: Mr. Chairman, I presume that the Attorney General to-morrow, if he is not able to do it now, will be in a position to inform the House whether the Provincial Government in Newfoundland is liable for the ten million dollar bond issue of Bowater's, or whether the Federal Government is liable?

Clause 1 read and passed.

Clause 2 read and passed.

Clause 3 read and passed.

Committee rose and reported having passed certain Resolutions and that a Bill be introduced to give effect to them.

Resolutions read a second time.

MR. SPEAKER: Has the honourable the Minister leave to intro-

duce this Bill.

Bill read a first time . Ordered to be read a second time on to-morrow.

MR. SPEAKER: Honourable the Attorney General to ask leave to introduce a Bill "An Act to Authorize the Government of Newfoundland to enter into an Agreement with the Government of Canada with Respect to the Collection of Corporate Income Tax." Has the honourable Minister leave to introduce this Bill?

Bill read a first time. Ordered to be read a second time on to-morrow.

MR. SPEAKER: Honourable the Attorney General to ask leave to introduce a Bill "An Act to Authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada." Has the honourable Minister leave to introduce this Bill?

Bill read a first time. Ordered to be read a second time on to-morrow.

MR. SPEAKER: Honourable the Minister of Finance to ask leave to introduce a Bill "An Act Further to Amend the Act 'Of the Auditing of Public Accounts'." Has the honourable Minister leave to introduce this Bill?

Bill read a first time. Ordered to be read a second time on to-morrow.

MR. SPEAKER: Honourable the Minister of Labour to ask leave to introduce a bill "An Act Respecting Industrial Statistics." Has the honourable Minister leave to introduce this Bill?

Bill read a first time. Ordered to be read a second time on to-morrow.

MR. SPEAKER: Honourable the Minister of Labour to ask leave to introduce a Bill "An Act Respecting Trade Unions." Has the honourable Minister leave to introduce this Bill?

Bill read a first time. Ordered to be read a second time on to-morrow.

MR. SPEAKER: Honourable the Minister of Education to ask leave to introduce a Bill "An Act Relating to Public Examinations in Schools." Has the honourable Minister leave to introduce this Bill?

Bill read a first time. Ordered to be read a second time on to-morrow.

MR. SPEAKER: Honourable the Minister of Natural Resources to ask leave to introduce a Bill "An Act Entitled 'The Veterans' Land Act'." Has the honourable Minister leave to introduce this Bill?

Bill read a first time. To be read a second time on to-morrow.

MR. SPEAKER: Second reading of Bill "An Act Respecting District Courts."

On motion this Order was deferred.

On motion of the honourable the Premier the House adjourned until Monday, November 21st, at three of the clock.

Monday, November 21, 1949

The House opened at three of the clock.

Notice of Motion and Questions:

MR. CASHIN: Mr. Speaker, I give notice that I will on tomorrow ask the Honourable the Minister of Finance to table the following information:

(1) The total revenue of the Province from April 1st, 1949 to October 31st, 1949. This revenue not to include amounts received from the collection of Income Tax and Profits Tax for the year 1948.

(2) The total expenditure of the Province from April 1st, 1949 to October 31st, 1949.

(3) In submitting the revenue for the period mentioned above, it is requested that it be given under the various headings collected — such as:

Board of Liquor Control.

Department of Public Works (for tax on gasoline,

Department of Public Health,

Department of Public Welfare,

Amounts received from the Federal Government (outlining whether such amounts are repayments on accounts of Gander, railway, etc., or whether the amounts are on account of subsidies; and in case of subsidies, give the total amount per subsidy; and in the case specific amount for such of Transitional Grant, give the Grant).

(4) In giving the expenditures requested, it is asked that such expenditures be given under the various departmental headings and would include Capital Expenditure; but at the same time, give a separ-

ate answer to the total Capital Expenditure of the Province from April 1, 1949 to October 31, 1949.

To ask the Honourable the Minister of Finance to table a statement giving the following information:

(1) The total amount to the credit of the Province in the Bank of Montreal in Newfoundland as at October 31, 1949.

(2) The total amount to the credit of the Province deposited with the Canadian Federal Government at interest; also giving the date when such deposit was made.

(3) The total amount to the credit of the Board of Liquor Control in the Bank in St. John's, Newfoundland, at the present time.

(4) The total amount due the Provincial Government by the Liquor Control, at present.

(5) The total surplus of the Newfoundland Savings Bank as at March 31, 1949.

(6) The total amount of Interest-free Loans to Britain; and to inform the House whether any further steps have been taken to obtain interest on this outstanding indebtedness.

(7) Statement of all other balances due the Provincial Government by the United Kingdom Government.

(8) The total indebtedness of the Province of Newfoundland outstanding in the form of War Savings Certificates and local loans; giving the rate of interest per annum on such loans and certificates. This indebtedness not to include sterling loans due in 1950-1952 which have been provided for from the original Interest-free loans to

Britain. The total amount of indebtedness to the Provincial Government of the St. John's Housing Corporation as at October 31, 1949. The total amount of outstanding loans due by certain fishery interests to the Provincial Government as at October 31st, 1949.

Also I give notice that I will on tomorrow ask the Honourable the Minister of Finance:

(1) To table a statement showing the number of gallons of rum held by the Board of Liquor Control on April 1st, 1949; also the cost of this rum.

(2) Have any further importations of rum been made since that date; if so, give the total number of gallons and the invoice cost.

(3) The total number of gallons of rum sold by the Liquor Department since April 1st, 1949, to October 31, 1949, giving the amount received for such sales.

Also I give notice that I will on tomorrow ask the Honourable the Minister of Provincial Affairs to table a statement showing the amount advanced by the Provincial Government to the St. John's Housing Corporation for the purpose of completing houses in the Housing Area since January 1, 1949, to date.

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, the Government has been advised that an emergency exists with respect to the supplying of salt meat. At the moment there is not enough salt meat held in stock to look after the requirements of all Newfoundland. There are, however, I understand, sufficient stocks to look after those areas which will shortly become ice-bound and to which it

would be impossible to make shipments. Last year a similar emergency arose, and the Government, under the War Measures Act, made certain regulations, but one of the last Acts of the Commission of Government before it went out of office was to repeal the War Measures Act, and with their repeal, all the regulations made thereunder. The position today, therefore, is that the Government cannot control the distribution of salt beef, and if such a condition is allowed to exist, it is very doubtful whether the Northern Districts will be able to put in their necessary supplies for the winter, because the southern districts, which will not be cut off, will naturally want to buy their supplies. The Government understands, that after December 15th there will be ample stocks in hand for the whole country, but in order to supply those districts which will shortly be cut off from navigation I am asking the House, Mr. Speaker, if it would agree to have the Rules suspended and permit the introduction of a Bill, a copy of which has been placed on the desk of every honourable member, "An Act to Empower the Minister of Supply to Impose Restrictions on the Distribution of Goods of Any Kind When It is Considered to be in the Public Interest to do so." I would say, Mr. Speaker, that this Bill is practically a verbatim copy of the regulations that existed, and were made law, under the War Measures Act, but in a national emergency I would ask if the Rules of the House could be waived, and if I may have the permission to introduce this Bill and have it read a first time, and thereafter proceed to put it through its final stages.

MR. SPEAKER: Does the House agree to the suspension of the Rules to meet the state of emergency, proposed by the honourable the Attorney General?

MR. CASHIN: Mr. Speaker, I am quite in accord with what the Attorney General has just stated. There is just one point. I would like to ask him, is the fact that there is not a good supply of salt pork and salt beef in the country at the present time caused because of difficulty in obtaining American exchange?

MR. CURTIS: I know, Mr. Speaker, that arrangements have been made with the Dominion Government to allow all the salt beef that is necessary to come into Newfoundland free of duty, but that was done within the past ten days, or fortnight.

MR. CASHIN: In reply to the honourable member, in connection with that thing, I do know also that the importers of salt pork and salt beef have been paying duty at the rate, I think, of six dollars a barrel, upon the understanding that they were going to get a rebate, and I want to tell you, Mr. Speaker, that it took them some time to get a rebate on them—I do not know what has happened since, whether they got their money back; but it seems to me—I am just pointing this out that the fact is that because of the difficulties of obtaining American exchange through the Canadian Foreign Exchange Control Board have been the cause of the delay in obtaining this particular product, which is American, because the Canadian pork and beef that is put up in Canada does not suit our

people like the American stuff, and I am sure that considerable delay has been caused because of the red tape that the importers have to go through in order to get American exchange to buy it.

MR. SPEAKER: I do not think we can discuss this any further until—here we have a motion before the Chair at the moment. Does the House agree to the suspension of the Standing Orders, so that this Bill may be introduced without notice?

Motion carried.

The motion was carried that the Honourable Attorney General introduce the Bill and the Bill was read a first time.

MR. CURTIS: I would move, Mr. Speaker, if I could have the unanimous consent of the House, that this Bill be now read a second time. I do not think, Mr. Speaker, that I need say any more than I said when making my original motion. The wording of the Bill is identical with the Regulations which were in force until the War Measures Act was repealed, and it is necessary in the public interest that these be restored, only now, of course, they would be restored by way of an Act and not by way of Regulations. I would move the second reading.

The motion that S.O. 261 be suspended was carried and the Bill was read a second time.

MR. JOHN G. HIGGINS (Leader of the Opposition): Mr. Speaker, these are sweeping terms. I am not objecting to salt pork, or matters of that kind, because there are certain occasions when parts of the country are cut off, but to give the Government the right of controlling goods of all kinds seems

to be entirely out of the question, and I do not think it covers more than my learned friend the Attorney General spoke of, in order to get it—just to get salt pork to the North. It is giving the Government control over all goods of all descriptions, and personally I dislike that sort of thing, in view of the fact that we have Simpsons and Eatons coming in here now and carrying on all the work they want; I think it would be very much better if this were curtailed down to something which is apt to get short in the country. I appreciate the fact that up North last year food supplies were very short, and I think that we should make arrangements, although I think they should have been done long ago. That is the objection I have, they are too sweeping, there are too many things involved in it—it includes everything that is carried on in this country here. I certainly will support the Bill if it is lessened in degree than commodities of all kinds; certain food things I should think so, salt beef and pork, and flour. I mean, the necessities, what we call the fundamentals; the fundamentals of life, I certainly think you have a perfect right there, but to take the control of all goods, I think it is unreasonable.

MR. CURTIS: Perhaps, Mr. Speaker, if the House will consent to have the Bill go into Committee, we could consider—

MR. HIGGINS: I thought that it would probably be better to bring up that matter on the second reading, but it could be gone into after second read has gone through.

MR. FOGWILL: Mr. Speaker, I think the question involved now,

the principle of this Bill, should be discussed now, and I am entirely in accordance with the Leader of the Opposition that the title of the Bill is too sweeping altogether. It is something to restrict the distribution of goods such as food, so that the Northern people would be able to get the amount necessary for the winter months; but the title of the Bill now, while we are in second reading, that is the part I do object to also. It is too sweeping and it says the restriction and distribution of goods of any kind. I think it is entirely wrong and it is putting into the hands of the Government something which can be used to the detriment of the country; in fact, it gives the Government the power to dictate in many ways, more than perhaps would be shown in this Bill itself.

MR. CURTIS: I might say, Mr. Speaker, that I can give an undertaking that we will amend it in committee to suit the honourable members.

On motion the S.O. 216 was further suspended and the House went into committee of a whole.

Section 1 read and passed with amendment of "all goods"

Section 2 read.

Mr. Curtis moved that a select committee be nominated to redraft this Bill.

The Committee rose and reported having made some progress and asked leave to sit again later on in the afternoon.

Notice of motion of the Honourable the Minister of Education asking leave to introduce a Bill "An Act Entitled the Education (Amendment) Act Number 3, 1949."

Bill read a first time. Ordered to be read a second time on tomorrow.

Notice of motion of the Honourable the Minister of Education to ask leave to introduce a Bill "An Act to Transfer to the Memorial University of Newfoundland Rights vested in the Newfoundland Memorial University College and Normal Training School, Assets of the Board of Governors of the Memorial University College and Certain Crown Assets."

Bill read a first time. Ordered to be read a second time on tomorrow.

MR. SPEAKER: Question number 87 standing in the name of the honourable member for Placentia-St. Mary's, addressed to the Honourable the Minister of Labour.

HON. C. H. BALLAM (Minister of Labour): Mr. Speaker, the answer to this question is being prepared and will be submitted tomorrow.

Order of the Day:

Second reading of a Bill "An Act Respecting District Courts."

MR. CURTIS: Mr. Speaker, the House will be glad to know that there is a prospect of this item coming off the Order Paper—at least, the second reading. I would like to move, Sir, that this Bill be now read a second time.

As the House knows, we have in Newfoundland at the moment, two courts. We have the Supreme Court, which has unlimited jurisdiction, and we have the Magistrate's Court which has a very limited jurisdiction. We have a fine type of magistrates through

the country, between twenty and twenty-five of them, but these magistrates, of necessity, had to have very limited jurisdiction because, with two exceptions they are not trained professional lawyers, and consequently, legislatures in the past have not felt like giving them the authority that people occupying their positions should have. The present Bill proposes the establishment of district courts throughout Newfoundland.

The Bill has been distributed, and you will see Mr. Speaker, on page 4, paragraph 3, a blank space. That, Mr. Speaker, is a printer's error. Newfoundland is supposed to be divided into seven judicial districts as set out in the schedule to the Act. There is no schedule to the Act, due to the printer's error, but the schedule contains the Federal ridings as defined in the Terms of Union. At the present time, Mr. Speaker, our magistrates have jurisdiction up to \$200, except in a limited range of cases. Our magistrates have no land jurisdiction whatever, and very frequently an ordinary action of trespass can be taken out of the hands of the magistrates if the defendant pleads that the title to the land is involved. The object of this Bill is to bring justice, bring the courts, to all Newfoundland. At the moment, if there is a land case in any place outside St. John's, it can be dealt with only when the Supreme Court goes there on circuit, which is once a year, and recently the circuits of the court have been curtailed very greatly. That is one of the reasons why we propose introducing this Bill, which will establish throughout the whole country, county courts.

The judges of these courts will sit at some named place and will take circuits, and in the course of these circuits visit their entire area, thereby bringing to every place of any size in the country the facilities of a judge, and a court with power to hear cases which may come up. We propose in this Bill that these courts shall have jurisdiction up to \$1200. In addition, we propose that the court have jurisdiction over land cases. This, we feel, is very necessary and desirable, and we feel that it will be safe to give the judges of the county courts these powers, because these judges will be appointed, not by the Provincial Government, but by the Governor General in Council, who, by the way, will also pay them. The qualifications of the judge of these district courts will be ten years at the Bar, exactly the same requirements as are held by the present judges of the Supreme Court. They therefore, we feel, can safely be entrusted with dealing with land cases. We have made the Bill just as comprehensive as we could. We have given these judges all the powers we feel they need, and I would like to thank, through the House, my learned friend the Honourable Leader of the Opposition for his assistance and criticism in some of the paragraphs. There may be minor amendments to be made in committee, but I think generally the Bill, as at present drafted is satisfactory to the Benchers of the Law Society, the judges of the Supreme Court and other bodies whom we have consulted in its preparation.

The present courts, Mr. Speaker, have operated very successfully

and very satisfactorily, but the limits of the jurisdiction have rendered them less valuable to the communities in which they are situated than they would otherwise be. The introduction into Newfoundland of the criminal code, which is expected very shortly, makes it both necessity and desirable that we have district courts. District courts as we had them in Newfoundland, in the past, had no criminal jurisdiction whatsoever. The Central District Court in St. John's had less jurisdiction than the magistrates sitting anywhere in the country. The district courts now being created will have very extensive criminal jurisdiction. Indeed, under the Criminal Code, it is necessary that we have these courts, because any accused after commitment on a preliminary enquiry has the right, under the Code, to be brought forthwith before what they call in the rest of Canada a County Court, what we call here a district court, and asked whether or not he want a speedy trial. A speedy trial is a trial before the county court. I do not think, Mr. Speaker, there is anything more I need say at this stage, and I move the second reading of this Bill which I think will have the effect of benefiting the greater part of the Island.

Bill read a second time. To go into committee of a whole on tomorrow.

MR. HIGGINS: I wonder, Mr. speaker, if this could be put off for a week; I may have some more suggestions when I go over it.

MR. CURTIS: Would it be possible, Mr. Speaker, to name a date,

or de we just defer it from day to day?

MR. SPEAKER: You may do either.

MR. HIGGINS: You can adjourn it until tomorrow, and then name a date, can you not? This had to be done very particularly, because it is a terrific change; it is done for the whole future, not for two or three years, so we have to be pretty careful. There are two or three sections about which I am doubtful. I drew them to your attention last night. We could adjourn from day to day. I think the House understands we are not trying to delay matters, and it would be perfectly all right to have it from day to day.

On motion the second reading of Bill "An Act to Provide for the Regulation and Sale of Alcoholic Liquors" was deferred until tomorrow.

On motion the second reading of Bill "An Act to Provide for the Regulations of Public Utilities" was deferred.

On motion the second reading of Bill "An Act to Impose a Tax on the Income of Corporations" was deferred.

Second reading of Bill "An Act to Authorize the Government of Newfoundland to enter into an Agreement with the Government of Canada with Respect to the Collection of Corporation Income Tax."

MR. CURTIS: Mr. Speaker, in the ordinary course I would prefer to have the second reading of this Bill stand until we had passed the Bill concerning the tax which this authorizes the Domin-

ion Government to collect, and if the House agrees, all right. However, we have lots of time, and if the principle is accepted by the House that we have to enter into this Tax Agreement and have imposed this tax, perhaps there will be no objection to giving this Bill second reading at the moment. The House knows, Mr. Speaker, the Terms of Union require that Newfoundland be invited by the Minister of Finance to enter into a Tax Agreement. That offer has been made to Newfoundland by a letter dated the 4th day of May, 1949; the Honorable D. C. Abbott, Minister of Finance, wrote the Honorable J. R. Smallwood, Premier of Newfoundland as follows:

"In accordance with the provisions of Clause 27 of the Terms of Union of Newfoundland with Canada I am writing on behalf of the Government of Canada to offer to the Government of the Province of Newfoundland an opportunity to enter into a tax agreement along the lines of similar agreements now in effect between this Government and certain of the other Canadian Provinces. The enclosed offer is in the same general form as that made to the other Provinces, modified in accordance with the terms of Union, and subject to the arrangement of details, anticipates an agreement similar in form and substance to those now in effect.

In view of the many urgent transitional problems now being dealt with by both our Governments I am assuming that some months may elapse before it will be possible to enter into discussions of the details of the agreement. You will recall that under Clause 27 your Government may

accept this offer at any time within nine months following the date on which it was made.

In the meantime, however, it would be to our mutual advantage to have our respective officials proceed with the preparatory work relating to some of the more technical aspects of the agreement. In this connection I have particularly in mind the preparation of the appendices to the agreement containing the lists of statutes imposing taxes which may be retained on the one hand by the Province or, on the other, which must be given up for the period of the agreement. The examination of many hundreds of statutes and regulations in the case of the provinces which have already entered into the agreements was found to involve long and painstaking efforts on the part of the officials of both parties in order to ensure equity and certainty.

If you agree with my suggestion would you be good enough to inform us of the manner in which you would wish to have your officials proceed. Since much of the information required is obtainable only from the records of your own Government and those of local authorities in Newfoundland it may be necessary at some stage to have officials from my department go to Newfoundland to work there with your own people.

I will be pleased to hear from you at your convenience.

Yours very truly,
(Sgd.) D. C. ABBOTT,
Minister of Finance.

The Honorable Joseph R. Smallwood,
Premier of Newfoundland,
St. John's, Newfoundland.

Annexed to this letter, Mr.

Speaker, are the terms of the offer. I can read them to the House, if the House would like to hear them; they are the standard terms that have been put to all the provinces.

Offer of the Government of Canada to the Government of Newfoundland of an agreement for Rental of Taxes.

Principal terms of the offer:—

1. Undertakings of Government of Newfoundland on behalf of itself and the municipalities of Newfoundland.

- (1) To refrain from levying personal income taxes, corporation income taxes, and corporation taxes, as defined in the agreement, in respect of
 - (a) the period of three years commencing on January 1, 1949, and ending on December 31, 1951.
 - (b) the period of eight years commencing on January 1, 1949, and ending on December 31, 1956.
- (2) At the option of the province, to refrain from levying succession duties as defined in the agreement in respect of successions or transmissions consequent upon or on property passing upon any death occurring during
 - (a) the period of three years commencing on April 1, 1949, and ending on March 31, 1952,
or
 - (b) the period of eight years commencing on April 1, 1949, and ending on March 31, 1957.

2. Notwithstanding the undertakings given by the province under Section 1, the agreement may provide that the Government of the Province may

(1) levy or empower a municipality to levy income tax or corporation income tax or income earned during the whole or any part of the period mentioned in paragraphs (a) or (b) of subsection (1) derived from mining operations or on income so earned derived from logging operations as defined in the agreement;

(2) impose corporation income tax, in such manner as may be agreed upon, at a rate of five per centum or income of corporations earned during the whole or any part of the period mentioned in paragraphs (a) or (b) of subsection one attributed to their operations in that Province, but in such case provision shall be made in the agreement that there be deducted from the amount of compensation otherwise payable to the Government of the Province, an amount not less than the amount of the corporation income tax assessed and collected by or on behalf of the Government of the Province in respect of the said income of the said period or part thereof; and

(3) imposed succession duties in respect of deaths occurring during the whole or any part of the period mentioned in paragraphs (a) or (b) of subsection (2) but in such case provision shall be made in the agreement that there be deducted from the amount of compensation otherwise payable to the Government of the Province, an amount not less than the amount allowed by the Government of Canada as a deduction from suc-

cessions consequent upon the deaths of persons occurring during the said period or part thereof, in respect of succession duties paid to the Government of the Province on successions or transmissions consequent upon, or on property passing upon the said deaths.

3. Undertakings of the Government of Canada

(1) Subject to the deduction of statutory subsidies and other amounts as provided in the agreement, the Government of Canada will pay to the Province of Newfoundland in respect of

(a) the three fiscal years commencing on April 1, 1949, and ending on March 31, 1952,

or,

(b) the eight fiscal years in the period commencing on April 1, 1949, and ending on March 31, 1957,

whichever is the period for which the province agrees to refrain from levying certain taxes, an annual amount that is the greater of the guaranteed minimum annual amount or the adjusted annual amount.

(2) The guaranteed minimum annual amount may be determined at the option of the province on one of the following bases:

(a) the aggregate of

(i) \$12.75 per capita of the 1942 population of the Province,

(ii) One-half of the revenue of the province from income and cor-

poration taxes for the year ending nearest to December 31, 1940, and

- (iii) the amount of the statutory subsidies payable to the province in the calendar year 1949,

or,

- (b) the aggregate of
- (i) \$15.00 per capita of the 1942 population of the province, and
 - (ii) the amount of the statutory subsidies payable to the province in the calendar year 1949,

or,

- (c) \$2,100,000.

- (3) The adjusted annual amount is an amount that is the average of amounts for each of the three calendar years immediately preceding the fiscal year in respect of which payment is to be made, the amount for each such calendar year being the greater of the two following amounts, namely,—

- (a) *the guaranteed minimum annual amount for the province, or*

- (b) the amount that is the product of the guaranteed minimum annual amount for the province, multiplied by the product obtained by multiplying

- (i) the ratio that the value of the gross national product per capita in that calendar year bears to the said value in the calendar year 1942

by

- (ii) the ratio that the population of the province for the calendar year bears to the said population for the calendar year 1942,

the said ratios to be computed as provided in the agreement.

4. Form of the Agreement.

The agreement embodying the principal terms outlined above to be in the same form as the enclosed copy of the Memorandum of Agreement dated January 8th, 1948, between the Government of Canada and the Government of Nova Scotia, appropriate changes being made in the text of the Agreement by the substitution of the word "Newfoundland" for "Nova Scotia" wherever it appears, by the substitution of the amounts of payments and other amounts appropriate to Newfoundland for those now applicable to Nova Scotia, by the amendment of the text of the Agreement for such other similar changes as may be required and to meet the Terms of Union.

5. Additional ayments by Dominion Government.

In addition to the payments provided under the Agreement the Government of the Dominion of Canada will undertake to make payments to the Government of the Province of Newfoundland in respect of income tax collected from corporations whose main business is the distribution or generation for distribution to the public of electrical energy, gas or steam in accordance with the terms of Section 7 of the Dominion-Provincial Tax Rental Agreements Act, 1947, in respect of such income for the

period commencing on January 1, 1949 and ending on December 31, 1951 or December 30, 1956, whichever is the period for which an Agreement is entered into."

I might say, Mr. Speaker, that the Government of Newfoundland proposes to enter into an agreement for three years, an agreement commencing on April 1, 1949, and ending on March 31st, 1952. I need not at this stage go into the history of the very protracted negotiations that took place between the Dominion Government and the province. In 1947, or in the years preceding 1947, when an agreement was made between the Dominion Government and the provinces. I think the position is quite clear to most, if not all, of the honourable members. It will be remembered that Newfoundland undertakes to introduce and pass a five per cent tax on corporations. This was discussed at our last session. The position is, Mr. Speaker, if we pass this five per cent tax the Dominion Government collects it, and pays us the proceeds; if we do not pass that tax, and authorize them to collect it, the amount of that tax will be deducted from the annual amounts paid to Newfoundland. Obviously, therefore, if we enter into a Tax Agreement, we have to impose this five per cent tax, and we also will, naturally, as a matter of convenience, ask the Dominion Government to collect it, when they are collecting their other income taxes. The present Bill before the House is a Bill to authorize the Federal Government to collect this five per cent tax as and when it is assessed.

In speaking the other day, in reply to my honourable and gallant friend, the member for Fer-

ryland, I said that under this Tax Agreement Bowaters would not be taxed. I think perhaps I may have been in error; the tax situation as regards Bowaters is very involved. Under their 1927 Act they agree to pay, in lieu of any and all income and other taxes, \$150,000 per year. Since Union the position with regard to Bowaters is a bit complicated, and I almost feel as if ultimately the matter will be coming before Court for an interpretation as to the position, but my own feeling is that if we impose this five per cent tax it will be payable by Bowaters up to \$150,000, but if this tax exceeds \$150,000, which is not likely because if this tax is to exceed \$150,000 they will have to make a profit of somewhere over three million. I do not think we need worry, but, however, the position I feel will be effective is that Bowaters will come under this Tax Agreement. That is my present feeling; and that they may continue as they are now and pay \$150,000 in lieu thereof.

MR. CASHIN: To whom?

MR. CURTIS: To the province.

MR. CASHIN: The other day you said they would not.

MR. CURTIS: I know. I think I was wrong the other day. However, I would like to say, Mr. Speaker, that their position is not clear. It will take a good many lawyers a good many days, and perhaps a good many courts, to find just where we are going to stand in connection with Bowaters. The position is this, Mr. Speaker; every province of Canada, and every company, every corporation, in Canada, has to pay the thirty-three per cent Dominion tax now in

force. The non-concurring—the provinces that did not enter into tax agreements—have to pay an additional tax of seven per cent to their own Provincial Governments. That means that the corporations in those provinces are paying forty per cent. Now in all the provinces that have signed the tax agreement, the Dominion Government is collecting thirty-three per cent, but also a provincial tax of five per cent, which means that those provinces that have accepted the tax agreement only collect from the corporations, or the corporations only pay thirty-eight per cent.

MR. HIGGINS: Who gets that, the Federal authorities?

Mr. CURTIS: The Federal authorities get it.

MR. HIGGINS: Then the same authorities get Bowaters, do they not?

MR. CURTIS: Yes, I expect they will have to get that too. But when I said "we" get it I meant we get it to go against this five per cent tax. The Province will not get it. It will go, as the rest of this tax, to the Federal Government; in other words, the Federal Government is collecting this tax, and nominally is paying it back to us, but if the Federal Government pays us back the proceeds of this five per cent tax they will deduct a similar amount from the amount they undertake to pay us under the Tax Rental Agreement, so it is purely a matter of bookkeeping whether they actually pay this tax back to us or whether they pay us the full amount under the agreement.

Now I have the Agreement

here, and I would like to show it to the House, to show just what it involves. It is single-space, typed, and occupies altogether thirty-three pages. If anyone would like to peruse, they can, but I can say it is an exact copy of the Tax Agreement entered into with Nova Scotia, and with the other provinces. As a member of fact, there is a clause in the Agreement that says it is to be uniform, and if the Dominion Government should make any other agreement with any other province varying the term of this agreement, they can do so only after consultation with us.

Now I think, Mr. Speaker, the House will agree that we will have to impose a five per cent tax, and that therefore it would be in order for me at this moment to move the second reading of this Agreement. As I said, at the outset, strictly I would like to see the Act go through first and the Collection Agreement after, but in view of the fact that the Corporation Act, which is in itself a lengthy document, is not ready, I would move the second reading of this Bill, which I think will meet the wishes of the House.

MR. CASHIN: Mr. Speaker, it seems that this matter of corporation income tax is quite a complicated affair—after listening to the honourable the Attorney General—and it seems one that we should give a lot of thought to. As I listened to the Attorney General, to be quite frank, I was somewhat confused. According to the Terms of Union here, which I got a copy of today, this Agreement is to be entered into within nine months after date of Union, or after we were notified, in May.

Now what are we giving away and what are we getting in return? That is the position. There are no figures, there is no explanation, to show under the various headings. For instance, we are giving away our income tax, our death duties we call them here, not succession duties, and then a further five per cent corporation tax. Now we are getting approximately six and a quarter million dollars for that, roughly, according to this Act. And we are giving away approximately eleven or twelve million dollars; so it does not seem a very good proposition. However, the Terms of Union were negotiated somehow and signed on December 11th last, and today in this House the Attorney General is not able to tell us whether or not this Bowater agreement of 1927 will stand or not.

There is one other point. I think I asked the Attorney General the last day the House was in session who becomes liable for the twenty million dollars, the ten million dollars of bonds that Newfoundland is guarantee for, under the 1923 and 1927 agreements? If the Federal Government takes over the power to tax Bowaters, or either corporation tax, or income tax, and wipe out the \$150,000 which we were to get, surely then they are going to take over the twenty million dollars guarantee, or the ten million dollars guarantee that we had? These are matters I grant you, Mr. Speaker, that should have been discussed during the negotiation of the Terms of Union, but it appears they were not discussed; evidently they were just swept aside, because I have gone

through the various documents with respect to the Terms of Union and interchange of letters between the chairman and the Prime Minister of Canada, and there is no reference whatever made there on these matters.

Now I know it is done, and we have got to accept it, but here is what happened, and I am going to take this opportunity of saying it: One of those people who were negotiating the Terms of Union was a party representing the A. N. D. Company in Newfoundland, who were subject to profits tax and income tax, and we have always heard in this House and outside of it that because the A.N.D. Company were subjected to the profits tax, that Bowaters should be, and that Bowaters had the edge on. I want to clear up that point once and for all, particularly to those gentlemen who were not in this House twenty-five years ago when those agreements were made with Bowaters, and which evidently are now going to be torn up; and this corporation tax imposed on them, which in my opinion is a violation of our agreement of 1927. It is all right to say we are handing it over to the Federal Government—the Federal Government is going to do it, but we are parties to making the Federal Government do it, to allowing them to do it. I know it is not the Provincial Government that is going to collect it; the Federal Government is going to collect it.

Way back in 1905, when the A. N. D. Company first came to this country, and right along up to 1917, there was no such thing as an income or corporation tax in

Newfoundland. What happened in those days? The A. N. D. Company showed no profit whatever; their stock on the London Stock Exchange was nothing; but their holding companies were making big profit, and their idea at that time was to stop competition of another mill in Newfoundland. However, after the first war, income tax went high in Great Britain; the result was that the Daily Mail and these papers that controlled the A. N. D. Company decided, "Well, we will show the profit out in Newfoundland; they have a very small income tax out there," and they shifted and showed their actual profit of the A. N. D. Company out in Newfoundland, after 1919, which they really had been making before, but that their parent companies had been getting in England, and had been blocking the promotion of another pulp and paper mill in Newfoundland; because, when the Reid's in those days went to look for further capital in the money market they were told, "Why, the A. N. D. Company's stock is away down; they are making no money; their financial statement shows that they are losing money," and they could not get capital to develop the Humber.

But after that, when the A. N. D. Company started to show a profit in Newfoundland, then capital became interested, and then this House at that time, and the British Government also, guaranteed altogether between them twenty million dollars approximately, which started proposition, and the idea of exempting them from income tax and profits tax at that time was to give them an

opportunity to get on their feet and pay off these bonds. And ever since that there has been jealousy between the A. N. D. Company and the Corner Brook outfit, because the A. N. D. Company took the position, "They are not paying profits taxes; we are," and I make that statement now, Mr. Speaker, that the A. N. D. Company has plundered more money out of the Treasury of this country than the likes were ever known of. And their representative was negotiating the Terms of Union, and signed them on December 11th, and was a party to allowing Bowaters to be persecuted, so to speak, under this tax agreement. That was done by Rothermere and Gruchy of the A. N. D. Company.

However, this 5 per cent is going to be collected. Bowaters, according to a statement by Mr. Abbott the other day in the House of Commons, is going to have to pay profit taxes.

Consequently, indirectly, I say, indirectly, this country is falling down on an agreement made in 1927 with the International Pape Company, and in 1923 with the Newfoundland Power and Paper Company, Ltd., because Rothermere wanted to get square with Bowaters, and they got their representative put on this delegation that went to Ottawa, and consequently Bowaters is going to have to pay a million and a quarter dollars probably next year if they make any profit, as against \$150,000. And that is another reason why I ask the Attorney General now, who is going to be responsible in case Bowaters default for the redemption of the three and

a half or four per cent bonds guaranteed by the British Government? Who is going to be responsible? Are we going to have cases in court for the next twenty-five or thirty years to find that out? We have one in already in connection with these Terms of Union, in connection with negotiation with respect to transportation. Gone to court; it will end up probably in the Supreme Court; probably end up with Newfoundlanders getting gyped there also, as a man with a cork eye can see, that one clause in that agreement contradicts the other, and the same applies here. The Terms of Union, we have them here.

I am not, Mr. Speaker, trying to hang up this legislation; it is going to go through anyway. "All laws in force in Newfoundland at or immediately prior to the date of Union, shall continue therein as if the Union had not been made." And then they qualify it. Now, if they had left it at that, the Bowater agreement would have stood, but they qualified it, "subject, nevertheless, to be repealed, abolished, or altered by the Parliament of Canada." In other words, the people who signed these Terms agreed to violate an act, or an agreement, made by the Newfoundland Government with a private corporation.

The people who signed these Terms of Union agreed to do that, because following here "Statutes of the Parliament of Canada in force at the date of Union, or any part hereof, shall come into force in the Province of Newfoundland." That means, as I read it properly, that the Parliament of Canada would then have power to

impose this extra taxation on Bowaters. And what happens? That taxation has got to come out of some one. It comes out of the fellow who cuts the wood and the fellow who produces the paper, and so on.

And, again, I would ask the Attorney General to let us know, while we are on this matter, who is going to be responsible for the \$20,000,000. Is it the Newfoundland Provincial Government, or is it the Canadian Federal Government? That has not been explained yet .

MR. HIGGINS: With regard to this contract with Bowaters, I say it is a damnable outrage. It looks like a conspiracy with Canada and Newfoundland to violate the terms of contract. If I were appointed by the Newfoundland Government sometime before Confederation as legal advisor to the term of five years at the sum of \$10,000 a year, and with only two years to run, Canada said, "Well, Mr. Higgins' contract must be cancelled, and he is getting no compensation." Of course he will make provision. Newfoundland will make provision that I will be re-imbursed, just the same as it made terms with regard to people who had to leave the service and who would get pensions on account of that. They would be compensated, and there is no reason why Bowaters should not be compensated. I have no brief for Bowaters, except that it is a company on which I say an act of injustice has been perpetrated. I think it is a terrible thing.

Those Terms should have set out that Bowaters and any other

company that made special agreement with Newfoundland, should not be touched. It is quite unthinkable to imagine anybody who is fortunate here who has the authority, who had the force, can violate a contract. When two parties make a contract, it is supposed to be two of the same class, the buyer and the purchaser, the assigner and the assignee, should be on the same plane, and the terms of that contract should be upheld under all circumstances whatsoever. But when one party gets himself into such a position where he can say, "By myself, I am tired of that contract, I am going to cancel that," then we have the position of Russia and the other totalitarian countries.

It was, I say, a totalitarian act, and I do not like it. I am aware that the Government has to collect this 5 per cent tax and there cannot be any opposition to it. They must do it in the Terms, but I say that if they have to do it, I am sorry that any contract should be violated. I think it is an act of indecency, and it is an act of injustice, and something that does not reflect any great credit on those who signed the Terms.

SOME HON. MEMBERS: Hear. Hear.

MR. CASHIN: I would like to ask the Attorney General is it the Provincial Government in Newfoundland or the Federal Government in Ottawa that are going to be responsible for the \$20,000,000.

MR. SPEAKER: I must remind the honorable and gallant member for Ferryland that he has already spoken to the motion.

MR. CASHIN: I see, but I have not received any answer.

MR. CURTIS: Well, Mr. Speaker, I can only give an opinion. As far as I can see, there is—

MR. MILLER: Point of order, Mr. Speaker. I would ask the honorable the Attorney General to table a copy of the document which he read which accompanied Mr. Abbott's letter. I ask that a copy of that document be tabled.

MR. CURTIS: I would like to say Mr. Speaker, in reply to the honorable member, that I will see that a copy of that report is tabled. In reply to the honorable and gallant member for Ferryland, I would say, that as far as I can interpret that agreement, there is nothing there whereby Canada would be responsible for that guarantee.

MR. CASHIN: This is the point I want to make: We give away \$150,000 and they take the income out of it and we are guaranteed of the bonds.

MR. CURTIS: The position is, Mr. Speaker, that we have to pass the five percent agreement. We cannot afford not to enter into this Tax Agreement. If we enter into this Tax Agreement, we will receive from Canada in the vicinity of seven and a half million dollars a year, a million and a half of which represents the amount to which we are entitled under the Terms of Union, so if we do not enter into a tax agreement, we are allowed to tax corporations and income tax, and lay on other taxes, if the figures are in the vicinity of a million or a million and a quarter dollars, so it is obviously in the interest of New-

foundland to sign the tax agreement, and if we are to sign the tax agreement, we have to impose this tax, and if we have to impose this tax, we have to either collect it ourselves, or let somebody else collect it, and obviously when the Federal Government is collecting income tax anyway, it is much simpler for them to collect this additional five percent than to have other machinery set up. So this Bill before the House, Mr. Speaker, is a Bill purely to authorize the Government of Newfoundland, to enter into an agreement with the Government of Canada as collector of this tax.

MR. CASHIN: The collect it and pay us?

MR. CURTIS: They collect it and save us that—I have the honor now, Sir, to move the second reading.

Bill read a second time. To be referred to a committee of a whole tomorrow.

Second reading of a Bill "An Act to Authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada."

MR. CURTIS: I would move, Mr. Speaker, the second reading of this Bill. As the House knows, during the war the Federal Government of Canada made an agreement with all the Provinces of Canada whereby the various provinces gave the Federal Government the exclusive right to impose income tax. Negotiations at that time were made easy because there was a national emergency, and the provinces agreed with the Federal Government that it was in the interest of the country that

the tax agreement be entered into. That agreement worked well during the war and I understand all the provinces were happy over the result. After the time came to negotiate the new tax agreement and for two years negotiations were undertaken between the Federal Government and the Provincial Governments. The matter was referred to commissions; the commissions made certain recommendations; the matter subsequently came before Dominion-Provincial conferences, but ultimately, in 1947, the present tax agreements existing between the Federal Government and the various Provincial Governments of Canada—all of them, in fact, excepting Ontario, Quebec, and now Newfoundland, were agreed to. I do not feel that it is necessary for me to go to any great detail. I have here the tax agreements entered into between the Federal Government and the various provinces. I have here one, between the Dominion Government and British Columbia. You can see, Mr. Speaker, the size of it. I think it has about thirty pages of schedules. Now it has been impossible for us, Mr. Speaker, to complete the terms of the agreement in time to present them to this House; the agreement itself offers no difficulty, but attached to this thirty-seven page agreement there will be pages and pages and pages of schedules, Schedule A being taxes that we must abandon; Schedule B being taxes that we wish to hold and will be allowed to collect. It has been physically impossible to prepare these schedules, and so get this agreement signed. Under the terms of the agreement there will be paid to Newfoundland the amount of approximately seven and a half

million in four instalments, twenty-five per cent on September 30th; (that payment is past due); twenty-five per cent on June 30th next year. If we do not pass this Act authorizing the Government to enter into this Agreement, we will not be able to collect anything under this Agreement from the Federal Government until after the next session of the House. Likewise, if we do not pass this Agreement, the people of this country will be obliged to pay double income tax and double Death Duties, because these Acts are now in force. If you will refer, Mr. Speaker, to the Bill now before the House, to Authorize the Government to enter into a Tax Agreement, you will notice that the Government is authorized, first, to enter into an Agreement. Paragraph 3 then sets forth the terms of the agreement and the guaranteed minimum amounts. Paragraph 3 (2) reads: The Guaranteed minimum annual amount referred to in this Act shall be the amount of \$6,208,765 being the sum of the following amounts:

- (a) The amount of \$4,668,765 being the product of \$15.00 multiplied by the number of the population of the province of Newfoundland for the calendar year 1942—

MR. HIGGINS: Why 1942?

MR. CURTIS: That was the base year for the purposes of all the Canadian negotiations.

MR. CASHIN: In the Terms of Union it is taken as 325,000.

MR. CURTIS: Yes, well, that is what I said. This Act only sets this minimum. As a matter of actual fact, on recent calculations,

we estimate that the amount we will be receiving under this section will be seven and a half million, and I would say for the information of the honorable members, Mr. Speaker, that the Government has not altogether closed its eyes to the fact that we should not consider trying to collect \$12.75 per capita, plus half the taxes, as outlined in Option 1. There are, as the honorable and gallant member for Ferryland knows, certain difficulties in that, inasmuch as in 1942 we were not a province, and therefore we were collecting more apportionately as income tax than any other province of Canada. 1942 was the year, I think, Mr. Speaker, when the tax agreement was first entered into. It was for five years, and apparently the five years expired about 1947. I speak subject to correction on that. The Section 4 of this Act, Mr. Speaker, provides that upon the execution of an agreement under this Act, the agreement shall forthwith be binding upon the Legislature of Newfoundland, and any regulation, by-law, order or rule, made under the authority of any such enactment that imposes income taxes, corporation income taxes, corporation taxes, or succession duties, as defined in the agreement, the imposition of which by or under the authority of the Government of Newfoundland, or by a municipality would be in contravention of the terms of the agreement, shall forthwith be suspended and any power conferred by any such enactment, regulation, by-law, order or other rule, to impose or fix any such tax, to the extent that the power authorizes imposition of a tax that would be in contravention of the agree-

ment, shall be suspended, the said suspensions to be effective for the periods provided and to have effect in accordance with the terms of the agreement. The effect of that, Mr. Speaker, is that the minute the agreement is signed, all these taxes automatically disappear. If we do not authorize this agreement now, but execute the agreement after the close of this House, we will not be able to bring in this legislation until the House meets again.

It will be noted, Mr. Speaker, too, that this Act shall come into force on a day to be fixed by Proclamation of the Lieutenant Governor in Council. We are asking, Mr. Speaker, that we have this authority to enter into this agreement, not because, as I intimated at the last sitting, not because we have anything to hide, or anything to fear; the agreement is a set agreement; it speaks for itself. There will, however, be considerable wrangling between the Department of Justice in Newfoundland and the Department of Justice in Ottawa, and between the Finance Office in Newfoundland and the Finance Office in Ottawa, as to what Acts will be in the schedules. As I have said, British Columbia had a schedule of about thirty pages; in Schedule B it looks to me as if they put in every Act they ever passed, with the exception of those in Schedule A. We may have to do the same, but I can assure the House that that is not the reason for our asking for this authority; the reason why we ask for authority to enter into the agreement is to follow the lead of some of the other Canadian provinces who found that they were in a similar position to the position we are in—at

least they were in an awkward position; they were unable to complete the agreement, and therefore they asked the legislature for authority to sign.

I would move, Mr. Speaker, the second reading of this Bill.

MR. CASHIN: Mr. Speaker, this Act obviously follows the other one, the corporation thing; it works out roughly the same. Now the Bill is going to be passed, but before it does pass, I just have to say a few brief remarks in connection with this whole financial set-up, which probably might be more in order when the Budget comes down or when the Estimates of expenditure are introduced. We are told by the honourable the Attorney General that unless we pass this Act and the proclamation is issued at a specified time, that our people will be doubly taxed, or that we would not get any subsidies from the Canadian Government. Now, Mr. Speaker, I am considering introducing an additional clause to this Act, or an amendment to this Act, that in view of the fact—I may not do it tomorrow, I may leave it until the Budget comes down, but I am going to tell the House now while we are on this discussion; we are getting roughly seven million dollars out of this, and we are giving away ten or eleven million dollars—that in view of the fact that when the Terms of Union were negotiated, that the per capita debt in Newfoundland was about \$220.00, and that of Canada was around \$120 or \$1400, that in view of that fact, that instead of seven and a half millions of subsidy, we should be getting an additional twelve million, because, as I pointed out in this House and at conventions and on political platforms, that when

the other provinces, some of them that entered into this tax agreement with the Federal Government, that when they came into Union years ago in 1869, and so on their national debts were doubled.

We have conclusive evidence here, in these Terms of Union, those individuals who signed these Terms, particularly the legal fraternity in connection with it, allowed our country to be sacrificed, and I have gone through the interchange of letters between the Chairman of the Ottawa delegation at that time and the Prime Minister, and I cannot find one thing in those letters which would indicate to me that at any time there was brought up before the Federal Government anything with respect to the equalization of our National Debt on a per capita basis; and, overnight—I am going to sleep on this Resolution I have in mind, or an amendment to this Act, or an addition to it, that this House, recognizing the fact that unless we get an additional twelve million dollars a year in subsidies, because of the fact that our two national debts were so much apart, somewhere around twelve hundred dollars, which means four hundred million dollars, or at three per cent is twelve million dollars a year, or at five per cent, which the other province got, is twenty million dollars a year, that in view of these facts that this House—after all everyone in here is a Newfoundlander just the same as I am, that we should recognize the fact that unless we get from twelve to twenty million dollars a year extra, additional taxation got to go on the shoulders of our people. We cannot wipe that aside.

It is all very well, Mr. Speaker

to say that we are getting these Family Allowances and so on, but the fact still remains that someone has got pay for these things, and taxation has got to go on to pay for them, and I am just about to make up my mind overnight, and then in the committee stage of this Bill tomorrow—I am not going to introduce it this afternoon—whether or not I will bring this motion in now or when the Budget is brought down. I have nothing to hide, and that is why I bring it up at this time, because here we have what we would get as subsidy in lieu of certain things which we give the Canadian Government. Now we gave the Canadian Government what? We gave them our Income Tax; we gave them our Customs duties; we gave them our post office, and so on, and approximately twenty million dollars a year, in return for which we get seven or eight. True, we get a Transitional Grant, but I am opposed, Mr. Speaker, that without this twelve million dollars a year in addition to all this, which we are morally entitled to, morally I say, because as a matter of fact there was no morality in the negotiation of the Terms of Union, none whatever.

Three lawyers on there, and they allowed things to go on, and now they have got to be decided by the Supreme Court of Canada, when they should have been decided when these things were being negotiated. But in view of the fact that we are going to have to pile on ten or twelve million dollars a year in taxation in order to balance our Budget, in view of that fact I consider that our National Debt should have been adjusted, and that we as members of this House, both sides—I give the mem-

bers of the Government an opportunity to say whether or whether not we should have more taxation imposed on the people, or whether or whether not we should demand from the Canadian Government our just rights with respect to the adjustment of our National Debt, which was not done and which should have been done, and which was done in the case of every province that went into union in 1869.

Now I am going to give the members of this House an opportunity to vote for or against that, both sides; I am not going to ask for any seconder or try to get one. I will introduce that motion later on, probably when the Budget comes down. I will not ask anyone to second it. I will make it myself. Whoever likes can second it; if no one seconds it, that ends it, Mr. Speaker. I will take it then, if no one seconds it, when that time arrives, that all the members of this House, both sides, want extra taxation put on the shoulders of the people. Now this Bill is going through. We are asked now to pass an Act to permit the Government to enter into a tax agreement with the Canadian Government, the Federal Government; we have not seen the tax agreement; we are empowering them to do just as they see fit, but it is based on these figures here.

Now that tax agreement really should come before this House, and be passed before the Government be permitted to enter into the Tax Agreement. There are other members of this House besides the Cabinet; there are ten or twelve in the Cabinet; there are ten or twelve private members on the Government side, and there are six or seven on this side, one in

the middle, and we are entitled to see what is in that tax agreement before we agree to it; but what is going to happen is that the Cabinet is going to pass it and then bring it in; whether it is good, bad or indifferent, the Government has to vote for it, and the members on the other side of the House, whether they like it or not. As far as I am concerned, personally, Mr. Speaker, this Bill is read the second time, and if I had a good night's rest tonight I might decide whether I will introduce this tomorrow afternoon in committee or not.

Bill read a second time. To go into committee of a whole on tomorrow.

Second reading of Bill "An Act Further to Amend the Act 'Of the Auditing of Public Accounts'" was deferred until tomorrow.

Second reading of Bill "An Act Respecting Industrial Statistics" was deferred until tomorrow.

Second reading of Bill "An Act Respecting Trade Unions" was deferred until tomorrow.

Second reading of Bill "An Act Relating to Public Examinations in Schools" was deferred until tomorrow.

Second reading of Bill "An Act Entitled 'The Veterans' Land Act'" was deferred until tomorrow.

MR CURTIS: I would move, Mr. Speaker, that the House resolve itself into Committee of a whole, further to discuss the Bill that was presented earlier this afternoon.

Mr. Speaker left the Chair.

Committee of the whole on Bill "An Act Relating to Restrictions on the Distribution of Certain Foods." Section 1 read and passed

Section 2 read and passed
 Section 3 read and passed
 Section 4 read and passed

MR. HIGGINS: That I do object to, Mr. Chairman, the fine of \$5,000.

MR. CURTIS: It is "not exceeding."

MR. HIGGINS: I know that, but, Mr. Chairman, when you have a penalty and it is so high that it excites sympathy for the accused, then that Act is just as well wiped off. If you put such a fine that when a man commits an offence he is going to be as absolutely ruined as if he committed a heinous offence, then I say the sympathy of the inhabitants would go to that man.

Now, you remember the days when the prohibition law came into force, and the first time a man was found drunk he was fined \$10, the second time \$100, the third time \$300, and the fourth time \$1,000. It became a farce, and the story is told of a gentleman, who didn't own a cent, was sent down the fourth time for three months or a thousand dollar fine. He went to jail, and some friend afterward went to jail and met him, and he said, "What are you down here for?" And he said "Well, see, I wouldn't give them the satisfaction of paying a thousand dollar fine, and so I came to jail." Well, that is what will happen if you have \$5,000. It is an outrageous amount. To fine a man \$5,000 he would have to commit a terrible offence; or go to jail for a year. I mean, a man only goes to jail for a year if he commits rape or something like that; this is not one of those

offences. I should say \$500 or something and two months in jail. \$5,000 makes a farce of the whole thing.

A man from an outport, for instance, who had his own business and commits this offence. It is an offence, yes, and it is a bad offence, because he is keeping food away from poor people, I admit that, but once you persecute him, and you persecute him when you put a fine of \$5,000 on him, and you have no proof that any judge will not put that on him.

I have seen in prohibition cases, men, judges, who were such extreme prohibitionists that they fined an offender for the first offence the absolute maximum. I remember one time concerning beer; there was a fellow had 3.2 beer, and he was fined \$200, which was for the maximum offence. But you have no check at all on those people, and the only way to have a check on it is to put a check yourself, and I should say that \$500 would be a heavy fine, not exceeding \$500, or one month in jail is a long time. I have never been in jail, I must say that, but I should think that it would be an awful offence, I mean, to an ordinary man, a shopkeeper, who is an honest man; the shopkeeper, the bourgeois of the country, are the backbone of the country, say what you like. The little people of little houses, two or three houses; the man of a little business, he is the honourable and honest man; he pays his taxes, he pays his church dues, he does all that; he is really the backbone of the country. You send him to jail for a month and you ruin him,

you kill him. And I say that a month is long enough.

MR. CURTIS: Of course, Mr. Chairman, you are dealing in a commodity which runs into money—salt beef is what \$25 a barrel, or \$50, I do not know.

SOME HON. MEMBERS: Going up all the time.

MR. HIGGINS: Supposing the merchant who is very wealthy, and he might sell twenty thousand dollars worth, if he goes to jail for one month, it is a terrific penalty.

MR. CURTIS: Yes, well suppose we say \$1000 and six months.

MR. HIGGINS: But six months is long.

MR. CURTIS: Well, just \$1000?

MR. HIGGINS: \$1000 is an awful lot of money.

AN HON. MEMBER: Well, as magistrates happen to know, there are laws where it is profitable to commit the offence and pay the fine.

MR. HIGGINS: That is what I say, if the magistrates had any sense and discretion and is that kind, he would not fine him at all. He would send him to jail, there is a point.

MR. CURTIS: On second thought, you could not send a firm to jail could you? A limited liability company? You would have to place a fine.

MR. HIGGINS: You could send one of the directors—the managing director, can't you?

MR. CURTIS: I doubt it, but you might. Well, make it \$1000. What about the one year. It is "not exceeding" of course.

MR. HIGGINS: Yes, I know, but that is giving too much discretion and authority. It is two or three months for a heavy offence.

MR. CURTIS: Make it three months.

Section 4 passed with few amendments.

Section 5 read and passed.

Section 6 read and passed.

Preamble read and passed.

MR. FAHEY: I presume the idea behind this is to take care of supplies where they are needed, say to go north? These regulations can be made to be confined to say only certain areas of supply, like St. John's. It would not appear to me to be correct to freeze, as it were, supplies of salt meat on the Burin Peninsula, if the only reason behind the thing was the supplying of some northern districts, because naturally, they do not deal with firms on the Burin Peninsula, say I take that for an example; consequently, as a phrasing, they are prohibiting within Newfoundland the movement. It seems kind of wide.

MR. HIGGINS: Corner Brook, Grand Falls, St. John's, those would be about the three places, would they not?

MR. CURTIS: Corner Brook, St. John's—Grand Falls would not be very important—

MR. HIGGINS: Supposing a big lot of food came in here to St. John's and was shipped off right away to Grand Falls, for instances;

then the Government realizes the shortage, could they not clamp down on Grand Falls and other places?

MR. CURTIS: The order would look after that, would it not?

MR. HIGGINS: I think I would leave it alone, because it is hardly likely that you would freeze it down in the Burin Peninsula, you would not dare do it, because the people would be up in arms. They would say, "We have only got enough for ourselves." It is different in St. John's because it is a big supplying centre. St. John's, Corner Brook, and Grand Falls, they are three big supplying centres.

AN HON. MEMBER: There is no doubt St. John's will get the bumps.

MR. HIGGINS: I think I would leave it alone.

MR. CURTIS: Should we not bring this Act into force tonight, say midnight, it will not be assented to, but if it is announced that it is coming into force today, then when it is assented to it will be retroactive, so I think we ought to fix a date for its coming into force.

MR. HIGGINS: Some person may not know it is coming into force. You want to put it in now, do you?

MR. CURTIS: I think it should be brought into force at midnight, tonight.

MR. HIGGINS: You have to make the regulations.

MR. CURTIS: The regulations are ready.

Section 7 added. Read and passed.

Title read and passed.

Committee rose, and reported having passed the Bill, with some amendments.

MR. CURTIS: With the unanimous consent of the House, Mr. Speaker, I would move that the Bill be now read a third time..

Standing Order 261 suspended, and Bill was read a third time and passed.

MR. QUINTON: Mr. Speaker, I move that the House at its rising do adjourn until three of the clock tomorrow.

The House adjourned accordingly.

Tuesday, November 22, 1949.

The House opened at three of the clock.

Notices of Motions and Questions:

MR. HIGGINS (Leader of the Opposition): Mr. Speaker, I give notice that I will on tomorrow ask the honorable the Premier the following questions:

(1) Was the Government consulted regarding the Supply Depot in Halifax for the U.S. Bases in Newfoundland?

(2) If the Government was consulted, did it consent to the change?

(3) If it was not consulted has the Government made any objection in the matter?

(4) Was the change brought about at the instigation of the Canadian Federal Authorities?

(5) Is the Government aware of the heavy loss that will be sustained by Newfoundland on account of this change?

HON. H. M. QUINTON (Minister of Finance): Mr. Speaker, in the case of question 88, asked by

the honorable the member for Ferryland, the answer is being prepared; and also in the case of number 89. Now in 90 I recognize an old friend in a new dress, and I am afraid the answer has to be the same as supplied on previous occasions.

MR. SPEAKER: I was about to say there that it is my duty to inform both the honorable members that question number 90 is not in order, on the ground that it coincides in a remarkable degree with question number 69 of October 13th.

MR. CASHIN: Mr. Speaker, this question asks the number of gallons imported into the country; it is entirely different; and also the invoice cost. As a matter of fact, Mr. Speaker, I think the liquor that has been imported, if you will permit me to say so, would be shown in the Blue Book—the invoice cost and the number of gallons, and consequently is it not in the public interest, when they put it in the Blue Book?

MR. SPEAKER: There are several rulings that a question once asked and answered, or unanswered, should not again appear on the Order Paper. I was merely calling the attention of both the honorable members for Ferryland and the honorable Minister to the fact that there was some similarity between these two. I suggest to both the honorable members that the two questions are identical. Are there any answers to questions previous to 88?

HON. C. H. BALLAM (Minister of Labor): I have the answer to question number 87, asked by the honorable member for Placentia-

S. Mary's. The question was:

Has the Government any assurance from the Newfoundland Base Command for the continued employment of Base Workers adversely affected by the switching of Supply Depots from Forts Pepperrell and McAndrew to Halifax?

The answer is:

My information is that the employment of Base Workers will in no way be affected by the establishment of a Purchasing Office in Halifax for the procurement of perishable previously purchased in New York.

He have the answer to that substantiated from the Base Command.

HON. JAMES J. SPRATT (Minister of Provincial Affairs): Mr. Speaker, I have pleasure in answering the question put by the honorable member for Ferryland, in reference to the amount advanced by the Provincial Government in the St. John's Housing Corporation, no funds have been advanced by the Provincial Government to the Corporation since January 1st, 1949, to date. However, the Government has agreed to permit the Housing Corporation to use certain funds in its possession to assist in meeting the costs of completing houses in the Housing Area. It is estimated that the cost will be in the neighborhood of \$230,000.

Orders of the Day:

Committee of the Whole on Act "A Bill Respecting District Courts" was deferred.

Committee of the whole on Bill "An Act to Authorize the Government of Newfoundland to enter into an Agreement with the

Government of Canada with Respect to the Collection of Corporation Income Tax."

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Committee rose and reported having passed the Bill without amendment.

Committee of the Whole on Bill "An Act to Authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada."

HON. LESLIE R. CURTIS (Attorney General): Mr. Chairman, as requested yesterday by the honorable member for Placentia-St. Mary's to lay on the table of the House five copies of the letter from the Hon. D. C. Abbott, Minister of Finance of Canada, to the Hon. Joseph R. Smallwood, Premier, it has been done.

Section 1 read and passed.

Section 2 read and passed.

Section 3 (a) read and passed.

(b) read and passed.

(c) read and passed.

(d) read and passed.

(e) read and passed.

MR. CASHIN: Mr. Chairman, with respect to that clause, that we be permitted to put certain royalties on instead of income taxes, now, that brings out this point.

MR. J. R. SMALLWOOD (Prime Minister): The other way about.

MR. CASHIN: What's that?

MR. SMALLWOOD: It is not royalties in lieu of income tax; it is to impose royalties or rentals, or in lieu of income tax.

MR. CASHIN: And not throw away royalties and substitute income tax that we are not going to get. And then I come to the Labrador Mining and Exploration Company, who came here in 1936 or 1937, and made an agreement. I have spoken about this, Mr. Chairman, many times, and I am going to have a few words to say again this afternoon. They came here in 1936 or 1937 and made an agreement with the Commission of Government whereby they agreed to prospect over twenty thousand square miles of territory on the Labrador, and pay certain sums of money each year, and then in return for that, when the time arrived, to pick out the properties that they intended to operate, they agreed in that Act of 1936 or '37, if my memory serves me correctly, that they would pay to the Newfoundland Treasury the sum of ten cents per ton royalty on all ore produced. Well, now what happened? The original people who started this proposition were prepared to carry out that agreement. However, in 1942 or 1943 another company took it over, the Hollinger Mining Company, and with them were associated the Hannon interests of Cleveland, and some other interests as well, and they cancelled that ten cents a ton royalty; the Government cancelled it; and they substituted instead five per cent on the net profits. Now it seems to me that in view of the fact that we are going to be a party to a violation of the Bowater agreement—

MR. SMALLWOOD: We are not.

MR. CASHIN: We are.

MR. SMALLWOOD: No.

MR. CASHIN: Well, all right, Mr. Chairman, I have to go into the Bowater agreement, back to 1923, the first time I entered this House. We entered into an agreement with the Newfoundland Power & Paper Co., Ltd., and incidentally, Mr. Chairman, I wonder have we got the 1927 Acts here in the House.

M. CHAIRMAN: No.

MR. CASHIN: Well, Mr. Chairman, this is an awful situation here. Here we are in the House, supposed to have a library, and in the 1927 Acts is the most important agreement ever entered into probably in this country. We guaranteed more money at that time than we ever guaranteed before. We guaranteed the sum of ten million dollars, roughly; two million pounds at that time was equivalent roughly to \$10,000,000. However, the Company went ahead and they built Corner Brook, and in 1926 they got into financial difficulties, and in 1927 the International Paper Company took it over, and they passed another Act in this House, agreeing, the Government of the day agreeing—both side of the House agreed that we would accept, to begin with, for a period of one, or two or three years—I forget which—that the sum of \$75,000 in lieu of income tax; and thereafter for a definite period the sum of \$150,000 in lieu of income tax. Well, that agreement has been carried on right up to the present, or up to the time we went into union with Canada. Now that agreement has been thrown overboard. Your Government has not thrown it overboard, no. The individuals who signed the Terms of Union threw it overboard. That is

who did it, not the Government, because these terms were signed on December 11th last, and indirectly they say, all right, we are going to throw over that agreement that the Newfoundland Government made with the Bowater people, or the International people—the Bowaters were successors to the International—and we are going to give you, Mr. Chairman, we are going to give you, the Canadian Government, the power to tax them on income tax, and we at the same time, according to the statement made here yesterday by the Attorney General, are going to continue to carry on the liability of ten million dollars of bonded indebtedness. And we get nothing in return at all—\$150,000 is wiped out; the Canadian Government collects—the Federal Government is going to collect profits taxes; probably, if they made a profit of three million dollars, which they did last year approximately, they would collect probably a million and a quarter; the Treasury of Newfoundland gets nothing, and at the same time we guaranteed twenty million dollars, because in order to protect ourselves tomorrow, as my honourable friend, the Attorney General knows, as a lawyer, that we would have to pick up the other mortgage in order to protect ourselves, and find additional money. Now we have nothing. We do not get any revenue from them for the Treasury, and have thrown overboard, and the delegation that was at Ottawa—I do not blame the Premier; he was a member of the delegation—I blame the three lawyers that were on the delegation. One of them was identified with the A. N. D. Company; and the other was the representa-

tive of the A. N. D. company, another individual; another was a prospective lawyer for the A. N. D. Company; and the A. N. D. Company, as I said yesterday, were jealous of the International Paper Company and of the Bowater Company, because they had three concessions. But, and I repeat, they did not tell the public how they opposed violently for years, twenty years, the establishment of another industry on the west coast of this country, by showing false statements of the annual profits and losses of the A. N. D. Company before 1917 or 1918.

Now we have this Labrador Mining Company. If we can be a party to violating, because we are, once we pass this tax agreement, we are a party to violating our own agreement of 1927, indirectly; I am not saying directly—indirectly—if we can violate that one, well then it is in order to bring in another one to violate that Labrador Mining and Development Company one. Now the Labrador Mining Company is going to be a big deal, we are told—two hundred millions of dollars it is going to cost to develop it. If it produces ten million tons of ore a year, Newfoundland's side must produce five millions tons. Under the old agreement, it would mean five hundred thousand dollars a year revenue to the Treasury of Newfoundland; but under the present agreement it means nothing, not a nickel; but it means something to the Federal Government, because they have an opportunity of collecting income and profits taxes off that company if they make money; if they do not make money, then no one gets anything. Now that is the point

I want to raise, right here this afternoon.

MR. SMALLWOOD: Who did that?

MR. CASHIN: What?

MR. SMALLWOOD: Changed it?

MR. CASHIN: Changed it? The Commission of Government. Well, if they can change it, we can change it. They changed the Act in 1937. Well, if they can change the Act of 1937 in 1943, then we can change the Act of 1943 in 1949.

MR. CURTIS: Did they not change it by agreement?

MR. CASHIN: They changed it by agreement, yes, and now I want to point out that when that Act was first introduced and passed by the Commission of Government, the late Mr. Howley was Commissioner for Justice, and he saw to it that we got ten cents per ton royalty, and the lawyers for the company were Emerson and Cook, and when the thing was changed again in 1943 the lawyers for the company were Cook, and the late Sir Edward Emerson was Commissioner for Justice.

Now I do not want to dig up all this old stuff, but the country is being robbed on that Act, and I am going to introduce a resolution when we come to the financial terms of this thing; I am going to introduce a resolution, or an amendment, call it what you like, to these financial terms here. I know what I am talking about; I know we cannot balance the Budget with it. The Government knows, and every member of the Government knows. I know that

we did not get a square deal in the negotiation of the terms, and I am introducing a resolution or an amendment covering that, and I do not care who votes for it or who votes against it, or who seconds it, if anyone does.

Section 3 f) read.

Sub-section (2) read.

MR. CASHIN: Mr. Chairman, here is where my amendment comes in. "The guaranteed minimum annual amount referred to in this Act shall be the amount of \$6,208,765 being the sum of the following amounts:" In addition to that I want to add:

"Whereas the financial terms under the agreement signed by representatives of Newfoundland and the Government of Canada on December 11th, 1948, are entirely inadequate.

And whereas unless subsidy payments by the Federal Government of Canada to Newfoundland is increased new and additional taxation will have to be imposed on the people of Newfoundland."

Be it therefore resolved that the Federal Government be requested to increase the amount of the subsidy payment under the above mentioned agreement by an additional \$12,000,000 annually."

On what grounds, Mr. Chairman, do I make that amendment?

MR. SMALLWOOD: Alleged amendment, is it?

MR. CASHIN: No, I am going right ahead on this amendment. That is just a rough draft.

MR. SMALLWOOD: Mr. Chairman, on a point of order. Quite obviously, the alleged amendment is not in fact an amendment to the Bill now before the Commit-

tee, and as such it has to be ruled out. It deals with the Terms of Union, and this Bill deals specifically and only with a Tax Rental Agreement, and the amendment is not, in fact, an amendment to anything in this present Bill, and would therefore have to be ruled out. If the honorable and gallant member wishes to have a debate on the matter contained in his alleged amendment to this Bill, the way to do it is to find some other Bill to which to propose it as an amendment or else to bring it before the House as a Resolution. But as an amendment to this Bill the thing is entirely out of order, and I would ask that you so rule.

MR. CASHIN: Mr. Chairman, it is up to you to rule.

MR. SMALLWOOD: It is up to me or any other member to suggest this House to rise to any point of order and to suggest that a proposed amendment it out of order, and I ask the Chairman to make a ruling on it.

MR. CASHIN: Probably Mr. Chairman — excuse me a minute. The amendment minimum annual amount referred to in this Act shall be the amount of \$18,208,765."

MR. SMALLWOOD: I still rise to a point of order, Mr. Chairman, and I suggest to you that the amendment is out of order, because is very specifically violates the specific terms under which this Tax Rental Agreement can be made. The Tax Rental Agreement can be made by us with the Government of Canada only, only upon certain specific terms offered to all the existing provinces of

Canada. This suggests that we by unilateral action on the part of the Legislature of Newfoundland shall change the terms of the Tax Rental Agreement between the Government of Canada and all the provinces of Canada. It is not the way the honourable and gallant member ought to go about it if he wants a debate on the Terms of Union; the thing to do is not to attempt to get it in Committee of the Whole by amending or suggesting an amendment to a clause of a Tax Rental Agreement or a Bill authorizing the Government to make a Tax Rental Agreement. The way to get a debate is to put it in the form of a Resolution, before the House, not in Committee of the Whole—before the House. It is clearly his intention to have a debate on the Terms of Union, and just as clearly such a debate would be out of order in this particular Bill.

MR. CASHIN: Mr. Chairman, I appreciate the Premier's remarks, but it is immaterial to ask what the other provinces are getting.

MR. SMALLWOOD: But we are tied to that.

MR. CASHIN: We are not tied to them, because if we go back into the history of the other provinces, they have their Tax Agreements and all these other things, and their union, based on their national debt, and we did not. Way back in 1869, when the other provinces went into Union with Canada, New Brunswick and Nova Scotia particularly, their national debts were adjusted to conform with the National Debt of the Federal Government of that time; there was no effort whatever made by those who were negotiat-

ing the Terms of Union in 1948 to do that for Newfoundland. And that is why I am putting this amendment, Mr. Chairman, because once we pass this Act, once we pass this Act here, we agree to tax -6,-208,767, but if we pass the amendment to it, we tell the Canadian Government in the proper way that we are entitled to another twelve million dollars a year.

MR. SMALLWOOD: Mr. Chairman, I must ask for a ruling. If the honourable and gallant member is in order in moving that amendment to this Bill he will similarly be in order to move the same amendment to any Bill for the next fifty years, which proposes making any kind of a deal on any kind of a matter with the Government of Canada, any time he feels like it. If he feels the terms of Union between Newfoundland and Canada were not sufficient, were not just, were not adequate, he can move precisely that amendment to any clause of any Bill that is ever brought in here to make any kind of a deal between us and the the Government of Canada. It is so clearly outside the realm, outside the scope, of this Bill, which is a particular, specific thing, upon the terms which are common to an agreement which is in effect now, has been made in the past two years with seven of the provinces of Canada; is offered us on identically the same terms except in one respect, that we, if we may, could have the agreement for two years longer. But it is an identical agreement, and to bring in the question by way of amendment, and a debate on the amendment

t othis Bill, on the subject of the whole Terms of Union, is out of order; the amendment is out of order; and I ask for a ruling. And from this point on, as I respectfully suggest to you, Mr. Chairman, nothing may be said until you make your ruling; nothing may be said on anything else except this one point of order. We can debate the point of order, but we cannot debate anything else until you make your ruling.

MR. CHAIRMAN: Might I ask you a question, Mr. Premier? These are the figures, I take it, that are contained in the Tax Rental Agreement; these are the figures that are contained in the Rental Agreement as proposed?

MR. CURTIS: These are the minimum amounts.

MR. CHAIRMAN: These are the minimum amounts; but I mean as contained in the Tax Rental Agreement as proposed?

MR. CURTIS: No, the Tax Rental Agreement as proposed will have the exact figures.

MR. SMALLWOOD: These are the minimum figures.

MR. CASHIN: Yes, we have these figures in—the minimum figures. I propose in my amendment here to change the minimum figures. Am I in order in this amendment or am I not?

MR. CHAIRMAN: If Mr. Cashin's amendment will have specifically the effect of completely nullifying the Terms, it is definitely out of order.

MR. FOGWILL: It would not nullify the clause unless the am-

endment carried in the House. In section two it gives the Governor in Council certain rights to enter into and execute on behalf of the Government of Newfoundland, under certain terms and conditions as may be approved by the Governor in Council. Now the terms and conditions are laid down here; one is stated here the minimum amount is six million and odd dollars. Following section 2 and the amount stated here in the other section, stating the amount—I don't see any reason why the amendment of the honourable member for Ferryland is not in order, and I will second the amendment. I believe it is in order.

MR. SMALLWOOD: You cannot second anything in Committee of a Whole.

MR. FOGWILL: Well, it is not necessary to second it.

MR. SMALLWOOD: You cannot either, not only is it not necessary, but you cannot do it.

MR. FAHEY: Dictatorship again!

MR. SMALLWOOD: Mr. Chairman, the dictatorship of the rules of this House! Who made them? Who made the Rules of this House? Did the honourable gentlemen opposite? Did I? They dictate to me as they do to him. Sure it is dictatorship. Democratic dictatorship. The dictatorship of rules democratically made. And the honourable gentleman had better look up the dictionary and find out what dictatorship means.

MR. FAHEY: We are ready for the Chairman's ruling aren't you.

MR. SMALLWOOD: And look up a lot of other things. Maybe we'll teach him before we are through.

MR. FAHEY: You will learn a lot too before we are finished.

MR. SMALLWOOD: We have learned a lot.

MR. FAHEY: And you will learn some more.

MR. SMALLWOOD: Who will do the teaching?

MR. CASHIN: Mr. Chairman, I rise to a point of order now. We were discussing whether my amendment to this clause is in order or out of order. If my amendment is out of order, then it follows that no amendment is in order.

MR. SMALLWOOD: It does not follow.

MR. CASHIN: *It does. Absolutely it follows that no amendment is in order at all. If the Government says the amendment is not in order, it is not in order.*

MR. CHAIRMAN: That is right:

MR. CASHIN: That is the position. And I hope my amendment is in order. And Mr. Chairman, I would now move that the committee rise and report progress and ask leave to sit again, and we shall have the Speaker's ruling on it.

MR. CHAIRMAN: No, the Speaker cannot give a ruling. Not on this matter. You may appeal my ruling to the House, but I have not yet given my ruling in connection with this matter, and this item will stand until I can have some time

to consider this, before I give my ruling.

MR. CASHIN: Then, Mr. Chairman, I take it you will rise the committee—

MR. CHAIRMAN: We can proceed with another one—

MR. CASHIN: No, no, this is the principal clause of this Act. You cannot think it over there and go through these, you know that better than I do; you are a school-master. You know it a lot better than I do. You cannot think over this thing and at the same time read other clauses, and concentrate on them; you have to rise the Committee and think it over and sit again later.

MR. CHAIRMAN: No, that is not necessary. You made a motion that the committee rise. It is not necessary that the committee should rise; the item can stand for some little time, but I shall put the motion just the same. Mover and seconded that the committee rise and ask leave to sit again.

Motion lost.

MR. CASHIN: Well, now we should have the ruling on my amendment, you cannot skip over that clause, Mr. Chairman, we cannot skip over that clause, like you said and then come back again.

MR. CHAIRMAN: I should like to inform the honourable member that I should like to have some little time before giving my ruling on this matter and we can leave out that second sub-clause and proceed with the third. We have to come back to it.

MR. CASHIN: Just a moment until I look at it.

MR. CHAIRMAN: We naturally have to come back to it.

MR. MILLER: Mr. Chairman, is this a point of order, and we are allowing some discussion at least on a point of order—I believe this amendment is in order, and I do not think it can be held as being out of Union, and I would remind the out of order because it is a Term House that some very short time ago Term 33 of the Terms of Union was brought in question here and that action is now being taken on it, and I would remind the House that it is a privilege to consider this agreement which we are going to become party to; irrespective of where it originated, we are the ones who will make it binding on this country as far as its operation in the country will go, and consequently, any amendment to it I hold to be quite in order.

HON. DR. H. L. POTTLE (Minister of Public Welfare): Sir, not being a lawyer, I give it as my view—probably I would be out of order by expressing a view—

MR. CHAIRMAN: No, you can speak on a point of order. The question is that the principle that

MR. POTTLE: But my submission might be contained in the amendment—the alleged amendment—the verbal amendment itself, could not be integrated in this Act, or in any other Act.

MR. CHAIRMAN: Since I have not given my ruling yet, we cannot discuss the ruling itself. I should crave the indulgence of the com-

mittee—I must have some little time to consider this matter before I give my ruling, but if you wish we could go on with the other clauses—

MR. FAHEY: Mr. Chairman—

MR. SMALLWOOD: Mr. Chairman—

MR. CHAIRMAN: Mr. Fahey, I am sorry I did not see you, but Mr. Smallwood has the floor.

MR. FAHEY: I know he would, in your case, yes.

MR. SMALLWOOD: I do move a reprimand to him, if he is asking for it.

MR. CHAIRMAN: He is.

MR. SMALLWOOD: He dare not, or any other member, insult the Chairman of this House—

MR. CHAIRMAN: I did not say the honourable gentleman did.

MR. SMALLWOOD: He asks for punishment, and if he asks for it he can have it. He or any other member; we follow the Rules of the House, whether we are of the majority or the minority.

MR. CASHIN: I rise to a point of order. Threats! Threats by majorities against minorities.

MR. SMALLWOOD: Who put the majority here.

MR. CASHIN: I know who put the majority there. I know what form of threats took place in Newfoundland. As far as I am concerned, they can threaten all they like, the whole outfit.

AN HON. MEMBER: Hear. Hear.

MR. CHAIRMAN: Order. Order.

MR. SMALLWOOD: On that point of order, Mr. Chairman, you have promised to take thought on the matter, and I would repeat the point made the first time by the honourable and learned colleague, the Minister of Public Welfare, that the amendment proposed by the honourable and gallant member cannot, in fact, be implemented. It cannot be made part of this Act. Now, in the second place, let us point out the wording of the clause as it stands:

"The guaranteed minimum annual amount referred to in this Act shall be the amount of \$6,208,765, being the sum of the following amounts:

(a) The amount of \$4,668,765, being the product of \$15.00 multiplied by the number of the population of the province of Newfoundland for the calendar year 1942, it being agreed that the said population was 311,251 persons.

(b) The amount of \$1,540,000, being the estimated amount of statutory subsidies that it is agreed would have been payable by the Government of Canada to the Government of Newfoundland during the calendar year 1947 had Newfoundland been a province of Canada in that year.

(3) That adjusted annual amount referred to in this Act shall be an amount not exceeding an amount that is the average of amounts for each of the three calendar years immediately preceding the fiscal year in respect of which—"

MR. MILLER: Mr. Chairman, I would like would remind the House that Mr. Premier is way ahead of paragraphs already considered, and that only when we come to these sections can we deal with them.

MR. SMALLWOOD: That is perfectly true, that it is only when we come to them that we can debate them, except this that where an amendment is proposed to a clause here, and the clause later on lays down an actual formula, which is the very formula of the whole Act, then it is in order to refer to it.

MR. MILLER: I think the Act ought to be so drafted so that the whole thing could be interpreted together. I think the Act should have been so drafted so that the whole thing should be interpreted as a whole.

MR. SMALLWOOD: The honourable gentleman may think so. What I would suggest to you, Mr. Chairman, is this: When you take time to consider this clause, that the Government of Newfoundland, this Government, and the Legislature of Newfoundland, this Legislature, have had nothing to do, and can have nothing to do, with the Terms of the Tax Rental Agreement, which have been laid down by the Government of Canada, and accepted in one or other of the three forms which have been offered to us as per Mr. Abbott's letter tabled here today, by seven of the other provinces of Canada. There it is, like the laws of the Medes and Persians, so far as we are concerned, not changeable. We have no authority and we can have no authority to change those terms of the Tax Rental

Agreement. We have the right only to reject this entire Bill; as a Government we have the right not to bring in the Act as a legislature when it happens to be brought in we have a right to reject the Act. But we have not the right to change the terms. The terms of the Tax Rental Agreement are Standard during the life of the agreement, which is up to 1952. We cannot, by merely bringing in an amendment to a clause, change the terms of an Act which so far as Canada is concerned is vitally universal; which is exactly what the honourable and gallant member would ask the House to do. For this purpose I suggest, in your thinking before you make your ruling, that the whole amendment is out of order.

MR. CASHIN: Mr. Chairman, have all the other province agreed with this?

MR. SMALLWOOD: All except two provinces.

MR. CASHIN: Ontario and Quebec have not?

MR. SMALLWOOD: We have either to sign or not to sign. But we as a Government come before the Legislature, and we ask the Legislature for authority to sign it. To sign what? To sign the Tax Rental Agreement. What Tax Rental Agreement? The one laid down by the Government of Canada, which has been signed by seven of the provinces. It is not for us as a Legislature to lay down to Canada the terms of this Tax Rental Agreement. They have laid them down. It is for us either to sign or not to sign. It is for this Legislature to authorize us to sign or to reject the Act. But we can-

not amend it; it cannot be amended; it cannot be unilateral, and further it cannot be done bilaterally, because to do so bilaterally reopens the whole contract with all the other provinces who have already signed. And it is a binding agreement on each of those seven provinces and the Government of Canada, and we are offered the same agreement on the same terms. We cannot, even by a bilateral agreement change those terms, because the Agreement itself provides that any change made for one province must bring about automatically renegotiation for all the other provinces of the terms of the agreement contained in that clause. This House, this Legislature, has the right only to accept them or reject them, and to amend it in any non-essential respect only, not in the formula, not in the clauses which state the very basis of the whole agreement, the formula under which Canada may and will receive the payments under the agreement. Now I have sympathy with the Honourable and gallant member's desire, he being an anti-Confederate, he being opposed to the official Terms of Union, he being convinced apparently that these Terms were inadequate, I have sympathy with his desire to have a debate on the whole matter, and I personally, if it be in order, to have a debate on it, which I would rather hope, without having thought about the matter—but if it be in order I would welcome a debate. But let him not think for one moment, for one moment, that as I happened to help negotiate the Terms and happened to sign them, I am not prepared — and when I say prepared I mean p-r-e-

p-a-r-e-d to defend them, he is making the mistake of his life, and if the honourable member, the junior member for St. John's East, should have any remote idea in the back of his mind that he is able to trip me up, that he is able to push me around, that he can trap me, he had also better think again. I am not so easily trapped; I am not so easy to beat; and when it comes to a debate on the Terms of Union, I will answer any member here who can show that I am wrong, but I give you warning now you have to get up bright and early in the morning to do it. I did not spend three months helping to negotiate these Terms and not know them and not be able to defend them—and not alone. I think it was unworthy, an unworthy action on the part of the honourable and gallant member—

“Tis excellent to have a giant's strength,

But tyrannous to use it as a giant.”

It was a little unworthy of him that attack on Mr. Gruchy and I can tell the honourable and gallant member that the one member of the delegation who was most concerned with the possibility that Newfoundland might be obliged to violate the terms of the subsisting contract between the Government of Newfoundland and the Bowater Company was Mr. Gruchy. And he read and reread the draft terms when the Newfoundland delegation was at Ottawa last fall. He read it, and his uneasiness and his expressions of uneasiness, his discontent, and his desire that we should observe the principle of the contract made by the Government—it was largely as a result of Mr. Gruchy's expressions of uneasi-

ness that the Ottawa delegation took the adamant stand it did take and insisted that in the Terms of Union we should be exempt from any obligation to violate that agreement, and in fact we were exempted in the Terms of Union; as in fact, we are in our own legislation here that we have introduced in this House, deliberately and specifically almost, exempted Bowaters from the application of this 5 per cent tax, and I say that in defence of Mr. Gruchy, I say that in defence of the honourable the Chief Justice of this province who was the leader of that delegation, and who—

MR. CASHIN: The Chairman said the terms were inadequate.

MR. SMALLWOOD: And who, when that very matter came up adjourned more than one meeting of the Newfoundland delegation on this very question, adjourned more than one meeting, and took the matter to sub-committees, to the Prime Minister of Canada, in a move to insist that Newfoundland should not be allowed, under any Terms of Union, to violate any subsisting contract between the Government of Newfoundland and the Bowater Company.

MR. HIGGINS: Why did you sign under those circumstances?

MR. SMALLWOOD: Because we won our point. We were exempt from any obligation to violate any subsisting agreement between the Government of Newfoundland, or any previous legislature of Newfoundland and the Bowater Company, inherited by Bowaters.

MR. HIGGINS: But there are violations there.

MR. SMALLWOOD: They are not violations by the Government of Newfoundland, or by the legislature of Newfoundland. And if the Parliament of Canada—

MR. HIGGINS: They agreed to violate—

MR. SMALLWOOD: We did no such thing. We are deliberately exempt by the Terms of Union from any obligation to violate that agreement. We are exempt—I raised the point the other day—

MR. HIGGINS: It does not convey anything except that the Newfoundland delegates agreed that Canada could violate that agreement. That is all I can see in it.

MR. SMALLWOOD: If the honourable and learned member will allow me a moment—

MR. CASHIN: Page 9—Continuation of Law, General Section 18—

MR. SMALLWOOD: Page 17—Section (4), "The Government of the Province of Newfoundland shall not by any agreement entered into pursuant to this Term be required to impose on any person or corporation taxation repugnant to the provisions of any contract entered into with such persons or corporation before the date of the agreement and subsisting at the date of the agreement." Now, that is as plain as could be, and we planned to make it. That is why, and my honourable friend the Leader of the Opposition will find, in this very legislation we have brought in, we have taken full advantage to exempt Bowater's or any other concern—in Newfound-

land, who is exempt from taxation, Newfoundland taxation, statutory or contractual; we have specifically provided, in this very legislation that we have brought before you, exemptions for these same concerns from any taxation which we impose that would be a violation of their contract. We have the right to do it, under the Terms of Union; we have done it in this legislation. Now, if the Parliament of Canada, and this is the most that the Government of Canada—to which they would agree—they said, they told us that it was a sheer waste of time, words to that effect, they did not use those identical words, but if they did not use those identical words, that is exactly what they meant—. It was a sheer waste of time and words on our part to ask them to put themselves in this position where they would have to go before their authority, their legislature and say to them, say to their legislature, to their colleagues, we want you to exempt from the ordinary normal rate of Canadian taxation, certain corporations—

MR. CASHIN: In Newfoundland.

MR. SMALLWOOD: Anywhere in Canada. Hew to the line; let the chips fall where they will. These Terms were made in Canada, and it is useless for us to ask the Government of Canada to put themselves in a position where they will have to ask their Cabinet to exempt any Canadian Corporation from taxation which applies commonly and uniformly to all Canadian corporations. Now, we did insist that if Bowaters would be taxed, or any other concern who under Newfoundland statutory contracts, or any other contracts were exempt from taxation, certain tax-

ation—if they were to be taxed, they would be taxed, not by the Government of Canada, that is, not by Order-in-Council, not by proclamation, but only by action of Parliament itself, the House of Commons and Senate of Canada in legislative session convened. That is why, we may take it for granted that any taxation on Bowater's, Canadian taxation, would be placed there by the Parliament of Canada, not by the Government of Canada, and we got that, and I would go so far as to say this—and until I write my memoirs—and after I have been Premier for twenty-five or thirty years I might finally get around to writing my memoirs, when the matter is beyond controversy—until I do or some member of the delegation writes his, not one-tenth of the story of the negotiations which went on from day to day for three solir months—weworked like dogs at it—will be told. Quite often the stor yis never told of any important negotiations, if it be even between a Trade Union and an employer, the story of negotiations is never told, but I go so far as to say this not that it was at the request of Bowater's themselves, that that we took that final stand that they were to be taxed not by the Government of Canada, but by the authority of the Parliament itself. And that is why that is in the Terms of Union, and that is why the Government of Canada has implemented that position by asking the Parliament of Canada to collect taxes from Bowater's. Now if any honourable gentleman opposite thinks that he is fighting Bowater's case, if he thinks he is putting in a good word for Bowater's by raising this matter, let me say that in my opinion he is making a mis-

take; the matter is still in hand; the matter has not died. This Government is sympathetic. It is not permitted, if i snot for this House to know what steps were taken in this very matter, but I will say that this Government is in sympathy with any corporation in Newfoundland, or whose ramifications are so far flung as those of the Bowater Company, whose fortunes as a corporation affects the lives of so many of our Newfoundland citizens and whose operations extend so widely in a geographical sense over the face of this province. We are in sympathy, any anything that this Government can do that is just and sound we are doing, and we will do, in aid of that position, and more thanthat I cannot say about it, but the last of the matter has not been heard of. This alleged amendment that the honourable and gallant member has proposed in this Bill—but I started off by saying that I have sympathy with his desire; he must be the person to do it; he must literally be the person to have a debate on the Terms of Confederation. Well, we will have it some time; we will have it to our heart's content, even mine, and all of us. He knows his stuff and we can have a debate on the Terms, but not on the amendment to this Bill.

MR. CASHIN: Mr. Chairman, I want to thank the Premier for his remarks, particularly in connection with what transpired during the negotiation of the Terms of Union in Ottawa. When I referred to the representative of the A.N.D. Company as being *probably being tickled pink* that Bowater's were getting taxed under this Agreement, or being liable to taxation under this agreement, and thus violating

an agreement which we made with the Bowater people over twenty years ago, the point is this: The said gentleman or any other gentleman on that delegation were so sympathetic to Bowater's and so sympathetic to see that the agreements made by former Newfoundland Governments were carried out, why did they sign these Terms? Why did they sign them? Every man in Newfoundland knows that has had anything to do with the Government in the past, that the A.N.D. Company were beating down our doors for the past twenty-five years, to my knowledge, telling you "Oh, Bowater's or the International Paper Company, they are not paying taxes," but they did not tell us, Mr. Chairman, how much they plundered out of the Treasury themselves. And I say here now, that the A.N.D. Company during the past ten years have deprived the Treasury of Newfoundland of anything up to a million dollars. Then we hear what wonderful people they are. I myself had the privilege of taking \$75,000 off them that they tried to get away with, in 1929 or 1930. So you cannot tell me about these people. Then we hear that the Chairman of the delegation, he was opposed to this thing. He signed though, and he gave the Canadian Parliament authority to violate the agreement made by the Newfoundland Government with those people; he and those who did sign it gave the Canadian Parliament or the Canadian Government—it all amounts to the same thing—the power to violate agreements made by the Newfoundland Government with those people; he and those who did sign it gave the Canadian Parliament or the Canadian Government—it

all amounts to the same thing—the power to violate agreements made by the Newfoundland Government twenty-odd years ago. They were parties to it, and it is a well-known fact that the Chairman of that delegation did say the night before he signed the Terms that he knew the financial terms were inadequate, but nevertheless he was going to sign the following day. Everyone knows that in Newfoundland.

MR. SMALLWOOD: I do not.

MR. CASHIN: Well, I am telling you now; you can go down and ask him yourself.

MR. SMALLWOOD: I will.

MR. CASHIN: All right, and I can tell you he has been darn well paid for it. And I pay tribute to the Premier over there right now, the only one on that delegation that was honest about the whole situation. He was sold on Confederation; the others went after it for what they could get out of it. Senatorships and every judgeship that they could hope to get. Now, this Continuation of Laws; here in section 18 of the Terms, on page 9, (1) "Subject to these Terms, all laws in force in Newfoundland at or immediately prior to the date of Union shall continue therein as if the Union had not been made." Then, the Canadian Government, or the Canadian outfit up there, say, oh, we cannot bring that before Parliament, that is what the Premier tells us this afternoon, because our people would kick up a noise. Why should the Bowater's or some other outfit down in Newfoundland be exempt from income tax because the Newfoundland Government made an agreement

with them some years ago, we will qualify it, "subject nevertheless to be repealed, abolished, or altered by the Parliament of Canada or by the Legislature of the Province of Newfoundland according to the authority of the Parliament or of the Legislature under the British North America Acts, 1867 to 1946, and allorders, rules and regulations—" and so on. Now, we are only in Union nine months. We have a law case on our hands right now, because of misinterpretation of the Terms of Union, particularly in connection with transportation. We will probably have another one in connection with this Bowater's, and you will probably have others arising from month to month and year to year. And another thing, when these people—how many of the delegation up in Ottawa said to the Canadian representatives at that time, you are taking power to tax Bowater's by your Parliament, what about taking over the liability of ten or twenty millions of dollars. No, we hold that here in the province. We are responsible for ten million dollars or roughly that amount, at the present time. And if they pull the taxation out of them, surely the least they might do is assume the liability of guarantee. They have not done that; at least that is, I was informed by the Attorney General yesterday that Newfoundland is liable for that bond issue, and if such a thing happened as the place was foreclosed, we would have to take the two issues, in order to protect ourselves; that would mean up to twenty million dollars, altogether, although they have created a Sinking Fund of somewhere around fixe, or six, or seven million of dollars towards the two amounts. Now that is the posi-

tion, and as the Premier says, I welcome at any time the challenge to debate the Terms of Union, because we have already seen what is going to happen about it, and that is the subject of my amendment, which I presume now, Mr. Chairman, you have had a lot of time to consider, as you have been listening to the Premier, listening to me, you have made up your mind as to whether my amendment is correct or not, or in order.

MR. CHAIRMAN: Yes, I have. I would like so say though, before I give my ruling, that I recognize as Chairman of this committee, the first person that I see, the first person that I note or hear on his feet that I recognize, whether he is the honourable member for Ferryland, or whether he is on this side of the House, or that. It does not necessarily mean that I will not sometimes make a mistake. It may be that a person may be on his feet and I may not see him, although I do not think that occurs very often, but the first person that catches my eye I must recognize, on which ever side of the House it is. During this committee one member did take some exception to a recognition. I would like to say that the person that I recognized is the person that caught my eye first. And furthermore, any person who questions the Chairman after he has recognized a person is out of order. It is the first person who catches his eye, and I shall continue to do that without fear or favour to anyone on either side of the House.

MR. FAHEY: Mr. Chairman, I retract that unfortunate remark, the incident that you are referring

to now, but I said "Mr. Chairman" while you were speaking, as you were ending off your conversation, but somehow you did not hear me and you recognized another speaker. However, I retract the remarks, the remarks, if it is accepted by the Chair, and I would like to add my remarks to to this amendment.

In my opinion, Mr. Chairman, to make an amendment to a clause, you must either add to it, or take from it. Now, in this case, the honourable member for Ferryland deleted the six million and added to it the amount of eighteen, or in other words, deleted "six" and substituted therefor "eighteen". In my opinion—I am not trying to persuade the Chair of the House to make this decision—but in my opinion that is a legitimate amendment. We have heard this question raised whether it was an amendment or not, and I think all the members will agree with me that we went half around the world and back again, and came up through the Straits of Belle Isle in order to avoid the issue before the Chair; but in getting back, Mr. Chairman, to the amendment—as I see it, this amendment should bring the province of Newfoundland as it is known now, into what legitimately belongs to us. To go a little bit further, I might say, that the Federal Government, in my case, as I see it, is prepared to take the assets, but not prepared to assume the liabilities. I know that in cases, if I may at this moment go off the point for a second or two, of the railroad, where the Federal Government, through the C.N.R., have taken over a railroad worth eighty million dollars—those are the words of the honourable

Premier himself when he was in the Convention—

MR. SMALLWOOD: They are not.

MR. FAHEY: Seventy—

MR. SMALLWOOD: They are not. I would ask the honourable gentleman to take that back at this moment.

MR. FAHEY: I take that back, Mr. Chairman, and I say these are the words of some outstanding figure at the National Convention, that the railroad is worth seventy million dollars, or eighty million. However, the C.N.R. has taken that over which is a subsidiary of the Federal Government, but they are not prepared, although they take over the assets worth that much money, whatever it may be, they are not prepared to take over the liability of carrying out agreements that have been established here for years. To show this, if I may get back to the point again, in this particular case, the Federal Government is prepared to take over the taxes of \$150,000, or on another angle may amount to nearly one million dollars a year, but they are not prepared to take over the liabilities of being guarantees of that ten million dollars which the anteed in 1927 some years ago. So Newfoundland Government guarantee all in all, although we did go half around the world to evade this question, we are still back to the point whether this amendment is in order. I feel, in my opinion, the amendment is in order, and I have much pleasure in supporting the amendment, in order to delete "six million" and substitute "eighteen million". That will give Newfoundland

land a survival chance, in order that she may survive, which I do not think she will under the present setup.

MR. HIGGINS: Mr. Chairman, in the Terms of Agreement there was no mention whatsoever about that section—I do not know if it is 196—of the British North America Act which provides that in case the province of Prince Edward Island and Newfoundland should ever join the Dominion, that there should be a difference in the per capita tax, that difference, would be capitalized, and an interest of 5 per cent should be paid to the province.

MR. SMALLWOOD: No such clause.

MR. HIGGINS: What is the clause?

MR. SMALLWOOD: You mean in the B.N.A. Act?

MR. HIGGINS: Yes. Certainly.

MR. SMALLWOOD: Nothing near it.

MR. HIGGINS: Well, Mr. Chairman, I shall bring that down tomorrow and I—

MR. SMALLWOOD: Yes, and let use see it.

MR. HIGGINS: Prince Edward Island was paid the sum, I think, the sum of \$500,000 because her per capita tax was less than that of the rest of the Canadas. Can the Prime Minister deny that?

MR. SMALLWOOD: P.E.I. was paid more than the other provinces of Canada?

MR. HIGGINS: She was paid for the difference in her per capita tax and the rest of the Canadas.

MR. SMALLWOOD: Paid more than that.

MR. HIGGINS: Well, she was—

MR. SMALLWOOD: She was paid more than on that basis.

MR. HIGGINS: She was supposed to have been paid I think the difference—

MR. CASHIN: Ours was given away.

MR. HIGGINS: Given away. Now, with regard to Bowaters I do not know what the Prime Minister meant when he said that, if he thinks we are trying to support Bowaters, trying to get sympathy for them we are making a mistake, I do not know what he means by that at all. I still say that the delegates did encourage anada to break a solid contract with Bowaters, so that the taxation which would be imposed on Bowater, which it had been agreed would not be imposed on Bowater while she was doing business in Newfoundland. There is one other matter I want to bring up, and I think it rightly should be said. The Prime Minister said that a motion before the Committee should not be seconded, must not be seconded. Now, that is not right, section 126 says, "A motion made in committee need not be seconded." It does not say that it must not be, so it is perfectly all right—

MR. SMALLWOOD: It means the same thing.

MR. HIGGINS: No, but you said it must not be seconded.

MR. SMALLWOOD: It means the same thing.

MR. HIGGINS: Not at all. "Need not" and "must not" are two different things.

MR. SMALLWOOD: There is no necessity.

MR. HIGGINS: There is no necessity, I quite agree with that, but you say it must not be seconded. You told Major Cashin that it could not be seconded. Well, you wrong there.

MR. CHAIRMAN: The wording of this clause — I have already given it as the ruling of this Committee that an amendment cannot nullify the clause, and after reading this very carefully it seems to me that this amendment will completely nullify this clause, and therefore is out of order. I so give this as my ruling.

MR. CASHIN: What do you mean by nullifying the clause?

MR. CHAIRMAN: It would make the clause of no effect. It would negative the clause.

MR. CASHIN: "The guaranteed minimum annual amount referred to in this Act shall be the amount of \$18,000,000 being the sum of the following amounts:" and as we come to the other two paragraphs I shall substitute another clause to add in there to show why I put on the other \$12,000,000. You mean we are not permitted to discuss it?

MR. CHAIRMAN: No.

MR. CASHIN: All right. Not much use for being in Opposition or being Independent or anyone else. It is the first time I have ever heard of an amendment being

turned down in a committee or any other place; it is out of order.

Section 3(2)(a) read

MR. CASHIN: Just a second, Mr. Chairman. Is it not somewhere in the Terms of Union that the population is 325,000?

MR. CURTIS: But this is 1942 we are talking about.

MR. CASHIN: Yes, but in the Terms of Union—you will find on December 11—yes, page 16 "An annual subsidy of \$180,000 and an annual subsidy equal to 80 cents per head of the population of the Province of Newfoundland (being taken at 325,000—"

MR. SMALLWOOD: That is for that purpose.

MR. CASHIN: Yes, well, one purpose for one and another purpose for another. z

MR. SMALLWOOD: That is right.

MR. CASHIN: Does not make sense.

Section 3 continued to be read.

MR. CASHIN: Would the Premier mind telling me why they mention '42 instead of—

MR. SMALLWOOD: Yes. When the Tax Rental Agreement was being negotiated between the Government of Canada and the Governments of the various provinces, there were various formulae discussed, and if we recall the newspaper reading in those days, there was an amount of dollars per capita on the population of each province suggested; then there was an amount of fifteen dollars per capita of each province suggested; then there was an amount of fif-

teen dollars per capita of each province suggested; and finally to meet the case of one province only in Canada, which was entirely exceptional, the point being to rent the sole right of collecting income tax, to rent the right to the Federal Government, so that income tax was the big thing on the Tax Agreement, but in the case of British Columbia, in 1942—the basic year was 1942—in that year British Columbia had its own income tax. It so happened that because of the movement of a large number of retired wealthy people from all parts of Canada into British Columbia to live out their remaining years, the British Columbia Government was taking in quite a large sum of money towards their own Provincial income tax, so that British Columbia suggested this: Another formula, \$15.00, or \$12.75, but if it were \$12.75, then, in addition to that, an amount equal to one-half of what that province had collected itself in income tax in that year. Thus we get the third formula—\$15.00 a head, \$12.75 a head plus half what the province collected in that year for its own income tax, if it had one some of the provinces did and some did not. And third, an amount of \$2,000,000 which fits only the case of Prince Edward Island. Any province could choose any one of three alternatives. British Columbia proceeded at once to adopt the one, \$12.75 plus half the income tax it had collected itself through its provincial income tax law in 1942. Four provinces selected the straight \$15.00; Prince Edward Island, finding that neither the fifteen dollar amount, nor the \$12.75 plus half income tax, would fit its case, adopted the one which

says that the amount shall not in any year be less than \$2,000,000.

MR. CASHIN: What about Ontario and Quebec?

MR. SMALLWOOD: Ontario and Quebec chose not to make any agreement at all, just as any province has a right to do — just as we have a right to do. Any province has a right not to have a tax rental agreement. In that event, what happens? There is no tax rental agreement Ontario and the Federal Government, and between Quebec and the Federal Government.

MR. CASHIN: They want their own terms.

MR. SMALLWOOD: Oh, no. The Government of Canada does not have to accept that. There is one for all the provinces of Canada, a Tax Rental Agreement, so unless it is prepared to give all the provinces of Canada a bilateral tax rental agreement than the one which presently exists, then Quebec and Ontario will not get any better, and if they do get any better one, then all the provinces will get a better one. And I hope, as Premier of Newfoundland, and as Leader of this House for some months and years to come, I hope that Ontario and Quebec will get a better a—very much better one than now is the case with the present Tax Rental Agreement, because as soon as they do, a better one must automatically be given to us. And if we can have the other nine provinces of Canada fighting our battle in this Tax Rental Agreement, that is fine; the more they fight, the better we will be pleased.

MR. CASHIN: Then you should have seconded my amendment.

MR. SMALLWOOD: But it cannot be done that way. It just cannot be done that way.

MR. MILLER: Mr. Chairman, I wonder could we have the assurance of the Attorney General that the product of Newfoundland has been added to that of the mainland in determining the ratio in which we will be awarded this money?

MR. CURTIS: No. Mr. Chairman, that proposal, the gross national product of Newfoundland is not included, neither is the population of Newfoundland included. It was considered that we would fare much better if such was done.

Section 4 read.

MR. MILLER: Mr. Chairman, I was wondering, since this Act is retroactive, and goes back to April 1st of this year, what consideration would be given to, say, corporations who have paid certain Municipal taxes, have already paid them. Surely they would not be taxed twice? And will the Government ask these municipalities to refund that money? It seems to me that it will affect largely — while the tax schedule is not ready we can only guess, but I would assume that, say, in St. John's there are corporations which have been paying a stock tax and will now be exempt from that as a municipal tax, and will instead pay this corporation tax, and so also all around. Places I would say like Bell Island, which pays \$10,000 for the upkeep of a road; is a tax on the company.

AN HON. MEMBER: \$4,000.

MR. MILLER: \$4,000 is it?—

that they will now be exempt, since that is a corporation tax? And the thing is so very, very vague. It is very embarrassing to have to even presume, because we want to be very clear on all this, we do not want to enlarge on it at all. But it is hard to discuss it when you have not got the tax schedule, and I think it would have been a tribute to the Federal Government, if the Government had produced a tax schedule, schedule A, and B, as they name it, and if it were necessary at some later date to amend, it should have been taken in good faith, inasmuch as when the Federal Government submitted tax agreements to the other provinces, and found that they were not sufficient for them to get along on, that is, for the Federal Government; if the Federal Government were not taking sufficient money off the provinces, that they went back to the provinces and asked for more; that is just exactly what to do in this case. In other words, they considered coming back, and if we do not get an all-perfect tax schedule in the first instance, why I would not see much against our not coming back.

I was wondering whether — one other point while I have the floor, Mr. Chairman, that is, what is the interpretation, what is the meaning of the word "corporation" for the purpose of this Act? We have in this country a number of small businesses, which pay taxes. Very few of them are incorporated, and in the true sense of the word would be a registered company. How far will the Act go? Will it reach right out to the small business of the outport which is presently, say, paying some tax in

some instances, and suspend all these taxes, or is there some well-defined limit where these taxes end, on that word "corporation" in the sense of the word as we would commonly apply it? This 5 per cent tax.

MR. CURTIS: I think, Mr. Chairman, that in answer to the honourable member we would have to take the position that if any taxes have been collected, which, under this Act, are not collectable, they would have to be refunded. For instance, death duties presently collected in Newfoundland will have to be refunded—I mean the provincial death duties now being collected will have to be refunded as soon as this Act goes into force, and I am afraid that the same thing may happen to some of the taxes collected by the Municipal Council, and by the local Government. Of course, in such cases, it would be open to them to negotiate with the Government to have new channels of taxation open to them. Now, as far as the schedules A and B are concerned, I can assure you, Mr. Chairman, and through you, the honourable member, that the Government will be very, very careful in preparing that list, and it is the preparation of that list that is involving us at the moment in all the trouble we have. I may say that an official has already been here from Ottawa and discussed the matter, and it looks now as if another official will have to come down, this time from the Department of Finance, to complete that schedule; our taxes have been so different from the taxes of the other provinces that every tax Act that Newfoundland has on the Statute Books at the moment has to be examined

into and it has to be ascertained whether or not that tax stays with the province or goes Federal. In some cases we may be able to save it to the province by changing the name of the tax—calling it a licence instead of a tax, or by some other name.

MR. HIGGINS: Would they regard Town Councils as corporations—I suppose they would, would they?

MR. CURTIS: I do not think, for the purpose of this Act they would be, Mr. Chairman, but there are certain taxes collected by Town Councils from corporations.

MR. HIGGINS: But they would not regard them as corporations would they? What would happen to these taxes?

MR. SMALLWOOD: You will find it on page 7, second paragraph.

MR. CURTIS: Oh, yes, here it is here.

MR. MILLER: Well, Mr. Chairman, the position is this, that while certain taxes have been collected by Town Councils around this country, in this current year, these Council may be asked to refund that amount of money.

MR. CURTIS: If they have been collected after April 1st, that is right.

MR. MILLER: Well, now that amount of money which these Councils collected — they had a grant received from the provincial Government, I believe that is the way it works, a fifty-fifty grant up to a certain amount; in other words, if the Council collected \$1100 as a total of corporation

taxes, it would probably show as \$2200 in that Council's budget. Now, I want to point out that that is a serious withdrawal of funds from the financing of any Council. \$2200 possibly represents 25 per cent of the income of that Council, and the only answer to that is the introduction of new channels of taxation. We are tying up all the easy sources that the Council has. We can only then go back and resort to property tax, and that is existing in some cases, so we can only increase that property tax, because, Mr. Chairman, expenditures of even a Council must be realistically related to the amount of money that that Council sees ahead, and I do not mind stating that I believe practically every Council in Newfoundland is financially embarrassed, have got on loan from the Government of this province which it is in duty-bound to pay back, more money than its evident income can repay; and with the removal of this additional amount of easy money which was coming in, there is no future at all to it except to pile on taxation whenever and wherever they can get it. I do not know if the Government has any other plans to ease off the situation. To my mind, there should not be any other plans produced. The idea of collecting the tax, and if that tax has failed to collect a sufficient amount to make it a going concern, why I think that the Government would think the idea of subsidizing the Council to be absolutely ridiculous. There is only one way that these can be maintained, and that is the idea of them, although they did get a shot in the arm at the start, and that is through taxation.

We are removing the easy ones—we can only go back and resort to the more difficult ones, the ones that our people do not like, property tax, the land tax, and these others.

MR. CURTIS: Mr. Chairman, the honourable member is, I think, the Mayor of Placentia—

MR. MILLER: No, not the Mayor.

MR. CURTIS: The next Mayor, then. Perhaps he would indicate the type of taxes that he is referring to, on corporations.

MR. MILLER: Well, as I pointed out earlier, we are just groping around in the dark. I said that I did not want to exploit this position any further than was necessary, but inasmuch as we have not laid before even a suggestion by the Government of what these taxes are, we can only take the very wide position that they include everything that a corporation pays.

MR. CURTIS: Oh, no; of course, Mr. Chairman, the honourable member is wrong in that because obviously the fact that a corporation is a corporation, and owns property, and as such has to pay civic municipal taxes, or town council taxes—that tax shall not be wiped out. The only taxes that will be wiped out are taxes that are limited to corporations and corporations only, and it is the Government's hope that most of the taxes now being collected will continue to be collected under another name—

MR. HIGGINS: As for instance, Port au Basques gets money from

the Electric Light Company down there, does it not—the Town Council. Well, that is a corporation. I suppose that that is the sort of thing that Mr. Miller has in view.

MR. CURTIS: Well, I was wondering, is there any extent to that tax—is it a large tax, does the honourable member know?

MR. MILLER: I believe they run up to \$500 in some cases, but I am sure—

MR. CURTIS: I would depend upon the wording, Mr. Chairman, of the tax. You might have to change the wording and call it a licence or call it something else, but you cannot call it a tax on a corporation as such. For instance, if in Placentia a corporation happens to do business and they have a stock tax there, that would not be effective because a corporation happens to pay it, but individuals are paying the same tax; a corporation tax is a tax which is payable only by corporations as distinct from similar taxes paid by individuals. It is not an easy problem to settle, but I do not know just how it will affect the district of my honourable friend, but I feel that most of the taxes to which he refers—

M. MILLER: We are deliberating here the interests of the country, not particularly my own district.

MR. CURTIS: Well, at the same time the intimate knowledge which my honourable friend has of his own district is typical of the other Town Councils, and it is because of the fact that his is one of the Town Council that I would value

anything he says with respect to its own taxation structure.

MR. CHAIRMAN: I do not think the honourable Attorney General meant any reproach on the honourable member for Placentia-St. Mary's.

Section 4 passed.

Section 5 read and passed.

Section 6 read.

MR. FOGWILL: Mr. Chairman, I would like to ask the Attorney General—"refund to taxpayers"—does that mean any taxpayer? I mean that includes taxpayers in any municipality?

MR. CURTIS: Any taxpayer the tax on whom is removed under this Act.

MR. FOGWILL: Yes, taxpayers in municipalities, the subject was just discussed a few moments ago.

MR. CURTIS: Of course, we as a legislature cannot authorize or direct what the municipalities have to do. We can only authorize the Minister of Finance to refund any taxes that he has collected. For instance, if a person had died since April 1st, that estate has to pay double death duties at the moment.

MR. FOGWILL: That will be refunded.

MR. CURTIS: The amount of the provincial death duties will be refunded.

Section 6 passed.

Section 7 read and passed.

Section 8 read and passed.

Section 9 read and passed.

Section 10 read and passed.

Preamble read and passed.

Title read and passed.

Committee rose, and reported having passed the Bill with some amendments.

Report received. Bill ordered to be read a third time tomorrow.

Second reading of Bill "An Act to Provide for the Regulation and Sale of Alcoholic Liquors" was deferred until tomorrow.

Second reading of Bill "An Act to Impose a Tax on the Income of Corporations."

MR. CURTIS: Mr. Speaker, I would move that this Bill be now read a second time. I do not think that after the explanations that have been given during the past two sessions that it is necessary for me to dwell at any great length upon the details of this Bill or upon the reasons for its being enacted. As the House will know, Mr. Speaker, Newfoundland as a province, if it accepts a Tax Agreement, must impose this tax, or else forfeit the amount that would be collected thereunder, from any moneys that will be payable to it under the Tax Rental Agreement. It is not obligatory upon Newfoundland to accept this Tax Agreement. I think that must be clear to all of the honourable members by now. We do not have to accept this Agreement. The Agreement has been offered to us, and we could not possibly justify ourselves in refusing to accept it; for that reason I am at a loss to understand why the honourable members opposite did vote against it only just recently. We are offered this Tax Agreement; we expect to get under this Tax Agreement in the neighbourhood of seven and a half million dollars. About a million and a half of this amount we will get under subsidy, but by accepting the Tax Agree-

ment we get an additional six million dollars. In order to qualify for this we must pass this five per cent tax Act or else the amount that would be realized under it would be deducted from the seven and a half million dollars we would otherwise receive. I will read to the House, with your permission, Clause 3 of the proposed Agreement, as accepted by all the provinces,

"3. (1) Subject to the provisions of this clause, Canada may deduct from the amounts payable to Newfoundland under clause one

- (a) an amount equal to one-sixth of that proportion of the corporation income tax assessed and collected under the Income Tax Act in respect of income of each taxation year of a corporation other than a non-resident-owned investment corporation mentioned in clause seven, in the period from April 1, 1949, to December 31, 1951, inclusive, that is the same as the proportion that the Newfoundland income of the corporation of the said taxation year is of the whole income of the corporation of the said taxation year; or
- (b) an amount equal to the amount of corporation income tax assessed and collected under legislation enacted by Newfoundland as permitted under clause seven in respect of income of the corporation of the said taxation year,

whichever is greater: Provided that if the amount specified in subparagraph (b) of this paragraph is less than the amount specified in

sub-paragraph (a) of this paragraph because it is beyond the legislative authority of the legislature of Newfoundland to enact legislation as permitted under clause seven imposing corporation income tax on income of the corporation of a taxation year, or because the taxation of the income of the corporation under such legislation would be repugnant to the provisions of a contract entered into by Newfoundland with the corporation on or before the date of execution of this Agreement and subsisting on that date, the amount to be deducted under this paragraph in respect of corporation income tax on the said corporation in the said taxation year shall be the amount specified in sub-paragraph (b) of this paragraph, if any."

And then it goes on to details, Mr. Speaker. We have either to impose this tax, or else accept a deduction of the amount of it. Under the legislation before the House we are enacting the Act and we have, if I may say so, we have already passed an Act allowing the Canadian Government, the Federal Government, to do the collecting, which otherwise would be an expense on the province. I would move the second reading of this Bill, Mr. Speaker. I do not think that any further explanation is necessary, but if there should be any debate I will be able to deal with any points that may come up.

Bill passed second reading.

MR. CURTIS: I was wondering, Mr. Speaker—there does not seem to be much more business to-day—would the house consider going into committee now, so as to save time?

MR. HIGGINS: I would like to read it over and see what it is like, tonight.

MR. SMALLWOOD: There is some pretty heavy legislation coming up.

MR. HIGGINS: This is mostly technical, but I want to see what it is.

MR. SMALLWOOD: I do not think the task will be difficult. Bill ordered to be referred to committee of the whole on tomorrow.

Second reading of Bill "An Act Further to Amend the Act 'Of the Auditing of Public Accounts'."

MR. QUINTON: Mr. Speaker, this Bill has been distributed and is on the members' desks. It is a formal measure. Members will recall that the financial year of Newfoundland ended some years ago on the 30th June, but it was changed back to the 31st March. Arising out of experience we find now that certain payments which would fall into the accounts of a current fiscal period overlap and call for payment after the financial year has been closed. The purpose of this amendment, in particular, is to provide a period of thirty days whereby amounts which should belong to the closing fiscal year may be paid from the funds for that year. It also provides in analysis for control of commitments as well as control of expenditure will follow. That is something which all members of the House will agree as being important. The commitments, if not controlled, amounted subsequently to public credit being pledged, and we would much prefer in financing in the Government, to have commitments controlled

as well as expenditure. In the last sub-clause it provides that amounts of that year, if they are received by the Government of Newfoundland within a period of thirty days, or such further period as the Lieutenant-Governor-in-Council may order, following the close of that financial year. Perhaps I might give an example as far as expenditure is concerned. The experience has been, since 1932, particularly, that relief accounts for which commitment was made, say in February and March, have never fallen into account in the proper financial year; the accounts have not been rendered until some time in April and June, and sometimes these large amounts are very difficult to budget for; in fact, you cannot budget actually for them. I move that the Bill be read a second time.

Bill read a second time. Ordered to be referred to committee of the whole on tomorrow.

MR. SMALLWOOD: Mr. Speaker, I move that all further Orders of the Day be deferred.

Motion carried.

MR. SMALLWOOD: Mr Speaker, in moving the adjournment of the House until tomorrow, I would like to say that I propose tomorrow to move the second reading of The Alcoholic Liquors' Act, and on Thursday—I was informing the honorable and learned Leader of the Opposition that I proposed tomorrow to move the second reading of the Alcoholic Liquors' Act, and on Thursday the second reading of the Public Utilities' Commission Act. These are two very lengthy, though, compared with the Taxation Agreement Bills, uncomplicated piece of legislation but of considerable importance, and I

thought instead of trying to deal with too many of them on the one day we would stagger them over a period.

MR. HIGGINS: With regard to the Alcoholic Liquors' Act, I am sure that will have to go through, because though we have an Act on the Statute Book called "The Alcoholic Liquors' Act", if you want to amend it, or you want to change it entirely, that will be all right, but with regard to the other one, I think we should have time to see it. Personally I do not see the necessity for a Public Utilities' Act. We have only two or three in this city; for instance we have three utilities, and I hate to see anybody interfere with them. I hate to see amateurs who are probably just starting out on the broad way of financial life, commercial life, trying to teach men who have been a long time in public utilities. We have been well serviced by the Avalon Telephone Company and by the Electric Light Company; both those commodities are very much cheaper than in most parts of Canada. Electric light, I was amazed to find when I was on the mainland, here is very much cheaper than on the greatest part of the mainland. Our telephone system is very much cheaper, too, very much cheaper, and I hate to see anybody interfering with them. If the Premier can persuade me that I am in the wrong I shall be delighted but I would like to have time to go over the Act. The Alcoholic Liquors' Act is a matter that we will have to go through, and we should get it through as quickly as we can.

House adjourned until tomorrow at three of the clock.

Wednesday, November 23, 1949.

House opened at three of the clock.

MR. CASHIN: Mr. Speaker, I give notice that I will on tomorrow ask the honorable the Premier or the appropriate Minister: If any arrangement or contract has been made for the painting of portraits of certain public men of the past and present. If so inform the House of such contract or arrangement, giving the number of portraits that are to be painted—who is the Artist to whom the contract is being given or arrangement made to do the work — and what price per portrait such Artist is being paid. Also inform the House the names of the public men of the past or present whose portraits are being painted.

Also to ask the honorable the Attorney General to inform the House: What retainer or fee is being paid to Mr. P. J. Lewis, K.C., for his services in connection with the case taken up by the Government with respect to the transportation rates. Has any amount been paid to Mr. Lewis on account of such action? If so, give the amount and inform the House why it has been necessary to engage the services of an outside solicitor in this matter and why the action is not being presented by one or any of the solicitors employed by the Justice Department.

Also to ask the honorable the Minister of Health to table a statement showing the number of Cottage Hospitals built during the present year—the places such hospitals were constructed and the cost of each hospital. It is the intention of the Government to extend the Cottage Hospital program the coming year—if so, where are

hospitals to be built—what will they cost and give the location and accommodation of each hospital.

Also to ask the honorable the Acting Administrator of Work Relief to table a statement showing the number of men employed in each district on relief work—giving a statement of specific work being done. Also to inform the House the names of the various individuals who have been appointed in the various districts to supervise the work and what remuneration such individuals are being paid.

Have any special instructions been given these supervisors to make special efforts to repair storm-damaged properties — such as breakwaters, boats and other fishing equipment, necessary for the successful prosecution of this main industry.

MR. JOHN G. HIGGINS (Leader of the Opposition): Mr. Speaker, I give notice that I will on tomorrow ask the honourable the Premier following questions:

(1) Is the Government aware of the heavy freight charged on farm produce. If not, is it not advisable for the Government to consider the matter immediately.

(2) Can the Government supply comparative figures of the cost of freight between Prince Edward Island and Newfoundland and between place in Newfoundland.

(3) Is the Government aware of the precarious position of the farmers throughout Newfoundland at the present time. Does the Government realize that farmers are being pushed out of business by the dumping of the produce of Prince Edward Island in Newfoundland.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I have the answer to question number 92 asked by the honourable and learned member for St. John's East, the Leader of the Opposition.

(1) Was the Government consulted regarding the supply depot in Halifax for the U. S. Bases in Newfoundland.

Answer: My information is that there is no U. S. A. F. supply depot in Halifax. Recently a purchasing office was opened there by the U. S. A. F. to arrange for purchases in Canada of perishables previously purchased in the U. S. A.

(2) If the Government was consulted, did it consent to the change?

Answer: Refer to answer to question next above.

(3) If it was not consulted has the Government made any objection in the matter.

Answer: The Government is not aware of any cause for objection.

(4) Was this change brought about at the instigation of the Canadian Federal Authorities.

Answer: My information is that the new arrangement was originated by the U. S. A. F. to eliminate spoilage of perishables occurred during transportation under the previous system. It was purely an internal economy matter arranged without reference to the Canadian Federal Authorities.

(5) Is the Government aware of

the heavy loss that will be sustained by Newfoundland on account of this change?

Answer: In reply to question number 87, the Minister of Labour gave his information that the employment of base workers would in no way be affected by the arrangement.

A press report in the Evening Telegram on the seventeenth of this month states that information was received from the Commanding General of the Newfoundland Base Command that the new arrangement will not adversely affect local purchases.

The Government is therefore not aware of any loss that will be sustained by Newfoundland on Account of the new arrangement.

MR. SPEAKER: Are there any answers to questions previous to number 92?

MR. CASHIN: There are some questions addressed to the honourable the Minister of Finance and he is not here today. I do not know if he may have these ready or not.

MR. SMALLWOOD: Mr. Speaker, the honourable and gallant Minister of Finance, and two other Ministers are absent for part of the day, representing the Government at the funeral of the late Rev. Canon Brinton.

Orders of the Day:

Third reading of Bill "An Act to Authorize the Government of Newfoundland to enter into an arrangement with the Government

of Canada with respect to the Collection of Corporation Income Tax.

Bill read a third time and passed.

Third reading of Bill "An Act to Authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada."

MR. CASHIN: Mr. Speaker, with respect to this Bill, yesterday afternoon, in committee, I proposed a certain amendment, which I will shortly advise you of, in respect to this particular Bill. The honourable the Premier claimed that such an amendment was out of order, because it would have nullified the Act. I think that was his explanation. I would like to know, Mr. Speaker, whether or not I or any other member of the House has the right to move an amendment in committee to any piece of legislation or whether we have not that right. To me the amendment which I proposed at the time did not nullify the Act; it merely increased the amount of money which we were going to get under the tax agreement, and did not nullify the Act in any way, shape or form; consequently, Mr. Speaker, I ask your ruling as to whether or not my amendment was in order or not.

MR. SPEAKER: If the ruling was given while the House was in committee I do not think the Speaker is able to rescind the decision of the Committee.

MR. CASHIN: Mr. Speaker, at the time I suggested to the honourable the Premier, I think, and also the Chairman of Committees that, in order to be quite clear on

the matter, that we should rise the committee and ask you to give a ruling. I was denied that right; he would not rise the committee, so I felt that the first opportunity I would get I would ask your ruling on it, because look at it this way, Mr. Speaker, that no matter what piece of legislation may come in, if the Government, or anyone else for that matter, decided that we cannot amend or propose and second an amendment by suggesting certain changes in an Act, then we as members of the House are just wasting out time coming here together, and I think I am entitled to a ruling as to whether or not I am permitted, or any other honourable member is permitted, to move an amendment to a clause in an Act that may be brought in here by either the Government or private bills, or by any member of the Opposition, for that matter. I think I am entitled to a ruling on that matter, Mr. Speaker.

MR. SPEAKER: Amendments may be moved to any clause or parts of clauses of a Bill while in committee of a whole, but certain conditions govern these amendments. Sometimes they are in order; sometimes they are not. If the amendment was moved while the House was in committee and ruled out on certain grounds, then it is impossible for the Speaker, as I have already said, to rescind a decision of the committee, or to give any further ruling on the matter. It might have been that the members of it thought it might have been more appropriately offered at some other time, perhaps not in conjunction with the Bill at all. I am not able to give any further ruling on the matter. It is,

however, within the right of any members present to offer an amendment to the motion for third reading, and suggest that the Bill be re-committed. It would be impossible to accept any amendment to the Bill itself, other than a verbal one, at this state, as the Honourable House is well aware.

MR. CASHIN: Well, Mr. Speaker, you undoubtedly have a copy of the Bill before you. On page 5, Section 2, it says:

"The guaranteed minimum annual amount of \$6,208,765, being the sum of the following amounts."

My amendment was that it should read, instead of six million, eighteen million, and then I intended, when we arrived at it, to add sub-section (c) by putting in this twelve million, "being the interest on the difference between the percapita debt of Canada and the per capita debt of Newfoundland on the date of Union," approximately. I do not know whether I am in order or whether I am permitted to make an amendment to the Act or not, or the proposed Act, as the Government, who are sponsoring this piece of legislation through the House, they have the right to vote me down if they want to, and consequently my amendment would be lost. On the other hand, they did not even do that; they would not even take my amendment. And in my opinion, for what it is worth, if I am not permitted to make an amendment at this time in an Act like this, I am not permitted to make any amendment; they can say the amendment is out of order; it nullifies this section or it nullifies that section. Therefore I am just

wasting my time here in the House.

MR. COURAGE: Mr. Speaker, to a point of order. The honourable member for Ferryland just said that the Government would not accept his amendment. As Chairman of Committees, I gave my opinion that the amendment was out of order. I would like to say to you, that there is no appeal to the Speaker on a ruling given by the Chairman of Committees. There is only an appeal to the House.

MR. CASHIN: Mr. Speaker, I did not say that at all. I said the Government had the opportunity of voting against my amendment, which they would have read, if the amendment had been accepted; they would have had the opportunity of voting against it; that is all they had to do. But, no, the amendment was not accepted by the Chairman of Committees.

MR. SPEAKER: As has already been pointed out by the Chairman of Committees, there is nothing that the Speaker can do with regard to a decision that has been handed down in committee of a whole. An honourable member may appeal a decision to the House.

MR. SMALLWOOD: If I may— on a point of order. I think every honourable member is supposed to be seated while your Honour is speaking.

MR. CASHIN: Well, I will sit down.

MR. FAHEY: Mr. Speaker, in my opinion, my private opinion, an amendment is in order except it alters the principle of a partic-

ular clause. I said that yesterday in committee. Now as I understand it, the Chairman of Committees gave a ruling; the honourable member for Ferryland now has asked the House if that ruling is in order or otherwise. You, Sir, as Speaker of the House—I think that is the question before you now, as to whether the Chairman of Committees can overrule an amendment except in the case where it alters the principle of the particular clause. As I said yesterday, in my opinion the amendment amending the figures from six million to eighteen million did not change the principle of the clause involved, and I still hold that unless, when you add to or take from any particular clause, it is an amendment, unless in a case, if this House decided on tomorrow this House would adjourn. Well, if I got up tomorrow and made an amendment “this House will not adjourn,” insert the word “not,” that would alter the principle of that particular clause altogether, reverse it. In my opinion, the amendment made by the honourable member for Ferryland did not alter the principle of the clause; it just altered the particular figures in that clause. I am of the opinion of the honourable member, in the ruling of the Chair or otherwise.

MR. SPEAKER: That is quite correct. I cannot, however, discuss the matter thoroughly; it would place me in a peculiar position. It would tend to criticize an action of the committee of the whole and the Chairman, which, of course, etiquette to say the least, would forbid my doing. Cer-

tainly any honourable member is quite within his rights in proposing an amendment. There are several reasons, however, why an amendment might not be acceptable, and the Chairman has the power to rule it out. The members who support the amendment may disagree, but the decision is certainly upheld by the majority.

If the honourable member for Ferryland wishes to challenge the ruling given by the Chairman of Committees yesterday, he would present it to me; I would present it to the House; the House would either sustain the Chairman's ruling, or the Bill might again be referred to the committee to have the amendment adopted. I might also say that the Speaker's ruling may be challenged; then the Speaker would automatically put the question to the House that the Speaker's ruling would be upheld. Anything further I might be able to say about this amendment and the grounds on which it was ruled out, I could only say privately; I certainly could not say it as Speaker, because it would be criticizing a decision of the committee of the whole. I must also remind honourable members that when the Speaker resumed the Chair after the committee of the whole yesterday, this report was offered to the House for its reception. It was received, and the report was adopted and carried. I regret that there is nothing more that I can say or do about the matter.

MR. FOGWILL: Mr. Speaker, on yesterday I did support the amendment of the honourable member from Ferryland, and I do have some sympathy for the Chairman

of the Committees, because perhaps, not having altogether all the experience necessary to deal with such a thing he had to contend with yesterday, where perhaps there is no precedent at all in the whole world, where he had to make a ruling as was made yesterday. Here we had a Bill before the House in committee stage; an amendment was offered to it; it was suggested and said by the honourable the Premier that the amendment was out of order because of some agreement which this House did not make at all. Now I am still of the opinion that this amendment was in order. I sympathize with the Chairman of the Committee—no precedent to go by, no way to seek advice, on such a thing as happened yesterday. But nevertheless it is a dangerous procedure in this House to lay down a precedent and make a ruling such as has been made, and I think it would be dangerous to the future of this province to have such a thing done, and established. Therefore, Mr. Speaker, I do think now, and I am still of the opinion, that the amendment ~~was~~ in order. Whether or not we proceed from this and have it in committee of the whole, or any appeal would be made, I do not know.

MR. SPEAKER: But again I must point out that obviously the majority of members in committee of the whole decided that it was not in order. The motion is that this Bill be now read a third time.

MR. CASHIN: Mr. Speaker, I move that this Bill be read six months' hence, and in doing this

I do so on principle, for the simple reason that should I, an individual in this House, support this financial clause, I should be doing so against everything I ever said with respect to union with Canada. Despite the fact that union was negotiated by people who had no authority from the people to negotiate these terms, and I hold, Mr. Speaker, and this is the object of my amendment yesterday, that during the course of the negotiations by that specially-selected delegation to Ottawa—

MR. SMALLWOOD: Point of order, Mr. Speaker. May I have the floor for the purpose, Mr. Speaker? My point of order is that the honourable and gallant member for Ferryland is completely out of order at third reading of this particular Bill to begin to review the negotiations leading up to Confederation, the selection of the personnel of that delegation, and all similarly related matter—entirely out of order.

MR. SPEAKER: I think the honourable and gallant member has said all that was necessary when he said that the Bill was against his principles.

MR. CASHIN: On the grounds that the financial terms are absolutely inadequate, and I shall proceed to point out to this House, both sides of it, because I am not identified with any party, how they are inadequate.

MR. SMALLWOOD: Mr. Speaker, to a point or order. I would suggest that it is entirely out of order for any honourable member, on third reading of this Bill, to discuss the Terms of Confederation. This Bill does not relate to the

Terms of Confederation.

MR. CASHIN: Mr. Speaker—

MR. SMALLWOOD: I ask for a ruling, Mr. Speaker.

MR. SPEAKER: I have already ruled on the point of order.

MR. HIGGINS: I rise to a point of order now. The Premier said yesterday that they did refer to the Terms, because this Act, he said, had to be read with the Terms of Confederation, and it could not be changed. He said this Act could not be changed under any circumstances whatsoever. This Act was drafted according to the Terms of Confederation. Therefore, the Terms of Confederation were brought in by the Premier himself. I do not think he can possibly deny that. I must say myself it is an extraordinary position that this House cannot make any change on the second reading of any section of the Act.

MR. SMALLWOOD: On a point of order Mr. Speaker. The honourable and learned Leader is not now at this moment addressing himself to his own point of order. We are debating whether there ought to have been an amendment or not.

MR. HIGGINS: Well I am coming to that point. And then when this Section came up and Major Cashin made his motion for amendment it was then the Premier said that you could not change this, because it would not be in accordance with the Terms of Confederation.

MR. SMALLWOOD: To a point of order, Mr. Chairman. What I said was that we could not change this Act substantially; we could not amend it except in minor details,

because of the fact that the very terms of the Act itself were laid down by the terms of the Tax Rental Agreement. The honourable and learned Leader's point of order is beside the point altogether. I did not make this statement; I used no such argument.

MR. SPEAKER: The point of order raised by the honourable the Premier was this, that at the offering of an amendment at third reading it was not permissible to discuss the Terms of Confederation. I upheld that point, and I informed the honourable and gallant member for Ferryland that merely by stating that the reasons why he was offering this amendment was that the course of agreeing to the Bill would be against his principles, and that would be quite sufficient. The point of order offered by the Premier was that it was not competent to discuss the Terms of Confederation at this point.

MR. CASHIN: Mr. Speaker, I pointed out, yes, that it would be against my principles, but I proceeded to tell you why. I have no objection—and I am going to be called to order again and we will be hopping up and down here all the afternoon like jacks-in-the-box on points of order. Yesterday afternoon, Mr. Speaker, in your absence this House was threatened—we would be thrown out of it if we did not do this or we did not do that, and I want to point out right now, Mr. Speaker, so far as I am personally concerned, that I do not care for any threat that was thrown across this House yesterday afternoon; I do not care a damn for the whole lot of them; let them bring on their gunmen, and bring on their bodyguards, and every-

thing else, but as long as the people of Ferryland send me here, there are the only ones that are going to put me out of it. However, I made a motion that this Bill be read six months' hence—

MR. SPEAKER: You offered an amendment to the effect that the Bill be read six months' hence.

MR. CASHIN: Six months' hence, and on that motion I am permitted to speak on the Bill, the principle of the Bill, and the principle of the Bill is that this country or this House accept six million and odd thousand dollars—six million and a quarter roughly, being the sum of the following amounts, the amount of \$4,668,000 and so on "being the product of \$15 multiplied by the number of the population of the province of Newfoundland for the calendar year 1942, it being agreed that the said population was 311,251 persons. The amount of \$1,540,000 being the estimate damount of statutory subsidies that it is agreed would have been payable by the Government of Canada to the Government of Newfoundland during the calendar year 1947 had Newfoundland been a province of Canada in that year." I am speaking now on the principle of this Bill and why I am proposing that it be read six months hence.

I think, Mr. Speaker, I am permitted to state my reasons why I am proposing that this Bill be read six months hence; for this reason, that in my opinion these financial terms are inadequate, for this amount of money of six and a quarter million dollars is inadequate, and my word will be borne out in probably next week. I am not permitted to criticize those who negotiated these Terms of Union. That

is a thing of the past. I am not permitted to say anything because in this Bill is also included a tax which violates or condones a violation of an Act entered into here in 1927 by the Government of Newfoundland and the International Paper Company, the copy of the Act which I have here and which you have not got in this House, or in the Library, which I had to go out and borrow from another honourable member; and that we, and I am referring now to the 5% corporation tax which this Bill permits the Federal Government to collect off the corporations in Newfoundland, and Bowater's is now the corporation which I am referring to, and yesterday afternoon, Mr. Speaker, the Premier pointed out that if any of us were friendly towards Bowater's we would keep our mouth shut, so to speak, because at the present time negotiations are going on and that the Provincial Government are doing the best they can to assist, and last night when I went home I read it in a newspaper that Bowater's are attempting to negotiate some kind of arrangement with the Federal Government at Ottawa with respect to this particular tax of a million one hundred and odd thousand dollars which they would be liable to, provided they had a net profit of three millions of dollars. And to-day, in the same paper, on the front page, I notice that the honourable the Minister of Finance and Canada states that—in effect he states—that we cannot and we will not, carry out this contract made by the Government of Newfoundland in 1927. Now, I say here right now, Mr. Speaker, that the people who signed these Terms of Union were a party to the violation of that Act of 1927, because

they gave the Canadian Government power to break it, and I am criticized because I referred to a gentleman who is not in this House, probably never will be in this House, but who was a member of the Ottawa delegation. I was criticized because I referred to the Chairman of the delegation at Ottawa. I have nothing to withdraw. How hard they fought to try and keep this thing out of the agreement altogether; how hard they fought to try and save Bowater's from this indecent taxation which is being imposed on them, and which is a violation of every agreement, which is a violation of the agreement which we made here—and I was a member of this House in 1927, sitting right here where I am now, and helped to put it through the House, or I played my part in it anyway.

However, that is going to be violated, and I say now that the present Government are helping them to violate it by introducing this legislation in this House. True, they say, and Bowater's say themselves, as long as you do not put it on them, let the Federal Government put it on and we take it from them, but don't you put it on, but you have to give the Federal Government power to put it on. Now, about two or three years ago Bowater's undertook great expenditure on expanding their industry out in Corner Brook; spent somewhere in the vicinity of ten or twelve million dollars. Please remember, I do not speak for Bowater's here, Mr. Speaker; Bowater's are no more to me than an yone individual in here, but I do respect agreements, and it would be well for their competitors in Grand Falls that the yare respected here. Now, the position

with respect to Bowater's is briefly this, that if we pass that legislation we say to the Federal Government of Canada, you can impose you 33% on Bowater's plus the 5% corporation tax, which is approximately 38%; we will still continue to be liable for the \$20,000,000 or \$10,000,000 which is the second mortgage on the Bowater's place in Corner Brook. We will still carry that liability, we are prepared to lose any revenue that we were going to get and hand it over to you, and still we are going to carry on and assume the responsibility in case the Bowater's outfit over there went broke; Newfoundland, the provincial Government of Newfoundland, the people of Newfoundland, will become liable for that ten millions and probably twenty millions, because the first mortgage is being held by the British Government and we have to protect ourselves, we've got to buy their mortgage and we are being robbed.

Consequently, I tell you right here now, Mr. Speaker, and I tell the House, that the passing of this Act and the agreeing to these Terms by these individuals in Ottawa on December 11th last was, in my opinion, rotten, to say the least. It is all very well for the Premier to come in here and tell us how Mr. Gruchy fought for Bowater's; how the Chairman of the Delegation—how they adjourned meetings, but they signed these Terms on December 11th, and they agreed with every word that was in them when they put their signatures to them. How they fought! Let me tell you, Mr. Speaker, right here and now, and I am sorry Mr. Gruchy is not a member of this House, but I challenge him. I am prepared to say anything outside

of this House that I am prepared to say in it. I challenge him here to come before the people at a public meeting and explain his position, and I challenge him to say that he wasn't instructed by Rothermere to do just that, or else he would lose his job.

Now, I have no axe to grind with Mr. Gruchy any more than I have with any other gentleman. We know what happened to the Chairman of the delegation. It is obvious. Now, we come to this six million and odd thousand dollars. I say it is inadequate. That is why I am voting against it and am moving an amendment, to add twelve million dollars to it. Why should I want twelve million dollars to it? Why did the Premier jump to his feet and call me to order and say I had not any right, that I was out of order to do that? Obviously, Mr. Speaker, the Premier is a pretty cute politician. He figured his party would have to vote against it, would have to vote against trusting the Canadian Government to give us \$12,000,000 extra. Consequently, if the motion was out of order they would not have to vote for or against it. Now, why should we get another \$12,000,000? Let us look at it this way. Let us assume that the A.N.D. Co. and Bowater's are going to unite to-morrow. They are going to be one outfit. They are going to make a deal where they will come together. What proportion is the A.N.D. Company going to get out of it? What proportion are the Bowater people going to get? Naturally they are going to assess the value of their assets, their liabilities, their bonded indebtedness, and so on; their properties; and they will agree, based upon their liabilities, and based

upon their assets, how the common stock will be distributed; that is the business position. The same applies, or should apply, in the case of Newfoundland, and it did apply with the other provinces, in 1867, and I quote no less an authority than Mr. McKay, the individual who started to engineer Confederation, out of his own book.

MR. SMALLWOOD: I rise to a point of order. The honourable and gallant member is proposing to discuss the original settlement of Confederation in 1867 in relation to a Bill now before the House on third reading to make a tax rental agreement between the Government of Newfoundland and the Government of Canada. I suggest, Sir, that it is obviously out of order, and in defiance of the ruling you have already made.

MR. CASHIN: I was about to quote—

MR. SPEAKER: About the point of order—

MR. CASHIN: And I was about to point out that instead of six million and a quarter dollars, against 18 million and a quarter, and why we should have got 18 million and a quarter, and why this House, members on both sides should vote to get that 18 million and a quarter. That was what I was about to point out, Mr. Speaker.

MR. SPEAKER: But it would not be relevant to discuss the origin of Confederation. The honourable member will agree.

MR. CASHIN: No, I agree with you—just in passing. I said this gentleman McKay was the father, so to speak, and I apologize if he

is not the father—I hope he is not the mother. On page 423—this is Mr. McKay's book. "With regard to the financial terms"—this is relating to Newfoundland and the pre-confederation conferences—"With regard to the financial terms, it was decided by the conference that the General Government should—"

MR. SMALLWOOD: Point of order, Mr. Speaker, point of order. If the honorable and gallant member is going to defy this House, and His Honor, the Speaker, we have arrived at an interesting situation. He is quite evidently persisting in defiance of Your Honor's ruling in quoting and discussing the original terms of union in 1867 on the third reading of a Bill to authorize the government to make a tax agreement with the present Government of Canada. I suggest that he is out of order, and I ask Your Honor so to rule.

MR. SPEAKER: I have already ruled that the honorable and gallant member for Ferryland in offering his amendment and stating his reasons for it would confine himself to that only.

MR. CASHIN: I think you told me Mr. Speaker, that I was permitted to state my reasons; and in the introduction of this tax rental agreement, which we have not seen, in which we are giving the Government an authority to go out and make an agreement; we have not seen it, we do not know what is in it, but I think we have an idea, but we were told here at the introduction of this thing that this thing is in every province of Canada, except two. Seven other provinces have accepted the like

agreement, and then it is inferred or we are supposed to infer it that because Nova Scotia accepted it, because New Brunswick accepted it, because Manitoba accepted it, because Saskatchewan accepted it, because Alberta accepted it, because British Columbia accepted it and because Prince Edward Island accepted it, that Newfoundland should accept it. We are told we should because they did—in other words, if they jumped overboard we should follow too. That's the position and that is the explanation given in this House yesterday by the Premier himself. He forgot that two provinces did not accept it and that they will probably have another agreement later on. But I was pointing out why I am moving that this Bill be read a second time six months hence, in other words, to use the Premier's phrase, to give it a "six months" hoist," because I consider this six and a quarter million dollars inadequate, and how can I consider, and how can I prove, that it is inadequate? If I cannot put up an argument on that, then I am no longer a member of this House and have not any privileges in it. And I hold, Mr. Speaker, that I have that right.

MR. SPEAKER: Your argument must be pertinent to the question.

MR. CASHIN: Is pertinent to this, that that six million and a quarter is inadequate and why we should have got eighteen million. Now this is why we should have got eighteen million. I suppose, Mr. Speaker, with your permission, I am permitted to read this so-called secret document that was brought back here by the Ottawa Delegation in 1947 or 48 in which is outlined the per capita debt

in Newfoundland and the per capita debt of Canada.

MR. SMALLWOOD: A point of order, Mr. Speaker, I suggest further that it is out of order for him to prove that the amount mentioned in the Bill is inadequate if thereby he anticipates the budget; if thereby he attempts to anticipate the financial position of Newfoundland, which will be revealed in the Budget, shortly to be made, and I suggest further, Mr. Speaker, that the honorable and gallant member is out of order if he attempts on third reading of this Bill to have a general discussion of the whole financial position of Newfoundland, particularly in the light of the original Confederation proposals. He is trying to widen the debate beyond, and far beyond, the scope of the debate on third reading.

MR. CASHIN: Mr. Speaker, did I give the honorable the Premier a right by violence—

MR. SMALLWOOD: Constitutional violence.

MR. CASHIN: Constitutional violence. Well the only violence I heard of was here yesterday, when we were threatened by the honorable the Premier. Threatened! And I throw it back in his teeth right now, that there is no one in here going to threaten me and get away with it.

MR. SMALLWOOD: That depends.

MR. CASHIN: That depends right here now. If you have to, go ahead and do it.

MR. SMALLWOOD: That depends on whether the honorable

and gallant member is in or out of order.

MR. CASHIN: The gallant member is—

MR. SMALLWOOD: He will obey the rules of this House or he will go out of it.

MR. SPEAKER: Order.

MR. CASHIN. I want Mr. Speaker—

MR. SMALLWOOD: That is a threat.

MR. SPEAKER: Order.

MR. CASHIN: Mr. Speaker is the only gentleman in this House that is going to pull me to order. He is the only one that has authority. You have the power with a group behind you that say "vote him out" but even that group cannot vote me out of this House.

MR. SPEAKER: I think we might very well omit that.

MR. CASHIN: I think we better get right down to brass tacks Mr. Speaker.

MR. SPEAKER: What is the document that you propose to quote?

MR. CASHIN: That document which I propose to quote on—I do not need the bloomin' document. We will leave it out. I propose to quote the per capita of Canada, as compared with the per capita debt of Newfoundland, and the per capita debt of Canada in that document, if my memory serves me correctly, is fourteen hundred and ninety two dollars a head.

MR. SMALLWOOD: To point of order Mr. Speaker. I ask a ruling Sir from your Honor as to

whether on third reading of this Bill, it is in order for any honorable gentleman, a member of this House, to discuss public debts with which the Bill has no conceivable bearing or relation.

MR. CASHIN: Mr. Speaker, I was bringing around my point—

MR. SMALLWOOD: Would your Honor allow me, would your Honor give a ruling to the House on that, and while the honorable and gallant member is not on his feet and not interrupting your Honor?

MR. SPEAKER: I have already sustained that point of order. I could do none other. The honorable member is offering an amendment and stating certain reasons why. It is not necessary to enter into the history of Confederation nor quote these figures. It boils down, as he himself said, to why the six million dollars was inadequate, and surely it would be a very simple matter for the honorable member to show why he thinks so.

MR. CASHIN: Thank you, Mr. Speaker. I have not to get down and show why it is inadequate, it is inadequate because—

MR. SPEAKER: But without discussing or anticipating other bills—

MR. CASHIN: No bills at all. I do not want any Bills, you can clean the desk. I do not want it at all. It is inadequate because of the difference between the two national debts, that of Canada and that of Newfoundland, and the difference was some twelve hundred dollars per head. Multiply twelve hundred and twenty five thousand people and you get a close

to four hundred millions of dollars in the difference; and as I pointed out, many many times, not alone in this House, but all over the country and over the air and everywhere I could speak, that the other Provinces, seven of which we are told signed this agreement, and we were supposed to follow their example. Well, if we are to follow their example in connection with signing this Tax Agreement we also should follow their example in connection with the adjustment of their per capita debt and their per capita debts were adjusted when they became a part of the Union with Canada.

MR. SMALLWOOD: Is the honourable and gallant member in order in discussing the per capita public debt absolute, relative, or any other public debt, on a bill whose third reading is now proposed, authorizing the Government merely to make, not a debt tax, not a settlement or adjustment in public debts, which does not deal with any comparison of public debt in Newfoundland with other provinces, but rather only to empower the Government to sign with the Government of Canada a Tax Rental Agreement. Is he in order?

MR. SPEAKER: I am not yet quite clear as to what the honourable member for Ferryland was referring to at this point.

MR. CASHIN: Mr. Speaker, let me tell you they are trying to—

MR. SPEAKER: I have already ruled that it would not be in order to discuss per capita debts or the history of Confederation.

MR. CASHIN: No I am not doing that.

MR. FOGWILL: Mr. Speaker, I am confused on this Bill now entirely. On yesterday we had an amendment offered here by the honourable member for Ferryland in committee of the whole, and that was thrown out, I would say, because the Bill in effect related to the terms of Confederation, and that is the reason why it was thrown out and was not in order. And today in the same Bill we have here today before the House, you cannot talk about Confederation because the Bill only relates to an agreement. Now, then, Mr. Speaker, there is no agreement; there is a certain proposal to be put forward by the Government of Canada to Newfoundland, a proposed agreement which has three objects which the Government of this country can take or leave. Now then, what are we going to do? Yesterday, the Bill related to the terms of Confederation under which an amendment was thrown out because of that reason, and today this Bill is confined to a proposed agreement; it does not make sense.

MR. SPEAKER: That is an entirely different situation. The whole principle of the Bill was thoroughly discussed and if the honourable gentleman will forgive me for saying so, the honourable member for Ferryland has to a great extent defeated himself when discussing the principle of the Bill at second reading. Yesterday it was discussed in committee of the whole clause by clause, word by word. At the moment however, the honourable and gallant member for Ferryland is endeavouring to offer an amendment to the motion that the Bill be now read a third

time. He intimated at the beginning that his speech would concern itself with showing why it was against his principles to vote for the third reading of the Bill.

MR. CASHIN: I am not speaking on the history of Confederation, but Mr. Speaker, you quite realize that in order to make a point you have got to go back somewhere; and my point is this, that instead of six million it should have been eighteen million; why should it be eighteen million? Because I said, of that difference between our National Debt, which amounts to four hundred million dollars, capital, capital amount. Five per cent was the amount given to the other provinces, and five per cent to four hundred million dollars is twenty million. Therefore, if we follow what happened many years ago, and I am not going back into the history of Confederation, we should get twenty million dollars in order to get these rights—I am letting them off, so to speak, with eight. But my amendment to this particular section of the Act was thrown out. Because we are going to be short of ten or twelve millions of dollars approximately and I am not talking on the budget now. That is coming down next week, and then, Mr. Speaker, and then, when we see that budget, we will see a few amendments flying around here. We are told in so many words that we cannot get up, that this thing should go through without any comment whatever. What are we here for? I hold that we should get eighteen millions of dollar. Why? That was the reason, and the reason I set forth was be-

cause of the difference in our per capita debt.

MR. SPEAKER: I must interrupt the honourable member. You are not firbidden to offer any comments. I do not think you mean your words to be taken literally.

MR. CASHIN: I beg your pardon.

MR. SPEAKER: You are not forbidden to offer any comments whatever, but they can only be made at the proper time and place.

MR. CASHIN: Well, we were threatened here yesterday, that unelss and until—that unless we did so and so we would all be fired out of here. You were not in here at the time, Mr. Speaker. We were threatened here again this afternoon that we would be put out.

MR. COURAGE: Point of order. Does the honourable member for Ferryland mean to insinuate that the Chairman of Committees yesterday was not doing his duty.

MR. CASHIN: I did not mention the Chairman of the Committees at all yesterday afternoon just now. I mentioned that yesterday afternoon, and I will come right with it, the Premier threatened us right across the floor of this House, me down here by myself, a lone bird, that unless we did so and so steps would be taken to put us out of here altogether.

MR. SMALLWOOD: I said it here this afternoon.

MR. CASHIN: Yes, and you can not carry it out.

MR. SMALLWOOD: Why?

MR. CASHIN: Try it. Go ahead and try. Go ahead and do what you like.

MR. SPEAKER: Order, gentlemen, order.

MR. CASHIN: Well, all I ask, Mr. Speaker, I move the adjournment of the House altogether, on the grounds that this is a matter of public interest.

MR. SPEAKER: When the honourable and gallant member used the word "threat" there—

MR. CASHIN: Try it. Try it. Go ahead. I exercise my right as—

MR. SPEAKER: Order.

MR. SMALLWOOD: *Your Honour*, no member is allowed, even a Cashin, from Ferryland, to insult *the Rules of this Houes* and its Speaker. If he wants to be put out of the House, he is going a good way about it, a grand way about it. The day has passed in Newfoundland when every body is cowed at the name of a Cashin. That day is gone, and he dare not insult Your Honour, and if he keeps doing it, he will go out of the House, and he will stay out.

MR. CASHIN: Mr. Speaker, I certainly object to that, the day is gone when—I am not the only Cashin that was ever in this House. There were other Cashins in this House, many years before the present Premier was thought of, was born, and held a district for thirty years, despite the fact that the Premier told us yesterday that he was going to hold the Government for 25 years, and I venture the opinion that these Cashins in these by-gone days never came in here, and told them that he was going

to hold the Government for twenty-five years—he had to go back to his people, each time, for eight or nine times, as a matter of fact, and they sent him back here again, the same as they did with me. Now, I am told—and as a matter of fact, my dead father, his memory has been insulted by the Premier this afternoon, and I resent it. He is not able to look after himself, but I want to tell you, Mr. Speaker, that he left this fellow behind that is able to do it, and I am afraid of nothing in here or out. The days are gone when the Cashins are going to do this and going to do that, that is what has happened.

MR. SMALLWOOD: Gone.

MR. CASHIN: Yes, gone. Yes, gone since nineteen hundred—last year, and the Premier pointed that out to me.

MR. SPEAKER: May I interrupt—

MR. CASHIN: Yes, and I agree with you, Mr. Speaker, we are all out of order. The whole place is in disorder.

MR. SPEAKER: The use of the word "threat" is very dangerous. I will ask the honourable member for Ferryland for information for my own benefit—when he used the word "threat" yesterday, I took it to mean this: That here are a set of terms offered to this Government, one choice taken out of three, I believe, the implied threat is, "If you do not take this, or the other, or that, then there is nothing." Now, that was the interpretation that I placed on your use of the word "threat." I would like to know if that is the correct

interpretation. If so, the words were harmless and misunderstood by the honourable members.

MR. COURAGE: I would like to say that I was in the Chair yesterday when the alleged threatening language took place, and my interpretation of what the Premier said was, that all members of the House should obey the rules of the House or else they would be open to censure from the House; therefore, as Chairman of Committees, I did not consider that to be threatening language, and I did not call for order at that particular point, and when the member for Ferryland spoke just now, I took exception to it, because it seemed to me that his language might be construed to mean that I, as Chairman of Committees, allowed threatening language to be used while I was in the Chair, and I think I was within my rights in taking exception to that. He said that he did not mean that, and of course, when he said he did not mean it, that was good enough for me; but I want to make this point clear, how I interpreted the British language. Probably another person might have interpreted it otherwise, but I was in the Chair at the time and did not take exception to it.

MR. CASHIN: Mr. Speaker, I am just one of the Cashins, and consequently being one of these individuals, I am not expected to understand much. You heard this afternoon yourself threats, that I was going to be thrown out if I did not behave myself. I was going to be thrown out if I did not, so to speak, agree with the principles in this Act, when I was try-

inw to point out to the House that we should get eighteen million dollars instead of six. If I did not bow down and say that we should just take six instead of eighteen, and if I put too much emphasis on the fact that we should get eighteen instead of six, then I was to be thrown out through that door, and that the day was gone when the Cashins were going to do what they like. That was the position here this afternoon, and that was threatening, and you know it was threatening, Mr. Speaker.

As far as I am personally concerned, I do not care. I am able to stand up for myself and do the best I know how. I can take a licking and I can give one. However, we are back to where we started again now, and if the honourable the Premier will just compose himself a little while, I will not take up much time of this House. I am trying to point out, as I said a moment ago, why we should get eighteen million instead of six. I use round figures. And I am endeavouring to show you why. But the position is this: Why the amendment was not accepted is because the Premier knows that his party, that his Government, would vote against it, and he did not want to put them in that political position. That is the position, and I agree with him politically, but from a Newfoundland standpoint, I disagree with him, because we are entitled to that twelve million dollars under every law of God and man, and when they were negotiating the Terms of Union the people that negotiated them were the ones that should have seen that that

thing was adjusted. We are asked here now to condone the misdeeds of that delegation to Ottawa. That in what that Act tells us. "Please, Mr. House of Assembly, members of the Opposition and Independent party, condone what was done in Ottawa on December 11th last." That is what this Bill asks us in effect. We agreed that we will hand over to Canada the power to take a million dollars and a quarter off Boweters and get nothing ourselves, and still assume their liabilities of twenty million of dollars; we agreed that in Ottawa. "Please," they would say to us, "do this without raising your voice; if you do raise your voice you are going to be thrown out through the door."

MR. SMALLWOOD: Would the honourable and gallant member allow me to ask a question?

MR. CASHIN: Yes, two if you wish.

MR. SMALLWOOD: Would the honourable and gallant member show us where in this Act, whose third reading is now proposed, there is any authority given to anyone to collect anything from Bowaters? Would he just show us the clause?

MR. CASHIN: Sit down a minute. There is nothing in this Act empowering your Government to collect any tax from Bowaters.

MR. SMALLWOOD: Any government I would say.

MR. CASHIN: Any Newfoundland Government.

MR. SMALLWOOD: Anybody.

MR. CASHIN: Anybody.

MR. SMALLWOOD: Canadian, Newfoundland, any Government—show us in the Act.

MR. CASHIN: Which Act? Which one? 2

MR. SMALLWOOD: From Bowaters, that Act—Yes, this Act.

MR. CASHIN: This Act.

MR. SMALLWOOD: This Act, the one we are debating—

MR. CASHIN: The one that we are debating goes and joins hands with the other one, the one we read a third time a minute ago and that empowers the Federal Government at Ottawa to collect five per cent.

MR. SMALLWOOD: No, it does not.

MR. CASHIN: Yes, it does. What does it do then? It is a 5% on certain corporations tax.

MR. SMALLWOOD: Not on Bowaters.

MR. CASHIN: Not on Bowaters; it does not say Bowaters.

MR. SMALLWOOD: Read it.

MR. CASHIN: I beg your pardon.

MR. SMALLWOOD: Have you read the Act yet?

MR. CASHIN: Yes, I have read the Act.

MR. SMALLWOOD: Read the clause.

MR. CASHIN: What clause?

MR. SMALLWOOD: The clause that empowers anyone to collect any tax on Bowaters.

MR. CASHIN: There is no clause in here that definitely states that.

MR. SMALLWOOD: Well, what are you saying so for?

MR. CASHIN: Because I say this, that when you people went to Ottawa on December last year, that you were parties violating the Bowaters agreement. And it does indirectly, it does indirectly empower the Canadian Government to collect five per cent.

MR. SMALLWOOD: Read it all.

MR. CASHIN: What?

MR. SMALLWOOD: Read it.

MR. CASHIN: Read it yourself, you know all about it.

MR. SMALLWOOD: You have not read it yet.

MR. CASHIN: I have read it.

MR. SMALLWOOD: No.

MR. CASHIN: Too frequently.

MR. SMALLWOOD: No, you have not read it yet.

MR. CASHIN: All right. The point I am getting at is, that we want eighteen million dollars instead of six, and you have not got up and said why we should not get eighteen instead of six, nor any of your Ottawa Delegation have told us; and that is why, Mr. Speaker, that I move that this Bill be read six months hence. And in view of the fact that the budget would be down next week, and in view of the fact that I have not commented in the few remarks that I made this afternoon, and the few interchanges that we had about it before with respect to the financial position of the country generally, I will leave that until

the budget comes next week, and the estimates of expenditure. And then, this six million and odd thousand dollars undoubtedly will be included in the revenue of the budget, and we will see where we fit in then. And why I put in this twelve million dollars, and say I can consider we are entitled to it on account of the difference between our National Debts. And I consider the fact that unless we get that twelve million dollars, and I make this statement this afternoon, that unless we get an equivalent of twelve million dollars, new taxation, new and increased taxation, will have to be imposed on the people in Newfoundland to make up the difference of twelve or ten millions of dollars within the next two or three years, whatever the Government may say to the contrary.

MR. SMALLWOOD: Mr. Speaker, before the motion is put, I think I ought to clear up one or two very obvious misconceptions, of the honourable and gallant member. I rather came at the last moment of his speech to the conclusion that he meant what he was saying, that he was not kidding us, that he really believes that this Bill in part will ask the Canadian Government to collect a five per cent corporation tax from the Bowater Company. He quite definitely believes it, which is the clearest evidence that he has not read the Act, or that his memory is extremely short, because on at least ten occasions during the debate on the Bill, in second reading, in committee of the whole, and here this afternoon, I have pointed out that the Act not only does not authorize the Canadian Government to collect any tax whatsoever

on Bowaters, not only does it not authorize the Canadian Government to do it, but it specifically exempts Bowaters from it. What can you do? If he has the right to get upon his feet, which he has not, he would get up and say that this Act gives authority to the Government of Canada to put a tax on Bowaters; and I suppose, if he had the right to reply he would get up and still say there is a violation of some contract or other in this Act whose third reading is now under way.

Now, the position is this, it may or may not be that the honourable and gallant member is right when he claims that there should have been a better debt adjustment between Newfoundland and Canada; he may be right or he may be wrong, but the time to do that is not in this particular Bill. There might or might not be a case that because of the difference in the per capita debt of Canada, and of Newfoundland, because the per capita debt of Canada was higher than the per capita debt of Newfoundland, that there ought—the Government of Canada ought to pay to Newfoundland the interest on the difference, and that that amount to twenty millions a year—there may or there may not be a case for that before us. There may be a place and a time to effect such an arrangement. There might or might not have been a place to make such a deal. Clearly the time, the place, and the opportunity do not exist in this Act, which is why the honourable and gallant member is so completely out of order, out of this Act. It might have been in order in the negotiations, and discussions, in Ottawa last fall; it might have been perfectly in order on the Speech from

the Throne, in any of the debates on the Speech from the Throne, where unqualified latitude of debate is permitted every member, where he can talk about everything under the Sun from the outside of that sphere to the United Nations.

Now, what is the position? Whether Newfoundland was wise or not in going into Confederation, whether Newfoundland benefited or not by going into Confederation, the fact is that the Government of Canada has offered Newfoundland this opportunity now, now that we are a province. They say to us, in effect, we, the Parliament of Canada, have the undisputed right to collect income tax from all Canadian people whose incomes, and whose marital status qualify them for the tax. We, the Government of Canada, have the right to collect corporation tax and also corporation income taxes from all corporations in all of Canada. We have that right. It is an undisputed right. It is a right given us by the British North America Act, the Constitution of Canada. That right we have, but so have you. Each province has that same Constitution; has the same right to collect income tax and corporation tax and corporation income tax. So the position constitutionally is this: That the Federal Government in Canada has the right to collect income tax, and corporation tax and corporation income tax, because the Government of Canada has the right given to them by the Canadian Constitution. The Government of each province has the right given to it by that same Constitution. Direct taxation when it is required. Well, that is direct taxation within the province. Corporation tax, corporation income

tax, personal income tax. But, says the Government of Canada, that will impose a very heavy burden on the people of Newfoundland.

If we collect income tax from the Newfoundland people, it will impose a burden of taxation which will crush the life out of the Newfoundland people. But we cannot give up authority, they say, to impose income tax; we began imposing it in 1917, they say; the Government of Canada says to the Government of Newfoundland; we have been collecting income tax since 1917, we propose going right on collecting it, because that is the basic and essential and indispensable feature of our Newfoundland picture. But if you like, go on collecting your income tax, but by doing so we will be imposing, we the Canadian Government, and you the Newfoundland Government, will, between us, be imposing a terrible burden of taxation on the Newfoundland people. So let us say—we will make a deal, we will rent it from you. You rent to us for five years, you lease to us, give us a lease, give us a rent of five years of the income tax field in Newfoundland and the Corporation income tax field. Let us, the Canadian Government, the Federal Government be their local government, to collect such taxes in Newfoundland. Let taxes be allowed each year on the Newfoundland people, they will all be paying one income tax, one corporation tax, one corporation income tax. So we say, well, yes, that would be nice for the Newfoundland people to have each year only one such tax. But if we give you that right for five years, if we rent it to you for five years, what will

we get out of it?

MR. FOGWILL: That is the idea.

MR. SMALLWOOD: Of course; what does the Government of Newfoundland get out of it, the Government of Newfoundland must have money, and if we rent to you, if we sign an agreement with you, rent to you the sole and exclusive right to collect such taxes in Newfoundland for five years, what does the Government of Newfoundland get from you in return for that right. Now the Government of Newfoundland does not say to the Government of Canada, what did you do in 1867 for Prince Edward Island, what did you do about your debts between you and Nova Scotia in 1867. The Government of Newfoundland does not go back to the Government of Canada and say, what did you do for the Prairie Provinces in 1924, what did you do for these, what did you do for those, and what did you do for them? What the Government of Newfoundland says is this: What did you do for the other provinces of Canada, with regard to a Tax Rental Agreement. Remember, we were not discussing the debts; we did that another time.

MR. CASHIN: We got nowhere.

MR. SMALLWOOD: We are not discussing subsidies from the Canadian Government, we do not know about these at all. We were not discussing this and that and everything under the sun, we were discussing one thing and one thing only; if we rent to you the sole right for five years to be the collector of income taxes in Newfoundland, and you can keep those taxes when you do collect them, what will we get out of it in return? We tabled a letter here yes-

terday from the honorable Douglas Abbott, the Minister of Finance of Canada, in which he mentioned the offer; the honorable and gallant member got a copy of it.

MR. CASHIN: Yes, I got a copy of it. I have not read it yet.

MR. SMALLWOOD: Yes, and he has not read it yet. We are such a terrible crowd that he had to get on his knees to beg us for it.

MR. CASHIN: Pretty near.

MR. SMALLWOOD: Pretty near! Last year the Government took advantage! I thought he was going to break down and cry. He said, all the provinces were making a fool out of us, and the honorable members of this House too, and I expected to see him burst into tears. The honorable Douglas Abbott made an offer, what offer did he make? Was it with regard to public debts? No! Was it with regard to per capita subsidies? No! What did it have regard to? A Tax Rental Agreement and he made us identically the same offer he had made to all the other provinces of Canada and it is under three heads. You can take this one, or if you do not like that one, you can take that one, and if you do not take that one, you can take the third; take your choice. And we take it ourselves, which is fifteen dollars a head on all our population based on our population as it was in all the other provinces in their Tax Rental Agreement, for 1942. There are historical reasons for that into which there is no need to go at this moment. Now, what does the honorable and gallant member want? He wants to have the right that whenever any Bill comes be-

fore this House, if it is a money Bill, to have the right to be able to move an amendment, that eighteen millions or twelve millions or some completely mythical figure, he substituted for Mr. Abbott's own figure. If the honorable and gallant member should ever want a debate here in this House, I will be most happy to oblige, most happy, and if he want it I will be most willing to assist him, I would be happy to be on his side, because I have the advantage, I have the advantage of going behind the facts stated in that chapter of McKay's book. Sometimes when the honorable and gallant member from Ferrisland and I, both in our cool senses, and not making speeches at each other, if we should meet socially sometime, and I have to explain to him the latent nature of the fifty dollar per capita of our public debts Act. I will give him the reasons behind it.

MR. CASHIN: You do not want to meet socially with those desperate Cashins.

MR. SMALLWOOD: In politics you know—

MR. CASHIN: These desperate crooks.

MR. SMALLWOOD: In politics, especially where Joey Smallwood is concerned, he has met some queer people, and he is likely to continue to meet with some queer people, under some queer conditions. Well there it is. It is not a question of the debts, and the honorable and gallant member has enough difficulties on his mind now. If he likes at anytime, if it is constitutionally proper to bring in here a resolution to the effect

that the Terms of Union were not adequate, that the statutory subsidies are not adequate—

MR. CASHIN: Which they are not—

MR. SMALLWOOD: If he likes at anytime to have a debate on that and we can do it properly, that is, constitutionally, according to the Rules of the House, I will be most happy to engage in a debate with him on it. But this he must get in his mind, or maybe the honorable and gallant member still holds the delusion that he is the only member of this House who is competent to discuss public finance. We will find out more about that when the estimates and the budget are brought down. And the honorable and gallant member may find that the old days are gone when one individual with a certain Surname could mesmerize all around him with his grandiloquent talk, exchequer accounts, and all that gibberish which had no more bearing on principles of public finance than snipe-shooting.

MR. CASHIN: I would like to know who you are referring to.

MR. SMALLWOOD: The honorable and gallant member may find out when that day occurs. He may find out just exactly to whom I refer. He may find out that I am not void of the principles of public finance, and that they are not the monopoly of any one or two persons in Newfoundland, and he will find that when that debate does come we will be adequately prepared to deal with that matter. But I want the honorable and gallant member to realize this, that he has not got the right, ac-

cording to the Constitution, according to the Rules, whenever any Bill is brought in here that mentions money, or that mentions any kind of contract with Canada—for example, when the estimates are brought in, if there should, by any chance, be an item in those estimates involving grants from the Government of Canada to the Government of Newfoundland, he must get it in his mind, we hold that we will finally show that he must get it in his mind, that he cannot at any time, suggest where a receipt is shown in the estimates of say, for example, a million dollars from the Government of Canada, and the grant to the Government of Newfoundland, per head, that he cannot move an amendment to make that eighteen million and go all over the same argument again because there should have been an adjustment in the public debt; he must get it in his mind that he had not got the right, that if a Bill is brought in here, every money Bill that is brought in here to raise money for the public services, it is all brought about by Confederation. If he wants a debate with J. R. Smallwood on Confederation—well, I have met him before. The whole Island knows the result and all Canada knows the result. Who did the job, and who is Premier today? Everyone knows the honorable and gallant member did not fight for Confederation.

MR. CASHIN: Mr. Speaker, I did not run for Premier.

MR. SPEAKER: The honorable Premier is off on a tangent.

MR. SMALLWOOD: I agree completely, and I beg Your Honor's

pardon, and I will desist at this moment from being any further off the track.

MR. FAHEY: You like to get off the track. Excitement, I guess!

MR. SMALLWOOD: A lot of people in Newfoundland seem to like it. After all, I am Premier today. I am liable to be Premier for a good many years to come, if it be God's will, and with the consent of the people. And I guess they will wait to find a much more acceptable person before they turn Joey out. And he has five years remember. He is not to be judged by a mere four or five months.

MR. SPEAKER: I have just said, and I repeat, that the honorable Premier is still on a tangent.

MR. SMALLWOOD: In conclusion, Mr. Speaker, may I say this, that on the third reading of this Bill, every member, including myself, is out of order if he departs from one simple topic, which is this: Whether the Government ought or ought not to have authority from this legislature to make that Tax Rental Agreement with the Government of Canada, or whether any risk ought to be taken to impose that double taxation on the people of Newfoundland, because if we do not have the Tax Rental Agreement, if we do not make that Agreement, then we will not get any receipts from the Government of Canada, whereupon the budget will be down, the receipts will be down, by probably seven million dollars, which is the amount we will get each year from the Government of Canada under the agreement. The amount will be down by that much, and we would necessarily

be compelled to impose an income tax of our own, whereupon the unfortunate Newfoundland taxpayer would find himself obliged to dig down deep and pay his income tax to the Government of Canada, from one pocket, and dig down deep and from the other pocket pay another income tax to the Government of Newfoundland.

If we wish to avoid that, and if we wish to get this seven millions then this House will authorize the Government to proceed with the signing of this Tax Rental Agreement with the Government of Canada. And we are deeply grateful for the solicitude of the honourable and gallant member. We appreciate deeply his anxiety to assist us in our financial problems. We can only assure him that there is a time and a place and a way for everything. And the way to get more is not to ask the Government of Canada until 1952, when the contract expires when the Tax Rental Agreement expires, with all the provinces, not until then is the way to get more money, namely, to ask the Government of Canada to wipe out all the Tax Rental Agreements, with seven provinces, eight if we go in and make the amount more. That is not the way to help this Government or to help Newfoundland get more money out of Canada. Now, if the honourable and gallant member should have any notions in the back of his head that this Government is shy, that it is timid, that it is half ashamed to go to Ottawa to get all that can be got—

MR. CASHIN: You are always going there.

MR. SMALLWOOD: We have the authority to go, and we will continue to go, and some day the honourable and gallant member, and the people of this province, will see with their own eyes exactly the results of the various visits which various Ministers of this Government have made and will continue to make to the city of Ottawa. Because let it not be forgotten that Newfoundland is now governed by two Governments here; and that fact calls for frequent visits to Ottawa on the part of Ministers here. Some day the province will see the beneficial results of these various visits already made and those yet to be made.

Now, it is almost like old times. Mr. Speaker, it is almost like old times this afternoon; it is a Wednesday afternoon, and my memory goes back now to the House of Assembly in the old days; it was on a Wednesday afternoon—and nearly all, it seems to me, that the honourable member has said—he always took the first opportunity to get across the floor, to get over here, and my memory goes back and I can see now in my mind's eye, and you know, you know what. I see no difference in him now from those bad old days. He is still the same honourable and gallant member; he has not learned anything new, nor forgotten anything old. He is the same gentleman; the same speech he makes now he made five, ten, fifteen, twenty, twenty-five, and I dare say—I would not make him older than he is—I dare say even thirty years ago. He is adding an occasional adjective; he has put in a few new verbs, but it is prac-

tically the same speech, and the difference today is that we have not heard about anything being looted, or plundered; we have not heard of any treasuries being looted or plundered here this afternoon; otherwise it is same old speech—"This is my story; this is my song; talking of this and talking of that, talking of nonsense all the day long," for the last thirty years.

MR. SPEAKER: I want to say at this juncture that I am quite sure that the honourable members have forgotten that there is not a substantive motion before the Chair, and therefore debate is not properly in order. I am sure that the honourable and gallant member for Ferryland will remember that there is no reply allowed him because he has moved an amendment. Now it was quite right that the Leader of the Government should make a reply, and therefore, for the same reason, I am going to permit the honourable Leader of the Opposition, who I believe is about to ask permission also to speak on this amendment; but let it be understood that it is not a debate on a substantive motion.

MR. HIGGINS: Mr. Speaker, it is the very opposite I would like to say. I think there is too much threatening language going on in this House since it opened. It has been thrown at myself, language which may be threatening in one place may be threatening in another but language which could only come from the lips of a speaker in

the House of Assembly becomes threatening language. We were told that if you do not obey the Rules of the House you will be thrown out, and we will see that you are thrown out; that is not language to be used. Any language was used yesterday to the Chairman which I say was threatening language. I am sorry to have to say that. What happened yesterday should have come from the lips of the Speaker himself, or Deputy Speaker, and not from anybody else. I was here one day when I heard the Premier get up and say that somebody was thrown out of the editorial chair in Corner Brook and he would see that the party responsible if he were in the wrong would be sent to gaol. That was a threat to this House—send a man to gaol for breaking a contract, send a man to gaol for something that gave rise to an action for damages. I say that is a threat, and it is pretty well time that that sort of language and insulting language was dropped. The language that was used to the honourable member today, the honourable and gallant member for Ferryland, was insulting. If I were told that for twenty-five years I was carrying on a parrot talk I would say it was the most insulting language.

MR. SPEAKER: I must interrupt the honourable Leader of the Opposition. It would only be proper to discuss that on a substantive motion made for that purpose, or a complaint of privilege.

MR. HIGGINS: All right, Mr. Speaker. I was going to say—

HON. LESLIE R. CURTIS (Attorney-General): Mr. Speaker, I

rise to a point of order. What is the motion before the Chair?

MR. HIGGINS: Six months' hoist.

MR. CURTIS: Is it seconded?

MR. HIGGINS: Yes, I second it.

MR. SPEAKER: I understand that the honourable the Leader of the Opposition was rising to second that amendment. I was informing the honourable member that it was competent to discuss an alleged threat only on a substantive motion to that effect, of which he is quite aware.

MR. HIGGINS: Yesterday, I was saying that the British North America Act contains the terms that Newfoundland should receive, the capitalized value of the difference between her own per capita debt and that of the rest of the Canadas. The Premier drew my attention to the fact that that was not in the Act, and I felt that as he knew the Act so well I must be wrong.

MR. SMALLWOOD: Pardon me; if you will allow me—I said no such thing in reply to any such thing from the honourable and learned Leader of the Opposition. That is not what he said, and that is not what I contradicted. If the honourable and learned Leader of the Opposition said that the original Terms of Union, the B. N. A. Act, provided for debt settlements, I know the Act too well to contradict him; but what I did contradict in what he said was something quite different from what he has just said.

MR. HIGGINS: That is what I was saying, and I think you were right yesterday, were you not?

MR. SMALLWOOD: I was certainly right—nearly always right.

MR. HIGGINS: Well, I felt you know the Act so well I must have made a mistake, but that was what I was talking about. But I found out—I knew my memory could not have been altogether too wrong—and I found out that the term was decided on in the year 1864, at the Conference, commonly called the Quebec Conference, of delegates from the provinces of Canada, Nova Scotia, New Brunswick, and the colonies of Newfoundland and Prince Edward Island, where it was laid down that Nova Scotia and New Brunswick should be treated in a certain way with regard to their per capita debt, or per caput debt, whichever you wish to call it, and it was set out there, and if you pardon me I will read it, it was set out there in Section 63:

“Newfoundland and Prince Edward Island, not having incurred debts equal to those of the other provinces, shall be entitled to receive by half-yearly payments in advance from the general government the interest at five per cent on the difference between the actual amount of their respective debts at the time of Union and the average amount of indebtedness per head of the population of Canada, Nova Scotia and New Brunswick;”

and the previous sections refer to Nova Scotia and New Brunswick.

Now these Resolutions were the basis on which the British North America Act was drafted, and when Nova Scotia came into the Union allowance was made for the per capita debt—no, at least when the British North America Act was

drafted, that section regarding Nova Scotia and New Brunswick was put in. See Section 119, B.N.A. And the same was put in with regard to Nova Scotia, which was \$8,000,000. Now when Prince Edward Island came into the Union, in 1873, it was insisted that this agreement regarding the per capita tax, or per caput tax, whichever you wish, should apply; see Section 2 of the Terms of Union of Prince Edward Island of June 6, 1873. It is noticed that Prince Edward Island, being an island, was in an isolated position, and that was regarded as something to be referred to "as well as the isolated and exceptional position of Prince Edward Island."

MR. SPEAKER: I have to remind the honourable member of a ruling I have already given in this debate.

MR. HIGGINS: I only want to show that wherever any other province came into the Dominion, that the per capita debt was of importance. I do not know what happened in the case of British Columbia; I cannot find it. But to show how important it is, when in 1896—

MR. SMALLWOOD: A point of order, Mr. Speaker. It has already been ruled out in the case of the honourable and gallant member for Ferryland.

MR. HIGGINS: The honourable and gallant member spoke there long after the Speaker had said it. I say it is important to take into consideration the per capita debt.

MR. SMALLWOOD: Not in this Bill.

MR. HIGGINS: Yes, in this Bill. This is all we are going to get from the Canadian Government.

MR. SMALLWOOD: Under this Bill.

MR. HIGGINS: But that is all you are going to get.

MR. CURTIS: We get subsidies.

MR. SMALLWOOD: Transitional grants.

MR. CA9SHIN: For a period of two years.

MR. SMALLWOOD: Until 1952.

MR. HIGGINS: Mr. Speaker, I am going to say this, and then I am going to sit down.

MR. SPEAKER: This is an argument more properly used at some future date, but at the moment, on an amendment to the third reading which attempts to give the Bill a six months' hoist, it is not strictly in order.

MR. HIGGINS: I would like to tell the story of Bond, and of course—

MR. SMALLWOOD: We would like to hear that.

MR. CURTIS: I would like to hear it.

MR. HIGGINS: No, I will tell it some other time, on some better future occasion when perhaps some more important matter may come up than the Tax Rental Agreement which refers to only six million dollars. The twelve million dollars that the honourable and gallant member is talking about, we may have a substantive motion on that.

MR. SPEAKER: I must ask the honourable member to watch the motion very carefully. The original question was, "that this Bill be read a Third Time now." An amendment has been offered that the Bill be read a Third Time six

months' hence. The question now is that the word "now" do stand part of the question.

Motion carried by "Ayes."

MR. CASHIN: Mr. Speaker, is not the amendment supposed to be put first?

MR. SPEAKER: Your amendment was to delete the word "now" and substitute "six months' hence."

MR. CASHIN: Yes.

MR. SPEAKER: So that the motion before the Chair is that the word "now" stand part of the question, which if voted in the affirmative loses the amendment; if voted in the negative, would of course, delete the word "now" and the next question would be that the words "six months' hence" be substituted for it.

Division called for. Amendment lost.

Motion that the Bill be read a third time now.

Division called for.

Bill was read a third time.

Committee of the Whole on Bill "An Act to Impose a Tax on the Income of Certain Corporations."

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Section 6 read and passed.

Section 7 read and passed.

Section 8 read and passed.

Section 9 read and passed.

Section 10 read and passed.

Section 11 read and passed.

MR. CASHIN: Mr. Chairman, this is taken from some Canadian Act.

MR. SMALLWOOD: They are all the same.

MR. CASHIN: I doubt if there are many members in the House who really understand what all this thing is about. To vote on something you know something about is bad enough, but to vote on something you know nothing about—I wonder, Mr. Chairman, who is responsible for this Bill being brought into the House who can explain it in more detail. To be quite honest with you, I do not know anything about it.

MR. SMALLWOOD: Same here.

MR. CASHIN: The Premier does not know. I doubt if any member on the Government side of the House knows what we are voting for.

MR. SMALLWOOD: The Attorney General does, and any lawyer who would read it would understand it, as would any layman if he really studied it.

MR. CASHIN: I understand that part of it. How is it affecting—it is more or less for the Federal Government, is it not? There are so many Bills on Corporation Taxes, and so many tax Bills are coming in here now, we do not know one from the other.

MR. SMALLWOOD: We shall be here all night reading this—we shall have to have a night session, to get through.

MR. CASHIN: All I want to know is where this came from. Is it a composition of the Government itself, or is it a Bill in effect in other provinces of Canada, or in the Dominion of Canada? Or is that just something to pass to facilitate

them to collect these taxes from certain corporations? Is that what it means.

MR. SMALLWOOD: It is a copy of all provincial—

MR. CASHIN: I think the Premier will admit, with all his own ability to digest or analyse this thing, that we, as members of the House, to come in here and read this—it is a lot of Dutch—a lot of it. Legal people may know what it is all about, but I honestly do not know how it affects Newfoundland or the Province of Newfoundland, or if we are going to get the money or collect them through the taxes—

MR. SMALLWOOD: I think the Attorney General ought to explain everything—every clause of this Bill.

MR. CASHIN: I think so.

MR. SMALLWOOD: It is hardly right, if we should be called upon to sit here and listen to this Bill being read until 11 o'clock tonight and then just vote every clause without understanding it, and I think the Attorney General ought to explain the meaning of every clause. He surely understands it—he is a lawyer, and I am sure the honourable and learned Leader of the Opposition, as each clause is read will understand it. And as Kipling said, if he can, "He is a better man than I am, Gunga Din." The fact of the matter is, that this Act is the same Act that seven provinces enacted as provincial Acts. It is not a Federal Act; otherwise we would not be passing it. It is a provincial Act, and seven provinces have already passed identically the same Act,

with the substitution only, I think, of the word "Newfoundland" for the words "Nova Scotia" in the Nova Scotia Act, and so on. I think that is the case, is it not?

MR. CASHIN: Who collects the money?

MR. SMALLWOOD: The Canadian Government collects it, at their expense.

MR. CASHIN: It is an enabling Act.

MR. SMALLWOOD: No, this is another Act. There are three Acts. This Act imposes the tax—there is another Act which says to the Canadian Government—gives them the authority to collect.

MR. CASHIN: And when does that come through?

MR. CURTIS: It went through this afternoon.

MR. CASHIN: That went through this afternoon. We learn more about these Acts as we go on. I doubt if there is any member on any side of the House who knows what it is all about.

MR. HIGGINS: As the Premier said it would be best if it were explained as we go along. For instance, I was just this afternoon discussing with the honourable and learned Attorney General the difference between investment companies and non-resident owned investment corporations, foreign business corporations, personal corporation debenture holding companies, or what is the relation between any two of them. If we have to start giving an explanation of that to

the House, I am afraid one night would not be sufficient.

MR. CURTIS: The position is this, Mr. Chairman, this is a 5 per cent tax on corporations. It is enacted by the province, to be collected by the Federal Government. The Federal Government also has a tax of its own, whereby it collects 33 per cent. Now this means that this Act, I think you will find, up to a point, is absolutely the same as the Canadian Income Tax Act, and if both Acts are the same, there will be no difficulties in enforcing it. They will collect 38 per cent instead of 33 per cent. If this Act should vary in any particular, you will have complications. For that reason, it is just as well to follow this Act as it is.

MR. CASHIN: Mr. Chairman, far be it from me to hold up legislation, and I am not going to try, but if this Act is agreeable to the Leader of the Opposition from the legal standpoint, and it is in effect in all the other provinces, 5 per cent on the corporation, and it is going to be collected by the Federal Government, and there is no revenue into the pocket of the provincial Government—

MR. SMALLWOOD: We do not collect it, but if they do not collect it they do not pay us.

MR. CASHIN: We do not know how much money is involved in this 5 per cent. We have not any idea. It is going to be passed. It is a lot of superfluous reading, and I do not know what the other members on this side of the House, the members of the Opposition, think about it, but if it is identical—I am prepared to take the undertak-

ing of the honourable the Attorney General that this is identical with the others, and it is just merely a 5 per cent tax on corporations. The only thing I have got to do is come back to section 74 and find out for myself. I shall have a few more words on that.

MR. CURTIS: Section 74 is the one—

MR. CASHIN: Yes, it is the only one that really affects Newfoundland, that is, the Bowater agreement. I think we can be quite frank with each other in this matter, and that is, as I pointed out this afternoon, it concerned me, and I am seriously concerned about the fact that this 5 per cent will approximately amount to \$150,000 collection off the Bowater people, that is if they make \$3,000,000 profit in a year—gives them the \$150,000. We do not get it, and the kick I have, Mr. Chairman, is this: The Federal Government takes all the profit taxes and sales taxes from Bowaters, but they leave with the Province of Newfoundland the liabilities of somewhere between 15 and 20 millions of dollars, the original bonded indebtedness of the company. Now, that is my quarrel with the Premier this afternoon, and they were telling me this thing is not in this Act, and so on, but here it is in this one. Indirectly, it does not mention Bowaters, no. But we are continuing an obligation on behalf of the Province of Newfoundland of 12 or 20 million dollars. We are getting nothing from it. We were getting \$150,000 a year. They were creating a sinking fund in order to repay the bonded indebtedness. They are now going to be taxed an extra

million or a million and a quarter dollars, which will consequently deprive them of the necessary funds to reduce that bonded indebtedness in the future, and it may go on indefinitely. Surely if the Federal Government are honest about it, when they are going to get a million or a million and a quarter dollars revenue from Bowaters, the least they might have done, in the Terms of Union, was to take over that bonded indebtedness. I think the Attorney General and every other members of this House will agree with me on that. That is the only quarrel I have.

MR. CHAIRMAN: Mr. Cashin, did you mean we would take this as read?

MR. CASHIN: Yes, I mean that if everyone is satisfied. It is no use reading a lot of superfluous stuff, because no one can understand it. I doubt, Mr. Chairman, if you understand it yourself. I do not.

MR. HIGGINS: If the honourable Attorney General has guaranteed that this Act is the same as the Ontario Act, and it is necessary that it should be passed in this form, I do not see any reason why it should go any further, because I can tell you candidly, that there are some arguments in these paragraphs which it would take days to argue about—to argue intelligently. To read it over once does not give—cannot be understood intelligently by most of us here, and in view of what the Attorney General said, I think it would be better to take this Act as read except Section 74; that is the only one that pertains to Newfoundland. The other ones may have to have some-

thing added to them, I do not know—Section 71(1)—

MR. CURTIS: Would the House be satisfied if the Clerk read the numbers of sections.

MR. HIGGINS: Well, yes, the sections, yes.

MR. MILLER: Would the Newfoundland Savings Bank have to pay taxation to the Federal Government?

MR. SMALLWOOD: I do not think any Government taxes any other Government.

MR. CURTIS: No, I think the only time a Government would be taxed would be if we took over a business, for instance, if the Newfoundland Government took over Bowaters, and operated it, then we would be taxed.

MR. HIGGINS: Oh, yes.

MR. SMALLWOOD: I do not know, Mr. Chairman, if it would be in order not to read the Bill. We do not want to find that by some omission we have nullified the whole effect of all our debating and voting here. It is very important to the province that we get that seven million dollars, and that the whole thing might be legal, and the legality of it might be overturned completely by failure to comply with the Rules of the House, which require, in Committee of the Whole, that the Bill be read clause by clause. I have never been present at any legislative assembly where they did not. Now in the Estimates they do read the numbers; every Estimate is numbered—I mean in other Houses—every estimate is numbered seria-

tim, and the Clerk merely reads them out, "726"; that may be two million dollars, "Moved and seconded that this order do pass", and he may not even do that; some member says "Carried", that is all. If any member objects he says "No", and then he gets up and asks information on it, but all the Clerk does is call the number, because the Estimates are so voluminous in Governments of big countries—for instance, the Canadian estimates involve a total of \$2,000,000,000, and it is a thick volume of Estimates, and if you had to read everything out and debate everything they would be bringing in next year's estimates; they would do nothing else, but bring in estimates; twelve months of the year. But in an Act, to omit reading it, I would like to feel sure that it is too legal to omit reading it. I know it is a nuisance, to be quite frank about it, to have to sit here until eleven o'clock, it will take till then, I suppose, just to read it. This is an Act putting a tax on—

MR. FAHEY—What about taking them off?

MR. SMALLWOOD: That is the point I had in mind. We are permitted to collect our own taxation from companies lumbering and logging, carrying on lumbering and mining operations, and companies whose main activity is the production and sale of electricity, gas or steam, and not the kind of steam that—

MR. CASHIN: That has been going around here—

MR. SMALLWOOD: No, not that kind of steam at all. Now

whether that is in this Act or one of the other two—

MR. CASHIN: We would have a big surplus—

MR. SMALLWOOD: And if we had to pay taxes on it we would cut down on our production.

Section 11 read.

MR. FAHEY: Mr. Chairman, I understood you asked the honourable member for Ferryland if it were his intention to ask that the first part of the clause be read and then go ahead, but I do not remember that motion being seconded, put and carried by the Committee of the Whole. Now that we are going ahead and reading it that way, I am assuming that that is what the honourable member meant, but we have not agreed upon that yet.

MR. CHAIRMAN: Mr. Fahey thank you. I wish to assure the Committee that there is nothing in the Rules which says that in committee a Bill must be read clause by clause. I have consulted the Rules, and there is nothing there which says it. I am glad the honourable member for Harbour Main-Bell Island drew it to my attention, but when the Leader of the Opposition supported the motion made by the honourable member for Ferryland, and when the Minister piloting the Bill raised no objection, I took it that it was agreeable to the Committee as a Whole, but if you so wish I shall be glad to put the motion now.

Motion put that instead of reading the whole clause, that the Clerk would read just the first line of the clause, and the last

word, and if any member wished to he might interrupt.

MR. SMALLWOOD: That is the motion, Mr. Chairman?

MR. CHAIRMAN: The motion is that we do not read the clause in full, Mr. Premier, but we read the first line and the last line with the understanding, of course, that if a member wishes to stop at any point he may do so.

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Chairman, though I agree with the motion, I should certainly expect that there would be a check, a proof-reading check, of this text against the original text; for instance, in one clause which we have already come to, namely clause 11, sub-clause 8, the original says, "where under 8". Now there is no reference to Section 8 in our text. It says "where under this Section", which is section 11—

AN HON .MEMBER: "or Section 28" .

MR. POTTLE: "or section 28", but ours says "under this Section".

MR. CURTIS: Did the honourable the member for Harbour Main make a motion?

MR. CHAIRMAN: No; the honourable member for Ferryland made a motion and we were proceeding without putting the motion, because I took it for granted that, since the honourable Leader of the Opposition supported the motion and the Minister piloting the Bill had no objection to it, that the motion need not be put, but

the honourable member for Harbour main-Bell Island drew my attention to the fact that we were proceeding on the motion without the motion having been put before the committee.

MR. CURTIS: I would say, Mr. Chairman, I have the Bill at the office, and I have a note here of the amendments required. There is one on page 8, one on page 9 one on page 10 ,one on page 21, one on page 27. It was proof-read at the office, and I have these notations. Perhaps we might proceed to read it in full while we may give the matter some consideration.

Section 11 read and passed.

Section 12 read and passed.

Section 13 read and passed.

Section 14 read and passed.

Section 14 read and passed.

Section 15 read and passed.

Section 16 read and passed.

Section 17 read and passed.

Section 18 read and passed.

Section 19 read and passed.

Section 20 read and passed.

Section 21 read and passed.

Section 22 read and passed.

Section 23 read and passed.

Section 24 read and passed.

Section 25 read and passed.

Section 26 read and passed.

Section 27 read and passed.

Section 28 read and passed.

Section 29 read and passed.

Section 30 read and passed.

Section 31 read and passed.

Section 32 read and passed.

Section 33 read and passed.

Section 34 read and passed.

Section 35 read and passed.

Committee rose, reported progress, and asked leave to sit again.

House recessed until 8 of the clock tonight.

NIGHT SESSION

The House resumed at eight of the clock.

Mr. Courage took the chair of committee.

Section 36 read and passed.

Section 37 read and passed.

MR. CASHIN: Mr. Chairman, may I ask the Premier—I take it that this is in reality part of the Income Tax Act of Canada, the Federal Tax Act.

MR. SMALLWOOD: It is a copy of a taxation bill enacted by seven provinces, Nova Scotia, New Brunswick, Prince Edward Island, Manitoba, Saskatchewan, Alberta, and British Columbia. Each of these has enacted identically the same Act, imposing on the corporations named and under the conditions here, a tax of five per cent, pursuant to their agreement with the Government of Canada to rent to them the whole of the income and corporation tax and corporation income tax and succession duties taxation fields. I have to say this, I think, that, although we are now going through all this dull and dreary business of debating and reading in committee of the whole this very long Bill and two other Bills associated with it, the whole business is going to have to be repealed, because the Government of Canada, so we are told, proposes to submit to Parliament a Bill imposing a Federal tax of the same dimensions, which will be in addi-

tion to the existing tax rate of thirty-three per cent. It will then make the thirty-eight per cent wholly Federal, instead of as now thirty-three per cent Federal, and at the total rate of thirty-eight per cent. When they do that, this legislation will be repealed. Just when that will come I do not know, certainly not in the first session of the Parliament of Canada, or probably not in the session which opens late in February, the next year's session. I do not know that there is anything I can add. I note that my honourable and learned friend, the Attorney General, is coming; it is his Bill, and I would be most happy to abdicate in his favour in this Committee of the Whole.

MR. CURTIS: A copy of the Bill has gone to Finance in Ottawa and I have the original files here.

Section 38 read and passed.

Section 39 read and passed.

Section 40 read and passed.

Section 41 read and passed.

Section 42 read and passed.

Section 43 read and passed.

MR. MILLER: Mr. Chairman, I was wondering here what is the position of that body known as NAFEL, the Newfoundland Associated Fish Exporters Limited? Would that be a special or a particular case, or have you considered that previously? I was wondering if they would be taxable; we do assume that they make a profit, and that profit is passed on to the people whom they represent, and if in that capacity, I think they should be exempt; but perhaps you know all about it, and if so, I—

MR. HIGGINS: Is that a public body performing the work of the Government, NAFEL?

MR. CURTIS: No, I think NAFEL is purely a commercial organization. I presume that they would have to pay taxes in the ordinary course.

MR. HIGGINS: Do they pay taxes now?

MR. CURTIS: I could not say. But I could make inquiries and I could inform the Committee.

MR. MILLER: I think that if that were placed under Exemptions, this would be the place to deal with it wouldn't it? I don't think they should pay taxes.

a sort of merchants' co-operative?

MR. CURTIS: Yes, why shouldn't they pay taxes?

MR. MILLER: Well, I think they pass on—

MR. CURTIS: Well, if they are passed on they are passed on tax free. You see, they only pay taxes once.

MR. MILLER: But in the first instance they should be exempt, and the profit passed on; and the people who receive them pay taxes. They would be, as I see it, somewhat similar to a co-operative.

MR. HIGGINS: If they don't pay taxes now, they would be regarded as a co-operative, I presume?

MR. SMALLWOOD: Yes, they are a pool, a fish pool they are a marketing pool.

Passed.

Section 44 read and passed.

Section 45 read and passed.

Section 46 read and passed.

Section 47 read and passed.

Section 48 read and passed.

Section 49 read and passed.

Section 50 read and passed.

Section 51 read and passed.

Section 52 read and passed.

MR. MILLER: While we are discussing this clause, I was wondering about the unemployment fund—is that deductible or not?

MR. CURTIS: Yes. And while we have a break, I have been advised that NAFEL does not pay any tax as such. It is paid by the various persons who make the profit.

MR. MILLER: Yes, I didn't think that up to the present it did, and I was wondering whether by anything in this Bill it might become liable in the future.

MR. CURTIS: Well, that is the policy so far.

MR. MILLER: Well, we must continue that. I was wondering whether special exemptions should have been taken care of, such as in this case. Exemptions were made, and I was wondering if in our dealing with this Act, due to the peculiar situation here in Newfoundland, whether or not we would have to include an exemption.

MR. SMALLWOOD: NAFEL has no profits anyway. I was talking only tonight here to some one who knows what he is talking about and he says NAFEL has no profits to tax.

Passed.

Section 53 read and passed.

Section 54 read and passed.

Section 55 read and passed.

Section 56 read and passed.

Section 57 read and passed.
 Section 58 read and passed.
 Section 59 read and passed.
 Section 60 read and passed.
 Section 61 read and passed.
 Section 62 read and passed.
 Section 63 read and passed.
 Section 64 read and passed.
 Section 65 read and passed.
 Section 66 read and passed.
 Section 67 read and passed.
 Section 68 read and passed.
 Section 69 read and passed.
 Section 70 read and passed.
 Section 71 read and passed.
 Section 72 read and passed.
 Section 73 read and passed.
 Section 74 read and passed.

MR. CASHIN: I would like to raise a point on which I made comment before. And that is, I would like it to be made clear by the Attorney General whether under this section, this particular section—I hate to be mentioning any particular corporation but Bowaters have an agreement with the Newfoundland Government, made in 1927, that in lieu of Taxation, income tax or profit tax, they would pay \$150,000 a year. I have repeatedly stated why that agreement was made in the past. Now this section here, does this mean that Bowaters—or if there is any other corporation or individual who has a similar agreement—does this mean that they have to pay this 5% corporation tax. Because it says here: “Nothing in this act shall be construed to impose taxation repugnant to the provisions of any contract.” Well, it would seem to me that if Bowaters or any other similar corporation which had an agreement

with the Government not to pay taxes, only a specified amount, that if that 5% would be imposed upon them, that it would be repugnant to a contract made with the Government of Newfoundland in 1927.

MR. SMALLWOOD: You think it would.

MR. CASHIN: I think it would, yes.

MR. SMALLWOOD: We thing so too.

MR. CASHIN: That means that Bowater's then will not be charged by—we are passing this, and it is the Federal Government which is going to collect it, not the Provincial Government. Will the Federal Government collect that 5% off Bowater's or will they not?

MR. CURTIS: Under that tax, Mr. Chairman, Bowater's would have to pay \$150,000. If they pay 5% under this Act, they will pay the 5%, but if that 5% should come to more than \$150,000, then it would be repugnant to the contract of 1927. But as to whether or not Bowater's will be called upon to pay the 5%, or as to whether or not they will be asked to continue the present payment of the \$150,000, is a matter upon which I am unable to advise.

MR. CASHIN: You mean—

MR. CURTIS: They will not be liable for more than \$150,000 under this Act, as under the 1927 one.

MR. CASHIN: Well, that \$150,000 will go to the Federal Government of Canada, not to the Provincial Government in Newfoundland. In other words, the Provincial Gov-

ernment is losing \$150,000. Now, it goes on to say, "For the purpose of"—this section has not been read, "For the purpose of" sub-section (1), 'Taxation Agreement' means the agreement entered into between the Government of Newfoundland and the Government of Canada under the Taxation Agreement Act, 1949." That is the one we had all the fuss about to-day. And then we will turn over on the next page, if you don't mind—sub-section 5. "The provisions of this Act, are, unless otherwise specifically provided, applicable to the 1949 and subsequent taxation years." What does that mean? Does this clause, sub-section 5—what does it do with sub-section 1?

MR. SMALLWOOD: What do you mean?

MR. CASHIN: I mean, it says here "The provisions of this Act are, unless otherwise specifically provided, applicable to the 1949 and subsequent taxation years." It means that they are applicable to the 1949 and following years. Do they not? Well now, does this sub-section contradict the first one.

MR. CURTIS: The first one is a pure statement of fact. "Nothing in this Act shall be construed to impose taxation repugnant to provisions of any contract",—1927, in the case to which my honourable friend refers. However, the other one just affects the entire Act, retroactively you might say, for the current year. In fact, I do not see the point of my honourable friend.

MR. CASHIN: But sub-section (1), section 74, if I gather from the Attorney General correctly—

Bowaters will not be called upon to pay any more than \$150,000 under this five per cent tax.

MR. CURTIS: That is my opinion.

MR. CASHIN: That is your opinion. On the other hand, under the Federal tax law—

MR. SMALLWOOD: Already on.

MR. CASHIN: Which is on, they have to pay the thirty-three per cent, or whatever it is — thirty-three and a half per cent—on profits.

MR. SMALLWOOD: They may have.

MR. CASHIN: They may have to do it. It is all in the air. As a matter of fact, no one knows whether they have to or have not, and consequently—we are discussing the matter here to-day and we are not in a position, any of us, to say what is really going to happen, because of the fact that when the Terms of Union were being negotiated—I hope I am not getting into deep water again—when the Terms of Union were being negotiated last year, it was not specifically laid down that these contracts were giving to be properly carried out as intended by the Newfoundland Government of 1927. That is the fly in the ointment, in other words. And now the Treasury of Newfoundland; that is, the Provincial Treasury, is not alone going to lose \$150,000 but they are still going to remain liable for the bonded indebtedness of Bowaters to the tune of fifteen or twenty million dollars, as the case may be. There were two mortgages, the first one by the

British Government, and the second one by Newfoundland, and it appears to me that those who negotiated these Terms, when they discovered that they were going to lose the taxation, and that the Canadian Government, the Federal Government, was going to impose a profits tax, that the least they might have done was to take over the liability of the principal. I do not think there is any member on either side of this House can disagree with that point, because tomorrow if the outfit went broke—it is not likely, but supposing it did—the Government of Newfoundland will have to find in order to protect themselves, roughly—at the present time, if my memory serve me correctly the sinking fund amount to about five million dollars—the Government of Newfoundland, in order to protect itself, would have to find fifteen million dollars. True we have a lot of men getting work over there, but at the same time we are getting no revenue out of it for our guarantee.

MR. CURTIS: Oh, I would not say that, Mr. Chairman.

MR. CASHIN: Where are we getting it?

MR. CURTIS: We are getting the equivalent of \$150,000. You cannot say we are getting nothing out of it, because whatever the Federal Government collects under this five per cent tax, we get.

MR. CASHIN: Well, it is a hidden amount.

MR. CURTIS: It is still a good amount.

MR. CASHIN: It is difficult to judge what we are getting. The only thing I see is that we are liable for fifteen million dollars and the Federal Government of Canada is going to collect a million and a quarter and we will get nothing, except, as you say, those \$150,000 which indirectly comes back in another form. That is the idea.

MR. SMALLWOOD: On that,—in giving up the \$150,000 we are only doing what we are doing in respect of all corporations. We rent to the Canadian Government the sole right to collect corporation taxes in Newfoundland until 1952, just as seven other provinces have done. Now that includes the yield from that \$150,000 tax that is now on Bowaters. We give up, not only this tax, but income from all corporation taxes on all corporations. We do that. But in return we get certain lump sum payments.

MR. CASHIN: We rent it.

MR. SMALLWOOD: We rent it in return for certain payments. Now that does not affect the position of the guarantee at all. We have guaranteed other corporations in Newfoundland. We have at the present moment something in the order of one and a half million dollars out on loan to various corporations in Newfoundland, whose corporation tax has hitherto been collected by us, but which we are now going to rent to the Canadian Government, but we still are creditors of some and have guaranteed the bonds of others. We are in no different position in that regard with Bowaters than with a number of other corporations whose bonds

also we have guaranteed or to whom we have loaned money, and from whom we will not now collect any corporation tax; Canada is collecting it instead. Now in return for that we do not back a certain minimum guaranteed amounts annually from Canada for the period of the agreement. Nothing unusual, nothing extraordinary, about it; it is perfectly normal, and perfectly usual. There may be perhaps—in all probability there are—in other provinces of Canada very similar cases, causes where corporations have had their shares or bonds or capital in some form or other guaranteed by the provinces also by agreement have rented the corporation tax field to the Federal Government, but they still retain their relationship with such corporation with regard to guaranteed loans or bonds or stocks or shares, or some portion of their capital in some form or other. It does not affect our position at all, and we must remember that Bowaters cannot go insolvent; they cannot go bankrupt; they cannot fail financially because of the imposition of a tax on their profits. No company, I suppose, since the world began ever failed by paying taxes on its profits. If it has to pay taxes it is because it has made profits, and no company fails by making profits.

MR. CASHIN: I know, but in this case we made an agreement, twenty years ago or more, and those companies that we guaranteed the loans to now, and given money to, had no agreement with the Newfoundland Government that they were going to be tax-free—not one of them. We loaned money to various fishing industries; we loaned money

to floating docks, and so on, guaranteed their bonds; they do not make profits; none of them have ever made profits. The Government has been paying interest on many of them, the Harbour Grace water works, and things like that; it has been going on for years. The Savings Bank holds quite a few of them. The Burin dry dock I think is another one; the Harbour Grace dock, or some other dock. These were contingent liabilities, and we have a mortgage on these places. But what I do not like about the whole thing is this, that you people who negotiated the Terms of Union with Canada—and I suppose I am out of order again, Mr. Chairman—permitted the Federal Government—

MR. SMALLWOOD: It is getting to be a regular habit.

MR. CASHIN: Yes, a regular habit—permitted—and I cannot do anything about it only voice my opinion, which I am entitled to do unless I am thrown out—they permitted the Canadian Government to take upon themselves the power to tax these people whom we in all faith and they in all faith entered into a contract that they would not be taxed for a certain period. Now they are going to find themselves taxed over a million dollars, not the \$150,000; we are going to get that back, you say, indirectly. It will come back in the form of subsidies or some other form—

MR. CURTIS: Under the Tax Rental Agreement.

MR. CASHIN: The Tax Rental Agreement, yes, and that is a sub-

sidy, as a matter of fact; that is a subsidy, the Tax Rental Agreement. We say: "You take our income tax, take out corporation tax, and you will take so much in lieu of that, per capita," and so on; that is what I mean.

MR. CURTIS: A quid pro quo.

MR. CASHIN: A quid pro quo. I am sorry my friend, Mr. Jones, is not here. But we are getting no quid pro quo; we are liable for 15 to 20 million dollars, and we are getting nothing out of it.

MR. SMALLWOOD: Every time you mention it the figures are going up. How much are we liable for?

MR. CASHIN: Well, I will tell you how much we are liable for. Have you got the Auditor General's report around here for 1948?

MR. SMALLWOOD: Not here in the House.

MR. CASHIN: No, you have not got it here in the House. Well you should have it here in the House. The Library should have it. You have not got the Acts here in the House. We cannot refer to anything, but if you get the Auditor General's report for 1948 you will undoubtedly find in that report how much sinking fund has been created by the Bowaters and the International Paper Co., and so on, up to a certain period, and that sinking fund is devoted against the sterling indebtedness. Each year it is held in a separate fund by a trust, to redeem the bond at maturity. Well, now, when the bonds do come due, if Bowaters cannot pay them, the Newfoundland Government or provincial Government is going to be

liable for them, not the Federal Government of Canada, and the Federal Government of Canada is getting money out of it. That is what I object to.

MR. CURTIS: Mr. Chairman, does my honourable friend really think there is any risk in the Bowater bonds.

MR. CASHIN: No, I do not, but I do say this, that it is bad business. It is bad business. You and I make an agreement to do certain things. We go back on that. Certainly in these days, Mr. Chairman, agreements are only scraps of paper; they are made to be broken, but if you and I have ordinary business dealings and break our agreement, we are up before the Supreme Court. But a government can bust it, and there is no court you can take them to, although I understand that Bowaters are going to contest this and find out whether or not they are liable for the taxation. It is no money in my pocket, this thing of Bowaters, I am bringing out the point that this delegation to Ottawa let the Government of Canada bust this agreement of 1927.

MR. HIGGINS: Mr. Chairman, I presume what the honourable and gallant member is trying to say is that we have made it more difficult for our debtor to pay off the loan. That is what it amounts to.

MR. CURTIS: That is the suggestion.

MR. HIGGINS: We have a mortgage of \$15,000,000 and if this agreement had not been made, that Bowaters would have, in the course of years, a million dollars a year to put aside for a sinking fund, and that there

is the possibility that that \$1,000,000 will not be available for use of that.

MR. CASHIN: They will find it some other way—they will take it off the woodsmen, or they will take it off somebody. They got to.

MR. CURTIS: On the other hand, instead of paying us off they may pay the shareholders.

MR. CASHIN: Yes, but they also got to pay the Bank of Montreal ten or twelve million dollars.

Section 74 passed.

Committee rose and reported having passed the Bill with some amendment.

Report received and adopted. Ordered to be read a third time on tomorrow.

Committee of the Whole on Bill "An Act Further to Amend the Act 'Of the Auditing of Public Accounts'."

Section 1 read and passed.

Section 2 read and passed.

Preamble read and passed.

Committee rose and reported having passed the Bill.

Report received and adopted. Ordered to be read a third time on tomorrow.

MR. SMALLWOOD: Mr. Speaker, I move that all further orders of the day be deferred.

Carried.

MR. SMALLWOOD: I move that House do now adjourn until tomorrow, Tuesday, at three of the clock.

Adjourned accordingly.

Thursday, November 24, 1949.

The House opened at three of the clock.

Giving Notice of Motions and Questions:

MR. CASHIN: To ask the honourable the Premier or the appropriate minister the following questions:

(1) Has any individual been appointed by the Government to the position of Librarian to the House of Assembly?

(2) If any appointment has been made—give the name of the person appointed and the salary being paid.

(3) Has the position been advertised in the local press? If so, table a copy of such advertisement as well as applications which may have been made for the position.

(4) What are the qualifications necessary for such a position? Does the position carry with it the eligibility for a Civil Service pension?

(5) If no such appointment has yet been made, will the Government state whether or not such an appointment will be made and if so what salary will be paid as well as the qualifications necessary. Also will the Government seek applications through the press the same as is done generally with other civil service appointments.

HON. J. R. SMALLWOOD—(Prime Minister): In reply to question number 93, by the hon-

ourable and learned Leader of the Opposition,

(1) Is the Government aware of the heavy freight charged on farm produce. If not, is it not advisable for the Government to consider the matter immediately.

(2) Can the Government supply comparative figures of the cost of freight between Prince Edward Island and Newfoundland and between places in Newfoundland.

(3) Is the Government aware of the precarious position of the farmers throughout Newfoundland at the present time. Does the Government realize that farmers are being pushed out of business by the dumping of the produce of Prince Edward Island in Newfoundland.

In part (1) and (2) of the question, I have to say that the Government are very vividly aware of, and very definitely concerned about, the question of freight rates, and as the House must be aware, has already made some announcements and taken some action, and that a hearing has been set before the Board of Transport Commissioners for December 14th, and that the matter is very much on our minds and very much in hand. With regard to number (3), we are aware of what might be called the precarious position of certain farmers in Newfoundland, particularly root-crop farmers. The Government, by way of assisting root-crop farmers, has already granted to the newly-formed marketing board of a federation of farmers' organizations in Newfoundland, a cash grant of \$10,000 this year, seven next year, and five the following year with a view to giving them sufficient finance to

operate during the period it may take them to work up income of their own, and further that a very definite piece of action for the assistance of the root-crop farmers has been decided upon by the Government and in connection with which, I feel sure, the honourable the Minister of Natural Resources will very shortly be making a public statement.

While I am on my feet, question 94, by the honourable and gallant member for Ferryland to ask the honourable the Premier or the appropriate Minister if any arrangement or contract has been made for the painting of portraits of certain public men of the past and present. The answer to that is "NO". A contract has been made for the painting of portraits of certain public men of the past. These public men are the former Speakers of the House of Assembly, commencing with the first of them, the Hon. J. B. Garland, and coming down to the last Speaker before His Honour the present Speaker. It would be the hope of this Government that its successors would continue the tradition we have begun, by including His Honour the Speaker of this House, the present Speaker, after he has left the Chair. "If so, inform the House of such contract or arrangement, giving the number of portraits that are to be painted"—the number is approximately 26, as there have been that many Speakers of the House of Assembly beginning in the year 1832 and ending with the year 1933.

"Who is the artist to whom the contract is being given or arrangement made to do the work?" It is Mr. Richard Steiger, the distinguished Canadian artist.

MR. CASHIN: What is his name?

MR. SMALLWOOD: Richard Steiger — S-T-E-I-G-E-R — Richard Steiger—"And what price per portrait such artist is being paid." A lump sum of \$6,000 for 26 portraits, framed; he to provide the framing and to frame them, and to deliver them framed to this House. I may say that I discussed the question of price with perhaps the most distinguished portrait artist in all this nation, Richard Jack. When I was last in Ottawa Mr. Jack was a guest of His Excellency the Governor General of Canada staying at Government House for lunch, as a guest of the Governor General, and accompanying the Governor General on private painting exhibitions, the Governor General himself being quite a notable amateur artist, and Richard Jack, whose own fee is usually \$10,000 to paint one portrait, agreed that \$6,000 as a fee by Mr. Richard Steiger was exceedingly reasonable fee for a man of such a distinguished name. I may say, that Mr. Steiger spent some months in Newfoundland during this past summer and particularly in the outports, painting some landscapes but mainly portraits of people of Newfoundland types for exhibitions and art galleries and elsewhere in various Canadian Cities and that the portraits he did have commended considerable attention from the public, particularly from artists and art critics. "Also inform the House the names of the public men of the past or present whose portraits are being painted." I must confess frankly I had not noticed that last sentence—

MR. CASHIN: It's quite all right.

MR. SMALLWOOD: Or I would have brought along the names of the past Speakers. I want to make it very clear that the portrait of no living person is being painted under any arrangement between the Government and Mr. Steiger or any other artist.

MR. CASHIN: Would you mind telling me in what way these portraits are being painted? What I mean is this: Do we get the photographs of these individuals from their people or something like that.

MR. SMALLWOOD: The only way one could hope to paint a portrait of a person who has passed over is to do it from his photograph. Now there are some actual portrait paintings of Speakers of the past in existence. For example, the Honourable R. B. Job has in his home an oil painting of his very distinguished ancestor D. Carson, which can be copied—not copied, but from which a portrait can be made. In the B.I.S. Hall there are, if not oil paintings, other pictures of some of the distinguished men of the past who had occupied the Speaker's Chair of this House. I know from having once visited the Chamber that in the lodge room of a certain fraternal order—I was once in the Chamber — there is quite a large portrait of a former Speaker of the House of Assembly. In the corridors of the Memorial University College there is, as the House knows, a series of photographs, uniform in size and uniform in framing, of distinguished educationalists; I think in that group there is at least one former Speaker of the House. There are, in one place and an-

other, either painted portraits or photographs or reproductions in print of probably all of the Speakers who have presided over this House from 1932 on. The thought was to have the size, speaking from memory—some of my colleagues may recall I think it is fourteen by twenty inches; I am not quite clear but I think the size is about that size; and then to be framed and hung on the walls to remind us, when the honourable and gallant member from Ferryland and I get into a little altercation, as we may perhaps sometimes do, that we ought to be carrying out the traditions of this House, a thought with which I am quite sure the honourable and learned Leader of the Opposition will thoroughly agree. I may say that it would be our hope if this is a success and if the House is pleased by the appearance of these portraits around what some have been pleased to call hallowed walls we might go a step further if we can afford it, at another time, and get all the former Premiers of the House painted and put here as well. If we could afford it, it would be nice to have at the main entrance, one or two other, and perhaps a bronze statuette or two of some of our more distinguished statesmen of the past. I have been personally tremendously impressed by the small, much smaller than this, Chamber of the House of Assembly of Charlottetown, Prince Edward Island, by the portraits and the pictures of their men of the past, and I never thought for a moment that their men could compare with ours in stature, in colour and in distinction, and nevertheless here we have walls, which, except for the remarkable painting by the Pol-

ish artist, Pindikowski, are virtually bare; there is not a single thing here to remind us of the great men of the past who have occupied seats in this very Chamber; and we are also hoping to repair that omission. We were supposed to be the vandals, the Goths and the Vandals, where the traditions of this House, the traditions of Newfoundland, are concerned, but we are trying to be the ones above all others who will do something to repair the series of omissions of former governments under that heading.

MR. HIGGINS: Mr. Speaker, the Premier has said that we are getting portraits of past Speakers of the House painted. I hope he will take due care that the present Speaker shall be painted, and I trust he will not take too long to get that done. There are so many people dying in their fifties nowadays, Sir, and you and I and some more of us might not be too much longer for this world, and I would sooner see your picture taken from life rather than from a photo.

MR. SPEAKER: Question number 95, standing in the name of the honourable and gallant member for Ferryland, addressed to the honourable the Attorney General.

MR. CURTIS: Mr. Speaker, I had intended to give a written reply to this question, but the typist had not finished it when I left the office. I can say, however, that no retainer or fee has yet been paid to Mr. Lewis for his services in connection with the case taken by the government with respect to the transportation rates. No fee or retainer has as yet been agreed upon, because we do not know up

to the present time whether or not this case will not ultimately have to go to the Supreme Court of Canada. The Board of Transport Commissioners can, if it wishes, refer anything brought before them, to the Supreme Court of Canada, and at the moment we do not know whether or not they will adopt this course. An amount has been put to the credit of Mr. Lewis' account for the purpose of defraying his office and travelling expenses. Mr. Lewis has already had to go to Ottawa on two occasions; he has had to bring people with him on some occasions; he has had to maintain an office and pay a secretary and pay a stenographer. For that reason a deposit has been made to his credit of \$6,500. This was the amount fixed; it is purely an arbitrary amount, but the amount has been put to his credit and he will, of course, give us an account of the disbursement of that money. I might say, the question says, "If so, give the amount and inform the House why it has been necessary to engage the services of an outside solicitor in this matter and why the action is not being presented by one or any of the solicitors employed by the Justice Department." I would say to reply to that, Mr. Speaker, that we are one short already in the Department of Justice, Mr. Myles Murray having resigned, as the House is aware, to contest the recent election. We are one short, but not only are we one short, Mr. Speaker, but we have had a terrific work in connection with legislation and in connection with the changeover from Government by Commission to Provincial Government; we have had numbers of questions, some of them of great

magnitude, and we did not think it would be fair to the importance of this pending matter to have it just taken into the office and handled as a routine measure. For that reason we looked around and we secured a man whom we thought would give the matter thorough attention, and we do not think we have made any mistake.

MR. SPEAKER: Question number 96, standing in the name of the honourable and gallant member for Ferryland, addressed to the honourable Minister of Health.

HON. JAMES R. CHALKER (Minister of Health): Mr. Speaker, the answer to this question is being prepared, and I shall table it on tomorrow.

MR. SPEAKER: Question number 97, in the name of the honourable and gallant member for Ferryland, addressed to the honourable the Acting Administrator of Works Relief.

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Speaker, this appertains to the Department of Public Welfare, and I may say that the answer is being prepared.

MR. SPEAKER: Before proceeding with the Orders of the Day, I have two announcements to make. The first is that the honourable the Speaker of the Ontario Legislature, weather permitting, will arrive at Torbay on Monday night, and he will visit this House on Tuesday or Wednesday. The other is a communication from Mr. Crawford, Private Secretary to His Honour the Lieutenant Governor, dated November 24th, addressed to the

Hon. R. F. Sparkes, Speaker of the House of Assembly:

"Sir,

I have been instructed to inform you that owing to the urgency of the matter His Honour the Lieutenant Governor, at the suggestion of the Honourable the Attorney General, has given his assent to the Bill entitled "An Act Relating to Restrictions on the Distribution of Certain Foods," without coming to the House of Assembly for that purpose.

His Honour has asked me to say that, except in cases of great urgency, he intends in the ordinary course to adopt the usual procedure of going to the House of Assembly to give his assent to Bills passed.

I have the honour to be,

Sir,

Your obedient servant,

J. CRAWFORD,

Private Secretary.

Orders of the Day:

Third reading of Bill "An Act to Impose a Tax on the Income of Certain Corporations."

Bill passed third reading.

Third reading of Bill "An Act Further to Amend the Act 'Of the Auditing of Public Accounts'."

Bill passed third reading.

On motion, Committee of the Whole on Bill "An Act Respecting District Courts," was deferred.

Second reading of Bill "An Act to Provide for the Regulation and Sale of Alcoholic Liquors."

MR. SMALLWOOD: Mr. Speaker, I rise to move the second reading of this Bill, which is brought in by way of implementing a promise made in the Speech from the Throne, which, as you may recall, said that there was necessity for action on the part of this House to clean up a bit of a mess existing in Newfoundland today in connection with the sale of alcoholic drinks—hard liquor and beer. Now, Mr. Speaker, I think perhaps I am the right person to move the second reading of this Bill. The fact that I am a teetotaler—I have yet to take my first drink of hard liquor, and have never yet had the pleasure—it must be a great pleasure—if any people have any doubt; I have never yet given myself the pleasure of even tasting hard liquor or beer. As a matter of fact, I have to take back that second statement. I have never drunk bottle of beer in my life, with this exception, that in a certain place once in Newfoundland I was offered a drink of beer before lunch, and I said, no, I did not drink beer. He said, "This is not ordinary beer, this is beer I made myself," and it turned out, as a matter of fact, that it was made of Pabst Blue Ribbon Malt Extract beer, which the gentleman had made in his own home. Well, I knew this gentleman; in fact he was a sort of brother-in-law of my own, living in the interior part of Newfoundland, and I know he was a very sober man, and he said quite earnestly that it was good tonic, and as I was run down from overworking at the time and I thought that perhaps I needed a tonic, so I had a glass; it tasted very bitter to me, but I did feel fine, that I could eat quite a meal. Well, I was

busy for ten days, and every day for those ten days I had one glass of that beer of his, and I found at the end of the ten days that I had put on a bit of weight, a thing I had always needed, a bit of extra weight. I am referring to physical weight, of course. And before I left him I asked him for the recipe, and he began to tell me how to go about it, stage by stage, and when I got back to St. John's I proceeded at once to get the various bits of equipment necessary, consisting in the first place of a very large glass bottle, very large, which I got from McMurdo's Drug Store, and in the second place of a mechanical gadget for putting the stoppers on the bottle, and then a supply of stoppers; they were very scarce at the time, and I went to my honourable friend the member for St. John's West, who had some, and from him I got a supply, and I proceeded to make my first brew, the first brew consisting of a hundred and twenty bottles, and I proceeded to drink a hundred and twenty bottles. I took a hundred and twenty days to do it. I limited myself to one bottle a day, and found at the end of the hundred and twenty days that I had put on five or six pounds, that I was eating well, sleeping well, and never felt as well in all my life. But that was my one and only experience in my life with drinking beer. I have yet to taste hard liquor. I do take a glass of wine for the stomach's sake, and following the example of St. Paul's I have made an open confession here today, but I am strictly a teetotaler, and therefore perhaps one of the few in the Chamber equipped to advocate a temperance measure such as we have before us

today. This Bill is precisely that. It is a temperance measure; it is not a Bill to prohibit the sale or consumption of alcoholic liquors. While I am in the mood of self-confession, I would say that for most of the years of my life I was a prohibitionist. I believed in prohibiting by law the sale of alcoholic liquors. Now if any honourable gentleman, as a result of that confession, thinks any less of me, I regret it, but very sincerely, I was, for many years, an absolute prohibitionist, thinking that it would be desirable and possible to stop the sale and consumption of alcoholic liquors. I came to the conclusion, as I believe every member of this House, without exception, has done, that is not possible. It is not possible; it might be desirable; I feel that this world would be a better world, and that the human race would be a better human race if the secret of making alcoholic liquors died and not another ounce were ever again on earth consumed. But it is not possible.

On the other hand, in Newfoundland today any man with practical knowledge or experience knows that the liquor situation is anything but pleasant. There are three evils, and they must be admitted to be evils, because the man who likes to take a drink and who takes a drink, and who has his own prejudice against drink as such will be the first to admit that these things I am going to mention are evils which a responsible-minded legislature ought to be anxious to remedy, if it can. The first evil I mention is that we have in Newfoundland, and more especially here in St. John's, a number of beer taverns which, in all truth,

can be described as nothing better than low-down dives, into which few if any members of this House would venture to enter, still less, into which would any member of this House take his wife. If he wanted a bottle of beer after a show at night, before going home, few, if any, members of this House, would think of taking their wives into most of the beer taverns in St. John's today.

With regard to beer taverns, I think we in Newfoundland ought to make up our minds on one thing. We should make a choice between two possible courses. One is, that there be no beer, and the other is that there shall be beer, but, that the consumption of it will cease to be a disreputable thing, will cease to be a shameful thing, and will become something which any ordinary and decent citizen may practice of going into a drive, and without running the risk of associating only or mainly, when he enters a beer tavern, with people whose idea of taking a drink is not merely taking a drink, but getting slopped up in the shortest possible time. In other words, a beer tavern ought not be existing at all, or if it does exist should be a place that is clean, with the elementary principles of hygiene thoroughly and freely carried out, decent, respectable, orderly, law-abiding, and indeed, Mrs. Speaker, having purposely gone into many taverns on the mainland, I conceived the hope that our taverns in Newfoundland might be brought up in the standard of their appearance, of their hygienic conditions, in their atmosphere, to the level achieved by the average tavern on the

mainland. Now, they are far from that now, very far from that at the present time, and I believe that some, not all, I repeat, that some of the beer taverns operating in Newfoundland today are the low-down dives they are. That is the evil to which I invite the attention of the House and which this Bill seeks to remedy. In that sense, and to that degree, this is a temperance measure.

The second evil to which I allude is the evil of bootlegging and moonshine. Now, admittedly moonshining in a province whose population lives in 1,300 widely scattered, and for the most part remote and isolated communities, is something that will be more than difficult to stamp out, to eradicate completely. But bootlegging is something of which it is possible, if not to stamp out completely, certainly to reduce in volume and, I might add, in viciousness. The fact that bootlegging has increased, has grown in Newfoundland is not to be doubted. We are all familiar with the fact that after closing hours it is possible on almost any night of the week to obtain a bottle of "screech" or two or three or four at a time—at a price—at a price which represents to the bootlegger a very substantial rate of profit, even greater perhaps than the rate made on the original sale that bottle or those bottles to the bootlegger himself. In all events, it is not desirable, surely, in the Legislature, which must be concerned with the question of revenue with which to provide public services to the people of the province. It must be of some concern to all of us that any profits made on the sale of hard liquor

shall be made by the Government, and by no one else whatsoever, and that bootlegging shall be reduced in volume, if not altogether stamped out. But, Sir, great as these two evils are, there is much greater evil in Newfoundland today, one which has given cause for deep thought and great concern to some of our leaders, Newfoundland leaders in other fields, fields other than public affairs and politics, an evil which is growing so rapidly in Newfoundland today as to become an acute problem almost for the medical profession and the Department of Public Health. I refer to the fast growing sale of extracts for the baking of cakes we might perhaps take it as an indication of a growing prosperity—the baking for the home of ever more and more cakes and sweet pastry calling for extracts. But, Sir, there are enough extracts sold in Newfoundland each month to last Newfoundland for two years if its use were strictly for the purpose for which, surely, the extracts were made in the first place. I will not name any places; I know of one place in Newfoundland today where a number of shops are selling extracts. In one shop alone, amongst a number in that little town, enough extracts are sold in one month to last the entire town two years. It is an exceedingly profitable business, and debauching of the population of that town by means of extracts. One shop grew just a bit impatient with the ordinary and conventional means of acquiring the extracts, which is to buy it by the case already bottled from some manufacturer; grew a bit impatient with that method and began bringing the

extract in in bulk and began to bottle it themselves. I know of a case of a businessman who sent his son—a young man—to another settlement on business for him, and that son, in three weeks, spent \$500 on extracts. Now he did not drink it all himself. If he had he could not have spent that much money. But he set them up. He would go into the shop with six or eight of his friends and he would set them up. He would call for a round of extracts and the shopkeeper would hand them out, and they had everything but the sawdust on the floor and the rail at the foot of the bar. They would take their extracts each and they would have their drinks—\$5.00—\$5.00 a round, and in three weeks that young man went through \$500. His father had to go after him and bring him back to his home in the settlement to which he belonged from the settlement where this happened. There are cases in Newfoundland where entire settlements are—I do not want to exaggerate, I do not want to paint a lurid picture a bit beyond the facts, but there are settlements in Newfoundland today where the drinking of essences has become a grave evil, and I am informed that some extremely important and highly respected church-bodies meeting in conference in this city in recent months have taken that evil under consideration and have adopted resolutions expressing their concern, their grave concern, over the rising tide of consumption of extracts and intoxicating drinks. Now, Sir, I say that this Bill is a temperance Bill because what it proposes to do is this: To set up a commission or board into whose hands

we will place the complete operation and control of the manufacturer sale, wholesale sale and retail sale, of intoxicants of all kinds, including essences. Including essences. It is extremely drastic, the power we give the board. We give them the power to forbid outright the sale of extracts in any shop which, in the opinion of the board, has been selling extracts in such number of bottles or in such quantities, as to indicate any cause for suspicion that it is seeking to traffic and profit in extracts for purposes of intoxication. But far more important in the long run is this: That the board have the right to give or withhold licences for beer taverns and hotels, and the right and the duty to lay down minimum conditions; minimum conditions and standard of operation of taverns and those portions of hotels having licences to sell beer. And it will work in somewhat this fashion, if the House is pleased to adopt this Bill—will seek somewhat in this fashion. That following the adoption of the Bill, following its enactment, the Government would appoint the liquor commission, or board of liquor control, and that board of liquor control would at once adopt standards which would have to be met by any tavern or place possessing a licence to sell beer.

Such matters as what should be on the floor—no, first, the size of it, the cubic space, the height of the ceiling, what is on the walls, whether it is just wall-paper or plaster, or what. The doors, the type of door; I am speaking now first of all, purely of the actual physical aspects of the building itself which will have the licence.

What facilities, water facilities were there—running water, hot water for purposes of thoroughly cleansing glasses which the public would be using in the taverns. What number of towels, what facilities for cleaning these towels, for keeping an absolutely ample quantity of them the tavern would possess; that the waiter would be dressed in a white jacket, that the proprietor would have sufficient jackets to enable that waiter to change them frequently, and not be going around in what is even worse than an old lounge suit, a dirty white jacket; laying down how many tables, the lighting of the tavern, the outside appearance of it; all these standards would be adopted and enforced.

And here is how it would operate. The Board, upon adopting these standards, would send notice to all holders of licences, saying that in three months from that date each licence would be cancelled in the case of a proprietor or licensee who had not by the end of the three months brought his place up to a standard equal to the standard laid down in the regulations; and that no new licence would be issued to anyone who did not prepare and actually meet the standards and conditions laid down in the regulations.

The practical effect of that would be this: A man having a licence now, upon receipt of notification from the Board that he had three months in which to meet the standards, would obviously come running to the Board and want to know the standards; the Board would send one of its inspectors—and there will be inspectors—to his place, and he will look it over, and he will have a consid-

erable amount of authority, and he will say, "If you hope to hold your licence you have to spend a bit of money on this place, because the Board is pretty tough; you have got to do this, you have got to do that, you have got to do the others. You have got to bring the standard of your place up," and the licensee, eager of course as he will be, to hold his licence, because the beer business is a profitable one, at all levels, will be eager to retain his licence; and the man who has not got a licence, in applying for one, will come to the Board and say, "I would like to have a tavern at X place. If I were to be given a licence, what have I got to do?" The Board says, "We will send an inspector," and he goes and he tells him, and that enablese the man, before going to the expense of fitting up a place to meet the standards of the Board, before going to that expense, to come to the Board and say, "Is there a chance, before I start spending this money, to have a decent place?"

Now I may say, Mr. Speaker, that I know whereof I am speaking, because it should be obvious to the House the likelihood that hundreds have been to me already, hundreds, literally hundreds, as they must have been to other members of this administration, asking if they could have a licence. We have issued not one; we have not issued one licence from the moment we came in office to this moment; not a licence have we issued. But hundreds have come to us, and they will come, and the licences, Sir, the Board will be authorized to give under its own regulations. "You have not got a chance in the world of getting a licence for that spot," or "you have." And be-

fore the man goes to a lot of expense he knows what chance there is or is not of his getting the licence.

Now, a man came to me just recently; he said, "I own a building in St. John's. I have already spent —" and he told me how many thousand dollars; the building is well-known to every honourable gentleman her. "I am prepared to spend ten thousand dollars more on my building." The building is empty; it is idle; he bought the building and he remodelled it. He said, "If I were to get a licence, what I would like to do is this. I was recently in Halifax, and in Halifax I visited the taverns they had there, and I would like to beat them; I would like to put up a decent place." He talked of a chrome-finished front, and a met door, something like bronze or some kind of an imitation, but a really fancy, high-class place into which anyone—tourist, visitor, business man, a member of this House, a member of the general public—could go with a feeling that he did not have to sneak in; that he did not have to sidle in and wondering whether anyone was seeing him going in; he could go in, because it was a decent place; if he had a business appointment, if he had a business or professional acquaintance here from the mainland, if my honourable and learned friend the Leader of the Opposition, had some well-known lawyer down here from the mainland, and it is a warm day, and he says, "Would you like a bottle of beer?" He cannot very well say that now, because there are not enough places to which he could take him with any feeling of pride. "Would you like a bottle

of beer? Let's go over and have a bottle of beer." Well, he could go in there; he does not have to apologize for the place, does not have to "sing small"; he can go in and have a bottle of beer in decency without having to apologize.

So, Sir, for these reasons I move the second reading of this Bill on the grounds that it is a temperance measure. One point I forgot to mention. These inspectors are not merely for the purpose of determining whether a place meets the standards of the Board in a physical sense; these inspectors will be permanent men, and there will be no tavern that has any guarantee in any given day in the year when it is open that some inspector may not be dropping in, unexpectedly; if one person is seen in a tavern drunk, by the inspector, the owner gets a warning; if that is seen the second time the licence is taken from him. We will close down any places where men get drunk. A man can have two or three or five drinks, so long as he does not get "slopped up," as the old saying goes. I have never yet in a tavern on the mainland seen a drunken man. I have gone into a tavern where I have seen five hundred people sitting there, men and women; no uproar going on; five hundred people, quietly and decently drinking their bottle of beer in the tavern, and chatting, smoking and chatting. You did not have to raise your voice to be heard. Are our Newfoundland people less able to control themselves than the people of Nova Scotia, or Ontario, or Quebec? How many drunken people have the honourable members seen on the streets of a town of the Pro-

vince of Quebec? How many? I have yet to see my first in that great city of Montreal; of a million people I have yet to see my first drunken man. The same applies to Toronto.

AN HON. MEMBER: They are gone cracked in Toronto lately. They are gone mad.

MR. SMALLWOOD: They drink all right, but you do not see them drunk on the streets. In Ottawa the same thing. We hope to see that here. We hope that a man does not have to go into a beer tavern and call for five bottles, and get it down into him quick, so that he can get out of it before he is thrown out. That is inviting a man to get drunk, is it not?

Well, as a temperance man, as a teetotaler, I move the second reading of this Bill on the ground that it is a temperance measure; that it will raise the standards of public drinking in Newfoundland; it will put the tavern owners under inspection; they will not run the risk of losing their licences—and today I am afraid they can run a great many risks today without losing their licences. The Board has no one to go around and keep tab on them. The licensee can do perfectly what he likes. He is practically challenged to do what he likes by the restrictions that are placed on him, some of which are silly and ridiculous. The idea that the city of St. John's—I can go to a tavern next door, in St. John's, and have a bottle of beer and do not have to pay half a dollar for a meal, but in Harbour Grace or Carbonear or Grand Bank or Ferryland—

MR. CASHIN: We do not sell any beer there.

MR. SMALLWOOD: Or anywhere outside of St. John's, where there is a tavern, that I have to live beyond three miles of a tavern, and even then to buy a bottle of beer I have got to buy a meal, and we know what that is. It is a farce; it is a bluff; what do they have? They have a biscuit made of rubber.

MR. CASHIN: That is in effect in Quebec, too, or it was.

MR. SMALLWOOD: A biscuit made of rubber; they use the same biscuit year after year, and you pay fifty cents for it. It is not even funny. Now what is the result? You go into a tavern in Harbour Grace. No. 1, you have to live three miles away from the tavern. Why? In St. John's you can live next door to a tavern, go out your own door, turn to the right, go into the tavern, and you can have the same thing to do as if you lived a million miles away. Why cannot you do that anywhere in Newfoundland?

AN HON. MEMBER: Nobody to take them home.

MR. SMALLWOOD: You do not need anybody; it is next door. Secondly, why should you be required to pay fifty cents for a meal to buy a bottle of beer? Now look at the result. A bottle of beer is thirty cents; a meal is fifty cents; a man wants one bottle of beer, eighty cents, thirty cents for the bottle of beer, fifty cents for the rubber biscuit. No sense in that! But do not blame us for the rubber biscuit; that is not our legislation; that is not in this legisla-

tion. There is nothing about it here in this Bill, that a man who wants to buy a bottle of beer has to buy a meal. We have taken that out of the Act, for which every sensible and intelligent man will back us, I think. We have taken that out. That is nonsense, hypocritical nonsense, that a man to get a bottle of beer has to buy a sandwich, a synthetic sandwich, and that you have to live three miles from a bottle of beer before you are allowed to buy it, a bit of pure, arrant, nonsense.

Mr. Speaker, it is a long bill, because we are scrapping the old one, and this is a brand-new one altogether. A lot of the old one is left. My honourable and learned friend, the Leader of the Opposition, will find that a lot of this is the old, the present Act, written into the new one. You will find some valuable features taken from Acts of the Canadian continent, the Canadian nation, the best features of them, and all this will be definitely detailed in Committee of the Whole, and my only purpose in standing now is to move its second reading, and ask for the sympathetic consideration of every honourable member of this House in the second reading of this Bill.

MR. HIGGINS: Mr. Speaker, I would like to remind the Premier that a man may lead a blameless life without ever having tasted a drop of hot toddy, but I would fain disillusion him before he should die. You know we people on this side of the House, and I am sure there are some on the other side I know who could sing that old refrain:

"Pure water is the grandest gift
That man to man can bring;

But what am I, that I should wish
The best of anything.
Let Princes go unto the pumps,
Peer to the ponds go free,
But whisky, rum and even gin
Is good enough for me."

Now we humble people are satisfied with whisky, rum or gin, but I am afraid the aristocratic tastes of the Premier requires the grandest of all gifts, pure water. But now that beer is coming in, he may disillusion himself before he dies.

I quite agree with him you cannot make a people moral by an Act of Parliament; that is impossible. Prohibition has shown that. Prohibition brought so many evils into the world that I do not think it will ever come again in this country or in the United States. The law is not popular; a man who breaks the law of prohibition is not committing a terribly serious offense, not a heinous offense, and no law will ever be carried out unless it is for the good of the state, and the good of the individual, and is recognized by everybody as something that should be done. I mean, the law against stealing would naturally be carried out. It is not only a crime against the Ten Commandants, but it is recognized as a rotten crime, and you have two people who will be able to know that, the outsider who steals a bill on his neighbor and the neighbour himself who suffers, but I think the proper way to carry out a prohibition law is by means of temperance that it should prohibit the drinking of liquor by people who are not fit to drink it, the people who are ruining themselves, and ruining their famil-

ies, and I think this liquor law, which, after all, is just following the alcoholic liquors law of previous years has been more of a success than prohibition. I remember after the last war when prohibition was still in effect. There was more drunkenness—there was more drunkenness among the younger people. At the dances people used to bring flasks in their pockets. I remember going into one dance, when I was very much younger. I do not go to dances now except to look on, and keep a paternal eye on the younger people. I remember a man who was—who did not drink—did not have a drink in his house; he was at the dance, and he gave orders that nobody was to carry a bottle on his hip, but he put in his own house there—he fitted one room as a bar where people could have a drink, and I saw less drunkenness at that dance than one I ever attended at that time. Now, I am very glad — I would not like to see beer cut out. Beer I think is better for the people here than hard drinks. I am afraid I shall have to disillusion myself before I die, because I never took a glass of beer in my life, I do not like beer. I am a temperance man, not a total abstainer by any means, but beer is not one of the drinks I indulge in, but I have been in many taverns—went in there with people who took a glass of beer and I did not, I looked on, and I agree with the Premier that I never saw such little drunkenness in my life. I saw little more than he did, I saw three men drunk in Montreal, the lower part of Montreal — two of them were together, and the other man was

by himself, and the three of them looked old toppers, so I should not say that there is no drunkenness at all in the mainland. The taverns are well-run, the taverns are clean, and they are nice tavern to go into. There were old mahogany counters there and people were well-behaved, and I think that if we had that here in this country, everything would be fine. It is rather a pity that we cannot get a no-treating law in this country. Unfortunately, people know everybody here in the country. In the mainland up there people go in and are strange, there might be one or two who go in and have a drink and that is all, but you go into any place here now, any bar or any club, and you want to have one drink or two drinks, and there are five or six around, and somebody will stand around—"you have a drink on me." Well, gentlemen, when anybody comes to my house and I offer them a drink, I do not expect him to stand a drink for me, in my own house. And when a person stands you a drink; say, I am standing a drink for you, that is no reason to stand a drink — it means that you have to stand a drink for him afterwards and then you find that have had five or six drinks and you only went in to get one or two; if we could only get a non-treating law here in this country it would be a wonderful thing. Many a man has gone into a bar or club and he intended to have only one or two drinks and came out with five or six drinks and he is half soused. I think Archbishop Howley many years ago tried to bring that law into effect—I am not sure whe-

ther he did or not, whether it was in effect or not.

An. Hon. MEMBER: I think he did.

MR. HIGGINS: It was. Well it came into effect—I think we had prohibition just afterwards, two or three years afterwards. Well, that would be a very good law if it could be carried out, but I do not know if it could possibly be carried out.

Now, the drinking of essence is a very serious thing. It was commonly indulged in during the days of prohibition and I was informed by doctors it is a very serious thing. Now I think that a lot of that has increased since Confederation came in. Under Confederation, I understand, those people who carried on those little hop beer shops were put out of business. I think that is right is it not? Is that right Mr. Prime Minister? I say those people who carried on those little hop beer shops were put out of business after Confederation. Now, I think that was rather a pity, because those people made hop beer which was not very strong, but their shops were resorted to largely by people who just wanted a glass of hop beer, who would not buy rum, or who would not buy gin or beer. Now, these people, I imagine, did turn to essences—I may be wrong, or I may not be, but I imagine that is the reason there has been an increase in essences although during the war and before, there was a heavy drinking of essences. Now, there is only one thing that I hope and I have not gone through the Act carefully, but I hope there is some safeguard to the innocent man, and there is

many a man who will break the law in a little way; he might accept a bottle of smuggled rum and I hope there is not going to be a searching of houses—that is not a serious thing, and in the other Act, the Alcoholic Liquors Act, sections were passed not to give an ordinary man who did that—I mean, after all, if I am given a bottle of smuggled rum, I am not going to break it up—that is nonsense, I am going to take it in my house and drink it just as same as I would drink the other, but, the people for whom the law were made were those people who were selling liquor in their places, getting smuggled liquor and selling liquor in their places, getting smuggled liquor and selling it as bootleggers, the men whom the Premier attacked. Now, in the olden days, years and years ago, they had shebeens in this city and other places where people sold a little drink on the sly and they made very little profit, but the worst kind of bootlegging in the city at the present day, is the vast amount of money that is being charged whereby families are ruined; men paying six and eight dollars per bottle—and I am telling the things I know gentlemen. I did not go into the shebeens and buy it myself, but I defended people in court at times, and people have told me. They wanted to get a bottle, and they went down and paid as much as six and seven and nine dollars for a bottle of screech. Now, I would have no sympathy for the person who sells liquor in that way, and the Act is meant to do away with that. It is meant to do away with the people who are smuggling

rum and the people who are selling rum, and I hope that the same system of routine will be carried out.

Peoples' houses should not be searched—the ordinary man in the city today is an honest, decent man. He does not require the laws of the land to put things into his head that would be decent. The Ten Commandments are there and he is going to follow that. That is the ordinary citizen. It is only the odd citizen who breaks the law, and I must say that in the past the police have carried on their work very very well. A person who is looked upon as an ordinary decent man is not going to have his house searched. The only time they will search a house is when they have good evidence against a man; when wives have complained that people go to a certain house and come out of it drunk, and their money is wasted there, and I hope that is going to continue under the present regime.

There is another matter—I hope that inspectors who are appointed are honourable and decent men. It is no use in sending a man in who has a grudge against somebody or who wants to help out a friend who wants to get this man out of business.

MR. CASHIN: He might want a bottle of beer himself.

MR. SMALLWOOD: You cannot send men who drink—you cannot send boozers.

MR. HIGGINS: Oh, no you want men with a decent Christian spirit to see that the law is carried out in the proper decent way. Not to thrust on people very heavy expen-

ditures just because they think it is so. If we have men of that kind I have no doubt at all that the liquor law will be a very good law. It will help people who should be helped and it would not hurt the ordinary decent man who wants to have a drink.

MR. FAHEY: Mr. Speaker, I rise to support the Bill, but not in so far as that it is a temperance Bill. I feel it is more decent than the situation that we have at the present time. I agree with the honourable Premier in his remarks that in most cases we have dug-outs, and we have places where the glasses are not sterilized, and in many places you cannot get a glass. For that reason there should be proper regulations insofar as sanitary end is concerned. I do agree with the honourable Premier again—I do not see why people living in one section of the country, say St. John's, would be allowed to go into a tavern next door and get a glass of beer, and in another section in the country should be penalized unless they live so many miles away. I do not think that is fair by any means, because I think what applies in one section of the country should apply to all sections of the country. We are all the same province, and we should all be entitled to the same rules and regulations.

Now, I agree that we cannot, by keeping liquor, spirits, or beverages from people, as the honourable Leader of the Opposition has said, some people—I had an experience, without delaying the House, visiting the United States in 1928 when it was dry, and every second house that I went into and visited, each one was drawing up the recipe of how to make certain

beverages perhaps along the lines that the Premier suggested here this evening. I had the privilege of going back there again later, after that country went wet, and I may say it cost the country somewhere in the vicinity, I believe, of fifty-two million a year to try to keep liquor out, but it could not be done. Later it was forgotten. When I went back again in '32 or '33 I believe, when the country was wet, nobody offered me a recipe. You could buy liquor on practically every block, and I never heard anybody ask me to have a drink or talk about drink; they mostly talked about horseraces, which goes to show, as the honourable Premier pointed out here this evening, if—although I do not look upon it as a temperance Act—but if the beverages were made more plentiful, there may not be so much attention paid to them, than if you made it, so to speak, an article hard to get. But I feel, with this Act, it seems to be fair to all sections of the province, and everybody will be given fair play rather than certain sections of the country penalized while others can have free access to do it. I believe in inspectors; I believe the same thing exists on the mainland, that inspectors go into taverns and occasionally examine the hard spirits and see that it is up to the standard that the manufacturer is required to produce.

Now, I feel we should have in my opinion at least, inspectors to inspect what comes out of our own, what we call Government Controllers, occasionally. I agree with the idea of inspectors, and I agree with the honourable the Leader of the Opposition when he says that if those inspectors are

there I believe it would be in the best interests of the public in general.

MR. FOGWILL: Mr. Speaker, I have a little to say about this Bill too, but first before saying anything at all, I wish to say that there are two members in this House, the honourable member for Ferryland and the honourable the Premier, both of whom affect me in different ways. The honourable the member for Ferryland, when he speaks, makes me feel that I want to take this floor as in a patriotic fight for my country, and on the other hand, the honourable the Premier, he really fascinates me in another way and puts me in the mood as if I wanted to rush out here and kick somebody in the seat of the pants.

Now, in this Bill, Mr. Speaker, I wish to say that the importation into the Island, and the sale and distribution of liquor, this is big business, and naturally big business such as the distribution and sale of liquor has to have some kind of control. Now I have a few figures here. There have been questions asked in the House in respect to the amount of revenue derived from the sale of liquor, and the amount of profits on hand in the control stores. Now it is very difficult to get at these figures, but I have got them in rather a roundabout way, and I have some figures here which are rather dry, perhaps, showing the importation of alcoholic liquor into the Island from the fiscal year 1939-40 to 1947-48, for each year. The amount of rum imported for those years, the nine years, is 829,460 gallons, and gin 110,658 gallons, and whiskey 391,458 gallons, and brandy 18,365 gallons, and the total for

nine years, is \$4,952,253. The total amount of spirits, the total amount which I have just quoted, is for nine years 1,277,941 gallons. Now it is difficult, Mr. Speaker, to get on the track of what revenue is derived by the Government on those liquors, but if we apply the Customs revenue on the total in these years under review, we find that the taxes have varied during these years from \$4.50 a gallon, to \$6.80 in 1939-40, until up to recent years I believe it goes up to \$8.90, or at least \$8.00 a gallon. And taking into consideration the liquor consumed by the armed forces who were living in the Island during the War years, I give an approximate figure accrued by the Government during these years on account of Customs revenue during to the importation of liquor as \$8,000,000, and I think that is conservative. Now from the published figures of the Government itself, in the Estimates, the profits surrendered by the Board to the Government in 1939-40 was \$432,000—that is in round figures; and 1940-41 \$556,000; 1941-42 \$809,000; 1942-43, \$1,702,000; and the total actual profits surrendered by the Board of Liquor Control to the Government during those years, from 1939 to the end of 1946 was \$8,783,750. Now, if we take the estimated revenue for the year 1946-47 to the present fiscal year ending in March 1950, we have got another figure; for 1946-47 \$1,500,000; 1947-48, \$1,100,000, and 1948-49, \$1,500,000; and the present year an estimated revenue of \$2,000,000.

This is besides and excepting the refund of working capital advanced of \$1,700,000. So that the total revenue for the years I have

quoted, including the years which are estimated, would bring to the Government of this country \$14,883,000 on account of the sale of liquors. Now if you add that to the estimated revenue which I have made of \$8,000,000, which is an approximate estimate on my part, which is, I think, fairly accurate, you get a total revenue for the Island for the years on account of the sale and importation of alcoholic liquors, of \$22,883,000. Now that is big business, and I do not blame the Government for bringing in an Act so that they would control such business as this, and in passing I may say that at present, as from the 1st of April past—I will not use any other words—as from the 1st of April past, we lose the Customs revenue. On the total of liquor imported from 1939 to—this is another figure—1939 up to the end of 1948, which would give the figures of 1,277,000 gallons, the Federal Government would collect a tax, an excise duty alone; an excise duty, that is the duty processed in Canada.

Now using the lowest figure of \$11.00 per gallon, they would collect a revenue of \$14,057,000. Now that is a big loss of revenue for this country. Now I do not blame the Government at all for—

MR. SMALLWOOD: For what period would that be?

MR. FOGWILL: That would be for the nine years. Now it is interesting to note, too, in 1947 and 1948, for that fiscal year, we imported a quarter of a million gallons of rum. Now I do not blame the Government for bringing in an Act to control the sale of alcoholic liquors, because, as the honourable the Premier pointed out, I

think he said in his opinion this was a temperance Act; in mine it is entirely different; I think it is a revenue Act. In fact, it is to control the sale and distribution of alcoholic liquors and see to it that penalties are applied to any infringements under the Act.

So the effect of the Bill would be that additional revenue would be brought into the Province. Now the honourable the Premier did mention the fact that there was some moonshining going on in the Island. That is quite true. Now I do not think that the honourable the Premier need have any fear that that will go on very long, because moonshining is a Federal offence, and every gallon of moonshine that it processed contrary to the law in this province, the Federal Government will lose \$11.00 per gallon tax, and I think they will soon stop that.

MR. SMALLWOOD: They will have quite a job to stop that.

MR. FOGWILL: Oh, I think they will stop it all right. They are pretty smart fellows, the R.C.M.P.

Now, Mr. Speaker, there are some clauses in the Bill with which I do not entirely agree; these are the penalty clauses. In my opinion, some of those clauses appear to be a little too harsh—

MR. SMALLWOOD: We cannot go into that now.

MR. FOGWILL: I am speaking to the Bill, the principle of the Bill, and I think these clauses should come up for amendment in committee of a whole, but nevertheless a member has a right to speak generally on the Bill, and generally some of the clauses are quite lengthy in the Bill itself, and some

of the clauses are too harsh, and perhaps when we get into committee of the whole on it they may be amended.

I support the Bill, Mr. Speaker, and I think it may go a long way to aid the Government in bolstering the revenue of the province. Certainly when you consider the large amount of alcohol imported into the island, it appears to me that the City Fathers of St. John's should be concerned in it. They blame the drop in the level of Windsor Lake to the lack of rain; perhaps they could blame it on something else now, because the mixture of rum and water can make a great difference.

Now another thing too, Mr. Speaker, is this: That it seems to me that the value of the liquor itself is too high to the consumer. The value to the consumer is gone up fifty cents this past few months, fifty cents a bottle, and possibly, when you realize and find the effect of the Federal taxes and the need of the province to put on additional taxes in the way of special taxes or sales taxes or whatever it may be, that the cost of the commodity will go up much higher than it is now; perhaps it might be advisable now, if I might say, for anybody who happens to be a heavy drinker he may have to measure his drink in a tumbler, and the light drinker could measure his portion with an eye-dropper.

Mr. Speaker, that is all I have to say about this at the moment, but this matter of sale and distribution of alcoholic liquors is a big business, and no doubt it needs quite a lot of control, but if the thing is controlled to the extent where the revenue or profits accruing to the province will be less

than they expect, then it is possible that what they have in mind, like the goose that lays the golden egg, or the goose that followed the Gander, there will be no golden eggs anyway. But in any case, it seems to me that the thing that we are after is to increase the revenue of the province, that their purpose will be nullified by the very fact of the restrictions and the cost of the commodity to the consumer.

MR. HIGGINS: May I ask a question? If flasks are to be used, and probably they had better not be used, would care be taken to see that the old system as carried out in the days of Responsible Government and the days of Commission that flasks should be half bottles, be carried out now. In other words, if you have a half bottle of screech, you have a flask of twelve ounces, or if you have a half bottle of any other liquor, you have thirteen ounces. Now I notice that up on the mainland they are selling flasks, that is, half bottles, and they are only ten ounces. Once this did happen here in the days of Commission of Government, when they ran short of bottles and they had the flasks, and they only allowed me two flasks, and called it two bottles. They went very quickly, and I measured it and found it was ten ounces, so I called the Board and I told them that was fraud, because we always got a flask as half a bottle. They said, oh, we did not say it was half a bottle. I said, no, but you put it out. I saw the Attorney General, the late Sir Edward Emerson, and I told him, and he agreed with me, and he told the Commissioners that it was fraud, and it was never sold afterwards. But I do not think it right, if you

sell flasks as half bottles and not as under half-bottles, I did not like that system on 'he mainland.

Now, again, is there any protection made for men like Mr. French, and those other gentlemen who are serving in the various Controller's departments, because I found those men most obliging, kindly and most efficient, and I trust some protection will be made for them and they will not be put out of their jobs, or that their jobs will not be lessened in any way. I pay a particular tribute to a man like Mr. French, because I found him always very efficient, and above all, very kind, and would go to a lot of trouble, and I also found the gentlemen who served in the various Controller's departments the same.

MR. SMALLWOOD: I am very glad, Mr. Speaker, to give that assurance to my honourable and learned friend that the staff of the Board need expect no dismissals; as a matter of fact, I am rather glad that my honourable and learned friend raised that point. I do not suppose in all the history of this Island any government has had such a thoroughly good record in that respect. We have not fired one unless the employee proved dishonest or something of that character. We have not played politics with the Civil Service. We have the finest record of any government in the history of Newfoundland, and with regard to the employees of the Liquor Board we anticipate no dismissals whatever, unless it be for dishonesty or something of that character, and we do not know anyone who is dishonest.

MR. POTTLE: Mr. Speaker, I would like to say a word before I

am obliged to leave the House for another meeting. I should not like to let the second reading of this Bill go without making one comment. The Opposition has referred in terms to this as being big business. It is indeed big business, and big business has seen to it in one way or another that the frailties of men have been exploited for considerable profit. The Government has taken a realistic stand. On his business, pernicious or otherwise, and it seeks to set greater restrictions and controls about a situation which would otherwise be definitely and socially undesirable.

Now, what I want to say is this: That we stand here this afternoon and discuss this matter as legislators should. I should not like to let the second reading of the Bill pass, Sir, without drawing attention to the fact that we are here primarily as legislators but we are also citizens of this province, responsible citizens of this province. We are parents, at least that is another role we carry out; and I should like to say this, that the Government is not only aware of this fact, that while we look for great things from this Bill we shall not expect, I hope, too much. It is restrictive; it is regulatory, if you will, but regulations themselves, as both side of the House well know, will not achieve all things that in our hearts we desire. This is the control of this business, the most generous term to apply to it, the control of this business is a community matter; it depends upon the attributes of everybody, whether he is inside a beer parlour or outside of it, and I refer to the attitudes in our

homes, and with deference to my colleague, the Minister of Education, in our schools, and I should say this is one aspect of control, this is one aspect of social education about this business. But all of it must go on as education in our homes. Any one who has sat in a juvenile court, or in a senior court, knows what horrible tragedy festers upon this business. Now this business in itself may not be the cause in itself, because we are aware that it may be effect as well as cause.

Likewise, it does not stand alone. There are social conditions which go hand in hand with drinking, drinking to excess. I should say that the Government is well aware that this Bill, while it has the possibilities of good things in it, has also limitations and we are not unaware that of the fact that a law like this will increase responsibilities for those of us who are fathers and mothers, that they will set an example for their children which will be praiseworthy both in this day and in the days to come; that their responsibility continues upon this Act and by any other Act of its kind in our schools, that there, whatever may be done, whatever can be done, should be done to reinforce what we are attempting to do here; that here we have a situation which at its best is not good and at its worst is unspeakable. We accept the situation and set up proposals that will make the business tolerable and as practicable as possible, and under the law we shall possibly be not too disrespectful or unrespectable. I repeat, Sir, that this Act has positive virtues, but the Government is not unaware that there is a vast social responsibility upon all par-

ents and all schools which we hope they will bear in their respective roles.

MR. CASHIN: Mr. Speaker, I do not think I should let the second reading of this Bill pass without making some comments. Way back in 1917, I think, prohibition came into effect in Newfoundland, around that time I know, during the First War. It came in by plebiscite; the people were given an opportunity to vote for prohibition; they voted for prohibition. And, following that, people, in order to get alcohol—whiskey, gin, rum, or anything else—had to go to a doctor to get a prescription. For four or five or six years that system was carried on in Newfoundland, and in 1924 that Act was repealed and a new system was brought in. The Act has been repealed and amended many times to date, and the the present Administration or whatever government would be in power in Newfoundland will find that, apart from the subsidies we get from the Federal Government at Ottawa, that the revenue you acquire from the control and sale of alcoholic liquors, beer, wine, gin, rum, and everything else in the real, the only, revenue you are getting. In other words Mr. Speaker, the revenue which we are deriving today in a lot of cases is coming from people, people's unfortunate position, in this way: You sell them the liquor, and the poor unfortunate creature gets drunk, and he is hauled up and brought before the magistrate tomorrow and he fines him for buying it and becoming drunk.

Now, I have asked questions on two or three occasions in here with respect to the amount of liquor

brought in the country, and amount of liquor brought in the country, and amount of water added to it, the invoice cost of the liquor, what it is being sold for, and I have been told it is not in the public interest to say so. And today I went and I got the Blue Book which gives you the imports and exports of all commodities that came into Newfoundland prior to March 31st, 1948, because the Blue Book for the fiscal year 1949 is not completed, and the honourable the Minister of Finance has told me on many occasions that it was not in the public interest to tell me how many gallons of rum was imported and the invoice cost. Now this is a public document, and according to this, last year, that is, 1948, there were 252,076 or 252,078 gallons of rum imported into Newfoundland, which cost \$732,406. In other words the cost was nearly \$3.00 a gallon. Well, now, I made enquiries from people who have been in this rum business, and I discovered that they put about another gallon of water into a gallon of rum. Consequently you find that for the \$750,000, the invoice cost, you make 500,000 gallons of rum, and consequently the rum costs \$1.50 a gallon, and you the Government, or we the Government, or we the members of the Legislature, are buying in a commodity at \$1.50 a gallon and selling it for somewhere in the vicinity of \$18.00 a gallon. And then we are told about the profiteering of certain merchants dealing in commodities. Why, Mr. Speaker, I respect the Premier for being a teetotaller; I am sorry that I have not been a teetotaller myself all my life. I am one of those individuals who cannot take a drink without mak-

ing a fool of myself, and I am not afraid to come in here and say that, but because I know that there are all kinds of people in Newfoundland, and abroad, who are in the unfortunate position that this liquor makes a fool of them, destroys the men, destroys the home, destroys the family, and right here in Newfoundland during the past fifty years I know some of the finest men this country ever produced that have been destroyed and their ability lost to the country because of this cursed liquor, and tomorrow, Mr. Speaker, if I could do it, if I had the power, I would destroy every single thing that goes to make up this curse of liquor.

Particularly in Newfoundland during the past eight years of nine years things have gone from bad to worse. Our youth are being destroyed. You cannot go to a night-club, if we have such a thing here; you cannot go to a tavern—we have, the Premier says, dives in this community. They are in Canada too, plenty of them, right in the city of Montreal. I suppose I know that city of Montreal probably better than any other member of this House. I lived in Montreal for ten or twelve years. The Premier when he visited Montreal probably saw the nicest parts of the city, but I can tell him in the east end of the city of Montreal, you find the lowest dives in creation.

Or take Chinatown in Vancouver, and you will find the same thing. And I say, Mr. Speaker, and I am not ashamed to say it, that this Bill that is brought in here by the Premier this afternoon is nothing more than—he says it is a temperance Bill—my honourable friend the member for St. John's

East said it is a revenue Bill, and the proof of it is that in recent months, I think, the Government has taken off the restrictions and now you can go in and buy as many bottles of rum as you like.

MR. SMALLWOOD: We did not do that.

MR. CASHIN: Well, someone did it, and I am informed the Commission of Government did it before they went out. I am informed on most reliable authority that there are bootleggers.

Now I know bootleggers. I know all about them. When a man takes a drink, Mr. Speaker, and he should not take it, he will go to hell to get another one, and these bootleggers here in the city of St. John's and other sections of this country are nothing more nor less in my opinion than vampires and should be wiped out. Now the Commission of Government and this Government is carrying on that programme; people are permitted to go in and buy eight, ten, fifteen, twenty bottles of rum, whiskey or gin, or whatever it might be. In recent months, since this Government assumed office, I know this to be true—I was told about it last night—a man went into a liquor store during the day—here there are two or three of them—and bought sixty-eight bottles of rum, took it away; he was a known bootlegger. An officer of the law visited his place, knowing he used to sell it on the sly, and took it. The fellow came to town, went to his lawyer, and the law had to hand it back to him.

Now I maintain, Mr. Speaker, that there is only one way to have decent drinking in a community.

If I want a drink and I am able to take a drink I should go into a tavern or a bar and buy that drink and come out again. In England you have not got a Government control over the bar, and since prohibition in 1917 to 1918 in Newfoundland, if you check with the statistics of these Blue Books you will find that each succeeding year we were importing and selling more liquor than we ever did under the old system of bars, because an ordinary man went down town and he wanted a drink and he went into Strangs or he went into Pat O'Shea's or he went in to Bairds or wherever it was, and he had his drink socially and he walked out. But today, in order to get it he has got to buy a bottle. Now the Government has control of it and are using it in order to make money for the Government, and we become a party to the disruption which liquor creates in certain homes in this community. True, true I say, that we are going to have the unfortunate people amongst us no matter what we do, but this liquor business is now the only piece of real revenue that the Government has apart from the subsidies that they get from Canada, and the Government is driving it, driving it with all the force they can, in order to sell more liquor, and I notice I think in the paper a couple of days ago that despite the fact that we shoved fifty cents a bottle on screech, there is more of it bought now than when it was \$2.50 a bottle.

MR. SMALLWOOD: Less.

MR. CASHIN: Well, did I not notice in the Telegram yesterday

evening—although we cannot put any reliance on anything that appears in the Telegram, because it never told the truth yet—but if my memory serves me right the “Evening Telegram” yesterday evening or a couple of evenings ago, said that the liquor sales were up now three or four hundred per cent from what they had been.

MR. SMALLWOOD: Will you allow me—

MR. CASHIN: Yes.

MR. SMALLWOOD: The annual sales, I understand, are down—

MR. CASHIN: Good.

MR. SMALLWOOD: But the less sold has given us more money.

MR. CASHIN: You slapped on fifty cents a bottle extra, that was the position. Now I am supporting the Bill. There is nothing else left for me to do, unless Mr. Speaker, if I had the Government tomorrow I would wipe out this Government control business altogether, and I would go back to what we had forty years ago, in the general interests of the community. Nothing like so much drunkenness. Now you have the bootleggers; you would have the odd she-been, like we did have in the past, but until you get back to the old system, and I believe there are many members in this House who will agree with me, if you go back to that old system, and give licenses to decent people, and those people who sold liquor in the past were pretty respectable; if a fellow went in with a couple drinks too many he would not get another one. I have seen people go into these

barrcoms, thirty-five or forty years ago, nearly, and they would not be served a drink because they said, “You have got enough already, get out.” I have seen that, and my friend the honorable Leader of the Opposition this afternoon pointed out something about treating. I remember, Mr. Speaker, I will try to be a little bit humorous, because I am serious about this liquor thing, I would destroy every bottle of rum that is in the community today if I could do it and knew that there was no more that could come into the country and that no subsidies could come in its place. Now you could hardly believe that, and someone might call me a hypocrite, but I know well what it is, know all about it, and from experience I speak.

But with respect to treating—Archbishop Howley way back in 1909 or 1910 influenced the Government at that time, around that time at any rate, to put in an anti-treating law, and well do I remember coming in from the ice in the spring of 1910 with a couple of fellows who were with me at the seal-fishery, one fellow belonged to Renew's and another to Fermeuse, and I remember we went up to Nash's—Nash had a pub just a little west of where the Bank of Nova Scotia is at the present time. Now my father was in politics at that time, and Mr. Nash was opposing him, and the three of us went in to get a drink; I was not drinking in those days, and I ordered two rums for them, and a bottle of lemonade for myself. “No,” said Mr. Nash, “I am very sorry; you cannot have a drink,” and your old man was the cause of putting it on or had

something to do with it," because he was opposed to him politically. And the anti-treating law was in effect in Scotland, or it was in the First World War, if my memory serves me right. However, today you cannot treat anyhow because there is no such thing as a bar. But as I said a moment ago, Mr. Speaker, there is too much liquor drunk in Newfoundland at the present time. There is beer first. One of our former chairmen of the Commission of Government called the people of St. John's West beer-guzzlers, and I agree in a sense; there is too much beer-guzzling done in this country.

An HON. MEMBER: A million gallons a year.

MR. CASHIN: A million gallons a year of beer drunk, and 250,000 or 300,000 gallons of rum, or half a million gallons—250,000 or rum plus 250,000 gallons of Windsor Lake added to it. It is a six to seven million dollar business that is going to be handed over to two or three individuals tomorrow or the next day. Whether or not they have any business ability I do not know, but I do say that a six million dollar business is some business, and they should have—whoever would be charge of that, should not be in my opinion, any party political heeler thrown in there just because he was a supporter of a political party. It should be a sound business man, who knows his business.

Now I think I have said all I am going to say today in connection with this liquor business, and I think I have made myself quite clear that if I had my way, and I

have not, I would send this business back to to where it was in 1917, when it was taken away, and put the responsibility for the morality, so to speak, of our community generally throughout the country, back on the shoulders of the people who when they did have it, because all governments right down through Responsible Government, Commission Government, Provincial Government, are going to prostitute and use this rum to get revenue. They do not care, Mr. Speaker, about the poor unfortunate creature up in Tank Lane somewhere. Tomorrow if he goes down and pays \$3.00 for a bottle of screech, they are going to make their profit out of that. They do not care whether his family is going to suffer or not, and this Bill tells you so. They will put them in gaol and fine them another \$5.00 the next day. Why not put that back on the private individual and tax him for his licence and get the same revenue therefrom? That could be done; however, that is not going to be done.

I do not believe in mincing words, in connection with this liquor thing, because I have seen too many people suffer. I have seen too many fine men, and fine women; and in the past eight or ten years in this country women have gone to the dogs just as much as the men in connection with liquor. And furthermore, there should be some—apart from this Bill altogether—that in connection with this thing there should be some treatment for alcoholics, alcoholic people, people who cannot touch liquor. There should be special treatment by the Government for those people.

They are not a disgrace, because these people are sick. He cannot drink rum; he cannot drink whisky; he cannot drink gin; he cannot drink beer without taking one drink—he has got to have a hundred, and there should be some kind of an institution for treating such people throughout the length and breadth of the country, but particularly on the Avalon Peninsula. Right here in the city of St. John's, particularly; in Corner Brook particularly; in Grand Falls particularly. I mention these industrial centres because they are where the money is made, and they are towns where a great deal of it is spent. In one industrial centre in Newfoundland today, a million dollars a year is spent on drink.

Someone is going to say, "Begar-ra, that cannot be Cashin. He is gone religious or something" when I am talking this way. But, Mr. Speaker, I was never more sincere in my life. I never meant it more in my life—I have talked politics, yes, but—I am getting up in years to talk about it now, but this thing—I hate to see revenue coming into the treasury of the country brought about by degradation and poverty-stricken people, because that is what is means. However, the Bill is there. It is the best that can be done, unless the Government adopted the policy of handing it back to the people from when it came in 1917. Now, the people that took it away from these people in 1917, where are they and all their successors today? Where are they? Do you see them coming up in the papers now, abusing the Government about selling liquor? No, but in those days a man that sold rum, and sold it decently,

mind, he was abused. He was the worst creature you could see. Where are the other people now? They are selling it themselves, some of them are bootleggers.

Mr. Chairman, as we go through this Bill, section by section, there might be an occasional amendment, but the general principle of the thing is practically adopted now, and as far as I am personally concerned, I have made my remarks in connection with it. It is nothing to me one way or the other. I hope and trust that next year the revenue derived from liquor in Newfoundland will be \$50 instead of two million.

MR. JACKMAN: Mr. Speaker, while I realize what I might say in connection with this Bill will not have any effect whatever with regards to its being passed, nevertheless I would like to make an open confession here, something like the Premier did in his opening remarks. I do not think there is anyone in this House, or out of it, who has had more experience with alcohol than I have; if it is any honour to attain that, I spent about thirty years trying to find the best brand I could get. Coincidental with the issuance of unlimited permits, I quit drinking, and for that reason I am going to be ever grateful to the Liberal party of Newfoundland for making a teetotaler of me I am opposed to this Bill because, like has been said by my colleague here and Mr. Cashin, or I should say the honorable and gallant member for Ferryland, that this Bill is not a Bill designed to curtail consumption of liquor in Newfoundland. This Bill is designed for the sole purpose of getting revenue to try and balance the

budget under the terms of Confederation with Canada. That is the main purpose of the Bill. If the Bill was designed for the purpose of cutting down liquor, being now a teetotaler, I certainly would support it.

In regards to liquor consumption, I do not care either what the papers say, but I can say this much, since the institution of this open permit insofar as Bell Island is concerned, consumption of liquor has gone up at least 100%. I checked on that, and I checked on it from the proper authorities, the bootleggers over there, hundreds of them. Now that is all I have to say on this measure, apart from saying this, that I place myself here publicly on record, that I am deadily opposed to the Bill on the grounds that it is purely designed for revenue purposes, and if it was designed for a temperance purpose, I would support it.

Bill read a second time. To be referred to Committee of a Whole on tomorrow.

Second reading of a Bill "An Act to Provide for the Regulation of Public Utilities."

MR. SMALLWOOD: It was not proposed, Mr. Speaker, to have a night session tonight, and in view of the fact that this Bill to which we have just given the second reading is so voluminous and will require such a lengthy period in the Committee of a Whole, I think that I might refrain at this moment from moving second reading of the Public Utilities Bill, and for that reason, move that all remaining orders of the day be deferred.

MR. HIGGINS: We have not got a copy of that Bill.

MR. SMALLWOOD: I did think it was here today, but I shall undertake to have it distributed tomorrow.

All remaining orders of the day deferred.

House adjourned until three of the clock on tomorrow, Friday.

Friday, November 25, 1949.

The House opened at three of the clock.

Presenting Petitions:

Honourable the Attorney General presented a petition from the Twillingate Telephone Electric Company Ltd., asking that the Company be granted the exclusive right to operate a local load line telephone system in the town of Twillingate.

On motion it was ordered that the said petition be referred to a select committee.

Notice of Motions and Questions:

MR. MILLER: I give notice that I will on tomorrow ask the Honourable the Minister of Natural Resources to table a list of all applications and grants made, if any, for mineral rights in the Province by Mainland Companies or subsidiaries thereof, local Companies and for private individuals. Have grants been made to Companies presently holding reserved areas? Does the Government collect any fees on such reserves? What, if any, economic improvement has been developed in our mining industry.

I give notice that I will on tomorrow ask the honourable the Attorney General is it a rule of the R. C. M. P. that its men cannot serve in their native Province. If so, is any request for exemption to this rule being made on behalf of members of the Newfoundland Constabulary absorbed by the R. C. M. P.

I give notice that I will on tomorrow ask the honourable the Minister of Public Works to lay on the table of the House a copy of all correspondence as from date of Union to present date, relative to the proposed construction of a bridge on Placentia Gut showing estimated cost if available, the name of designing engineers and the cost of their services.

HON. JAMES R. CHALKER: (Minister of Health): Mr. Speaker, in answer to question number 96, to ask the Minister of Health to table a statement showing the number of Cottage Hospitals built during the present year—the places such Hospitals were constructed and the cost of each Hospital. Is it the intention of the Government to extend the Cottage Hospital programme the coming year—if so, where are Hospitals to be built—what will they cost and give the location and accommodation of each hospital.

No Cottage Hospitals have been

constructed during the present year.

It is at present the intention of the Government to construct Cottage Hospitals the following four places during the coming year: Port aux Basques, Channel, Springdale, Fogo, and Ferryland District.

No decision has as yet been reached as to the accommodation of these hospitals and therefore no costs can be given.

From previous experience it is thought that a hospital of fifteen beds will cost in the vicinity of \$120,000.

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Speaker, I rise to answer a question asked by the honourable and gallant member for Ferryland, number 97, and addressed to the honourable the Acting Administrator of Work Relief. The Administrator has submitted the following information; the question under consideration is to table a statement showing the number of men employed in each district on relief work—giving a statement of specific work being done. Also to inform the House the names of the various individuals who have been appointed in the various districts to supervise the work and what remuneration such individuals are being paid.

Have any special instructions been given these supervisors to make special efforts to repair

storm-damaged properties—such as breakwaters, boats and other fishing equipment necessary for the successful prosecution of this main industry.

I beg to reply as follows:

In the electoral district of White Bay: 6 men employed but no paid supervisor at present.

Projects: Repairing roads.

Green Bay: 201 men employed. District Administrator: William Dalley, Springdale. Salary: \$150.00 per month.

Projects: Repairing road; improving school and church grounds; beautifying community hall grounds; repairing cemetery fence.

I may say, Mr. Speaker, that there are three classes of officials supervising or inspecting the work done: District Administrators, who are paid \$150.00 per month; there are district supervisors, who are paid at the rate of \$160.00 per month; and there are four regional administrators who are paid \$200.00 per month.

Grand Falls: 1 man employed—No paid supervisor.

Projects: Repairing roads.

Twillingate: 86 men employed—Regional Administrator: Clayton Sansome, Twillingate. Salary \$200.00.

Project: Repairing roads; cutting right of way and placing telephone lines; repairing bridges.

Fogo: 183 men employed—District Supervisor: Fred C. Hicks, Carmenville; salary \$160.00 per month.

Project: Rebuilding 57 miles of road which has not been touched for 20 years; by end of Nov. 31

miles of local roads will have been completed with an average labor value of approximately \$500.00; painting inside of two schools in wet weather; 300 yards of new road constructed enabling children to get to school; new bridges constructed; ditching done; rocks blasted from road; secondary road completed.

Bonavista North: 353 men employed—District Administrators: Ira Pritchett, Gambo; Augustus Oldford, Burnside; Alphaeus Stanford, Wesleyville. Salary: \$150.00 per month each.

Project: Opening river at Cape Freeles to relieve seasonal water pressure on main bridge; repairing local roads; improving school and cemetery grounds; cleaning out reservoir at Greenspond; cutting winter trail for conveyance of mails from Wellington to Trinity.

Bonavista South: 171 men employed—District Administrators: Arthur Harris, Bonavista; Llewellyn Prince, Princeton; Salary: \$150.00 each.

Projects: Repairing roads, improving and beautifying school grounds; reforestation project.

Trinity North: 178 men employed—District Administrators—Willis Thomas, Hodges Cove; George G. Bartlett, Trinity. Salary: \$150.00 per month each.

Projects: Repairing, improving and ditching roads; beautifying school and church grounds; cutting brush and winter trails.

Trinity South: 526 men employed—District Administrators: Ruben Thomas, Hant's Harbor; Samuel Rowe, Chance Cove; Victor Marsh, Green's Harbor. Salary: \$150.00 each.

Projects: Repairing roads; beautifying church and school grounds; repairing cemetery fence; grading Community Hall grounds; cutting firewood for widows.

Carbonear: Bay de Verde: 269 men employed—District administrators: James Gear, Northern Bay; Max Morris, Lower Island Cove; Hubert R. Howell, Carbonear. Salary: \$150.00 per month each.

Projects: Ditching for pipe line; repairing roads and bridges; improving and beautifying church and school grounds; installing septic tank and laying pipes for sewerage and water supply to school in Victoria.

Harbour Grace: 321 men employed—District administration: J. M. Ash, Harbour Grace, Solmon Gosse, Spaniards Bay; Salary: \$150.00 per month.

Projects: Repairing roads, building retaining wall; beautifying church, school and cemetery grounds, removing obstructions and deepening river to avoid seasonal flooding and also to provide swimming pool at Shearstown; constructing skating rink.

Port de Grave: 111 men employed—District administrator: Elmer Reid, Clarke's Beach. Salary: \$150.00 per month.

Projects: Repairing and improving fish-drying facilities on beach at Cupids; digging public wells; improving church, school and cemetery grounds; repairing roads; cutting drains and ditching; building bridges; repairing seawall; cleaning surroundings of Guy Memorial.

Harbour Main—Bell Island: 145 men employed—District administrator: Thomas R. Moore, Avondale. Salary: \$150.00 per month.

Projects: Repairing roads; improving and beautifying church and school grounds; putting in concrete culverts in secondary roads; cutting firewood for widows.

St. John's East and West: 505 men employed—Regional administrator: John Ash, St. John's proper; District administrators: John Tricco, St. John's West; Ernest Driscoll, St. John's East; Salary: \$200.00 (Ash); \$150.00 each, per month.

Projects: Repairing roads and bridges; ditching; improving General Hospital grounds; grading city school grounds; building rinks; putting up retaining walls; terracing school grounds; grading and improving church grounds; clearing water course at Bowring Park; repairing fishermen's slip for boats (Portugal Cove); improving property of Memorial and Public Library (Pouch Cove); preparing grounds for skating rinks.

Ferryland: 342 men employed—Regional administrator: Augustus Green Cape Broyle. Salary \$200.00 per month.

Projects: Improving playgrounds; repairing roads; constructing new road; putting up concrete retaining wall; improving church and school grounds; digging public wells; changing course of river to supply water to number of families; repairing fences; blasting roadside boulders.

Placentia-St. Marys: 388 men employed — Regional administrator: Ronald Lannon, Placentia, South-east; Salary: \$200.00 per month.

District administrator: Peter Nash, Branch; Salary: \$150.00 per month.

Projects: Repairing roads, improving and beautifying church, school land cemetery grounds; extension of water system in Branch; doing extensive repairs to bridges in St. Bride's.

Placentia West: 198 men employed—District administrators: John Brenton, Marystown; Samuel Williams, Tack's Beach; John Rose, Merasheen. Salary: \$150.00 per month each.

Projects: Repairing roads, improving church, school and cemetery grounds; clearing public water supply; procuring firewood for indigent poor.

Burin: 174 men employed—District administrator: Harold Petten, Grand Bank. Salary \$150.00 per month.

Projects: Repairing roads and bridges; beautifying church, school and cemetery grounds; cutting wood for widows; repairing retaining walls to roads; preparing site for nursing station.

Fortune-Hermitage: 257 men employed — District administrators: Byron Barnes, Harbour Mille; Clayton Sheppard, Rencontre East; Samuel Blagdon, Boxey; Edwin Hollett, Hermitage; Augustine MacDonald, St. Albans. Salary: \$150.00 per month each.

Projects: Cutting timber for local roads and bridges; improving church and school grounds; cleaning out public wells; procuring fuel for indigent persons.

Burgeo-Lapointe: 13 men employed—no paid supervisor.

Projects: Repairing roads; improving and beautifying church and school grounds.

St. George's-Port-au-Port: 14 men employed—no paid supervisor.

Projects: Repairing roads.

Humber: 1 man employed — no paid supervisor.

Projects: None reported.

St. Barbe: 269 men employed—District administrators: Henry Genge Anchor Point; Clyde House, Port Saunders; Percy Payne, Parsons Pand; Octavious Taylor, Curzon Village; Salary: \$150.00 per month each.

Projects: Repairing roads. Work projects in St. Barbe District started in various communities during past few days only.

Labrador: 111 men employed—District Administrators: Leo O'Brien, Lance au Loup; Gordon Chubb, Lance au Clair; Salary: \$150.00 per month each.

Projects: Repairing roads; cutting trails; procuring firewood; cutting material for bridges; building retaining walls for Pinware River. (Labrador report refers only to Staits of Belle Isle Area).

Copies are here to be circulated, Mr. Speaker.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, in reply to the honourable and gallant member for Ferryland, "Has any individual been appointed by the Government to the position of Librarian to the House of Assembly." The name of the lady appointed is Miss Elizabeth Jeffers. "If any appointment has been made give name of the person and the

the salary being paid." The salary is \$1,800 a year. "Has the position been advertised in the local press?" No. "If so, table a copy of such advertisement as well as applications which may have been made for the position." It is not a civil position. The Librarian is not an established civil servant and is not pensionable, and the appointment is made by the Internal Economy Commission of the Legislature, but as there was and could have been no Internal Economy Commission until the House met and was appointed by His Honor the Speaker, the Executive Government undertook the appointments of a number of officials of the House and Miss Jeffers is one of them. "What are the qualifications necessary for such a position? Does the question carry with it the eligibility for a civil service pension? No pension. Qualification; I would not undertake to state the technical qualifications of a librarian. I have a vague notion of what a librarian does, catalogues the books, indexes them, and arranges them on the shelves, takes care of them, sees that they do not leave the building; if they do, only in the possession of a member of the House, and upon taking a receipt from the member. "If so such appointment has yet been made." It has. And that I think covers the whole of the question. I might say, in connection with the Library, that we are, if it is proper to say so, we are including in the amended Estimates an amount, speaking from memory, of \$2,000 a year for the purchase of books. The Library is nothing to boast of at the moment. When the Commission of Government came here in 1934 this building was taken over by the De-

partment of Natural Resources; this very chamber was used by the Department, as was the chamber next door, and all the rooms and offices of the building were used by same department. The Legislative library was removed and went into the custody of the Commissioner for Home Affairs; it was rather scattered; some of the books were taken to the Public Library, some were kept in the vault of the Home Affairs Department, some were taken to the Department of Education, and some, I believe, were removed to the attic of the Court House. Our task, on taking office, was to gather the books together and put them in the Library upstairs, but the fact of the matter is that two-thirds of the Library consisted of pure unadulterated trash; some of the volumes of the Statutes of the State of Tennessee or some other state in the Southern States—not even a series of Statutes, but for the year 1883, the Statutes for Tennessee, and that sort of thing, filling whole shelves. The really valuable books of the old Legislative Library simply disappeared, just disappeared. I know that in that Library there were some pretty rare and valuable Newfoundland books. In the riot which occurred here in 1932 this building was occupied by the enemy—if I may so describe them—

MR. CASHIN: It was invaded—

MR. SMALLWOOD: Invaded and occupied, and the books were taken outside here, outside the building and bonfires made, and some of them disappeared in that fashion; others disappeared, a lot of them, in a rather more orthodox fashion,

by which I mean that there were certain people who were very poor accountants but excellent bookkeepers, and some of these books are not to be found, I am afraid, but if one looked in the right places one would find them now in certain completely unsuspected home, and other places, in St. John's. However, we are going to make a strong effort to make a fine library that will be of value to every member of the House. I have asked one department of the Government of Canada to collect for us all the interesting and valuable publications of all the departments of the Government of Canada and they have promised to do that, and then I am asking a number of provinces to send their printed material and of course such things as Year Books and the like, and our friends of His Honour the Speaker, Beauchesne and May and Campion and the others, so that we can all become more familiar than we are with parliamentary rules and procedures and principles and practice, and generally to make that library a useful institution, open all the year around for the service of members of the House. I think there used to be in the old Legislative Library when Miss Morris was the librarian the practice of opening it to the public for certain restricted hours of the day. When we get a real library here, and when the House is not in session, perhaps even then for part of the day, it might be advisable to open the Library to the public. The need for that is not as great now as it was before because we have, of course, the very fine Public Library that started since those days. I do not know that there is anything I can add. The librarian is,

I believe, going to go to the Public Library for a while. I understand she is not a trained Librarian in a technical sense, but a cultivated and cultured educated lady, and the technical skill that she ought perhaps to have can, I think, be acquired in a few weeks at the Public Library after the prorogation of this House.

MR. JOHN. G. HIGGINS (Leader of Opposition): Mr. Speaker, on the matter of the Library I would like just to say one word. I do not think any of the books were destroyed in the riot; they were mostly newspapers. But the books were destroyed afterwards, because they were put around everywhere. I remember I raised a complaint down there; there were books of very great importance passed around. I saw them myself, and they were put under the shelves here, and were taken away, and I wondered if by any possibility there is any part of the House yet which has not yet been searched. I mean there was a report around the other day that a lot of important documents were found under the stairs out in the front. Now I do not know if that is true or not. Now books are getting very scarce. I know it is just as well to forget trying to get any books from Canada on Newfoundland, because I was speaking to the librarian at Ottawa the other day, and he told me he is finding it terribly hard to get Newfoundland books, and I saw when I was over last year in England I called the bookseller from whom I bought a lot of Newfoundland books; he is a man who has been dealing in books of the British Commonwealth for many years; he told me "Na,"—this was Ed-

wards—"NO," he told me, "No they are hard to get; you got the pick of them the last couple of years and nowadays it is terribly hard." And I told that to the librarian at Ottawa. Now if there are any books around here, any old furniture—I can tell you candidly that there is a lot of old furniture over around *Government House* too. If you go into the attic there I am sure you will find a lot, and that stuff should be taken out.

AN HON. MEMBER: Is it over there now?

MR. HIGGINS: It should be there. It was there.

MR. CASHIN: If MacDonald did not take it away.

MR. HIGGINS: It was there before the last Governor came, I know. There has been an inventory. I do not know what has happened to it since. But that should be taken out and placed here. There is some wonderful old furniture over there. But I think we ought to make a search of this place here. I am sure there must be a place where there are some good books still around here.

MR. SPEAKER: Are there any other answers to question?

HON. H. W. QUINTON (Minister of Finance): Mr. Speaker, I have answer to the question number 88, asked by the honorable the member for Ferryland, which I should like to table. The figures necessarily will be round figures. Part of the question is "The total revenue of the province from April 1st, 1949, to October 31st, 1949. This revenue not to include

amounts received from the collection of Income Tax and Profits Tax for the year 1948. The total revenue for the period April 1st, 1949 to October 31st, 1949, excluding income and profits tax collection, Finance Department, General \$655,000; Gasolene tax, \$589,000; Transition Grant, Clause 13 Terms of Union, \$4,875,000; Dominion Government Subsidiaries, Clause 11 Terms of Union, \$1,155,000. Total \$7,275,000 under the heading of Finance. Provincial Affairs, \$19,000 round figures. Education \$74,000.

MR. CASHIN: This is expenditures?

MR. QUINTON: This is income. I will supply the honorable gentleman with these. Justice \$26,000; Natural Resources, \$200,00; Public Works \$767,000; Public Health & Welfare, \$376,000; Board of Liquor Control \$1,450,000; and Supply \$530. Now the total expenditure of the Province from April 1st, 1949 to October 31st, 1949, Interest on Public Debt, \$470,000; Finance \$992,000; Provincial Affairs \$293,000; Education \$2,515,000; Justice \$755,000; Natural Resources \$890,000; Public Works \$4,192,000; Public Health & Welfare \$5,728,000; Board of Liquor Control \$92,000; and Supply, Department of Supply, \$37,000. The total expenditure for the period under reference is \$15,902,000.

MR. CASHIN: And the total revenue, you say?

MR. QUINTON: The total revenue \$7,275,000. It is not possible at the present time to give the total capital expenditure for

the period under reference. Of course, the honorable member will appreciate that the period is a part of the fiscal year.

MR. CASHIN: Yes.

MR. QUINTON: It does reflect the actual turnout at the end of the year. Now the honorable member asked for a statement showing the total amount of income tax and profits tax collected from April 1st, 1949, to October 31, 1949, on account of income and profits taxes for 1948. The amount is \$8,676,000. The total amount to the credit of the province in the Bank of Montreal in Newfoundland as at October 31st, 1949, the total amount of the Exchequer balance in the Bank of Montreal at the end of October, 1949, was \$20,548,000.

The next question, "The total amount of the credit of the Province deposited with the Canadian Federal Government at interest, and also giving the date when such deposit was made." The amount on deposit with the Federal Government to the credit of the Province at the 25th of November, 1949, was \$15,000,000. This amount was deposited on November 2nd, 1949.

MR. CASHIN: Excuse me, Mr. Speaker. Might I ask the honorable the Minister—the amount you first gave to the credit in the Bank of Montreal of \$21,000,000, that was at October 31st.

MR. QUINTON: That is right.

MR. CASHIN: And now the \$15,000,000 that is gone to Canada is taken out of that, I take it. Therefore at the present time—on October 31st there was nothing to

the credit of the Province in Canada.

MR. QUINTON: That is so.

MR. CASHIN: Therefore you would have only \$6,000,000 down there now, unless there is revenue.

MR. QUINTON: Well, there has been something come in, yes. It is an increasing amount, I am glad to say. The next part of the question refers to the amount of Reserve Fund—well, it is called in the question the Surplus—of the Newfoundland Savings Bank as at the 1st of March, 1949. We call it in the reply the Reserve Fund of the Newfoundland Savings Bank, as at the 31st March, 1949, \$1,037,000. The amount of interest-free loans in the United Kingdom is \$9,068,000. As already stated, in reply to question 68, to which this matter had some reference, a request for payment of this amount has been submitted to the United Kingdom Government by the Newfoundland Government, and in the light of this action no consideration is as yet being given to conversion of the sum advanced through interest-bearing loans. The credit balances in the United Kingdom as at the 31st October are as follows:

Newfoundland Exchequer account	£309,000
The reserve for debt retirement, being cost of bonds plus int.	880,000
Agency Accounts	71,000

I believe there is another part of the question, the last paragraph of question 89, to which I have not got the reply.

MR. CASHIN: Have you the total amount to the credit of the Board of Liquor Control at the present time, there at the Bank.

MR. QUINTON: We put an amount as revenue in the—

MR. CASHIN: I know but the Board of Liquor Control has certain credit balances in the bank, undoubtedly, and it all goes to make up the surplus as at October 31st.

MR. QUINTON: Yes that is number (3), "The total amount to the credit of the Board of Liquor Control in the Bank in St. John's, Newfoundland, at the present time." That is the question. I am sorry I have not got that information this afternoon, but I shall have it for the honourable member by Monday, Mr. Speaker, with one or two other points that are not answered in this question.

MR. CURTIS: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill "An Act to Amend the Public Enquiries Act, 1934." This has nothing to do with search for books of the Library.

Orders of the Day:

Committee of the whole on Bill "An Act to Provide for the Regulations and Sale of Alcoholic Liquors."

Section 1 read and passed.
 Section 2 read and passed.
 Section 3 read and passed.
 Section 4 read and passed.
 Section 5 read and passed.
 Section 6 read and passed.
 Section 7 read and passed.

MR. CASHIN: Mr. Chairman, there three individuals, whoever they are—the Chairman is an all-time job; for the other two people it is not an all-time job. I remember in 1924, when the Alcoholic Liquors Act was amended under the Monroe Government they appointed three members of the Board. One was made Chairman, and the other two were members of the Board. Well, for the three of them it was an all-time job at that time. I do take it now that under this Act and you appoint three it is an all-time job, because according to what we have already passed is specifically states that the Chairman is an all-time job and the other two may or may not be an all-time job. Now, what is it?

MR. CURTIS: Under Section 5 the Lieutenant Governor in Council can fix the salaries.

Section 7 passed
 Section 8 read and passed
 Section 9 read and passed
 Section 10 read and passed
 Section 11 read and passed
 Section 12 read and passed
 Section 13 read and passed
 Section 14 read and passed
 Section 15 read and passed
 Section 16 read and passed
 Section 17 read and passed
 Section 18 read and passed
 Section 19 read and passed
 Section 20 read and passed

MR. HIGGINS: In section 20 no action can be taken, and then in the next paragraph "The Board may, with the consent of the Attorney General be used and may institute or defend proceedings", but only with the consent. In other words, there are some parts of the

law which are very archaic. For instance, you cannot take certain proceedings unless you get the permission of the Attorney General to do it. They should be done away with.

MR. SMALLWOOD: Are they not, in Ottawa right now, liberalizing that? The Crown may be sued, or something. Is there not something of that sort?

MR. HIGGINS: Yes, that is the Crown, that is a different thing. A lot of Departments can be sued because the right is specially given to do it, but according to Common Law the Crown cannot be sued. Well now, in Canada they changed that some time ago, and actions are allowed to be taken against the Crown for negligence or matter of that kind, in the Exchequer Court, but we have not got that here, except we will have it when the Exchequer Court is appointed. But ordinarily—take for instance the Railway; the Railway is owned by the Government—I am talking about the old days, and if anybody was killed by the Railway negligently there was no action. Now you remember that Mr. Dawe was killed by the Railway at Holyrood, and the jury found that the people on the train were negligent, but the Court held that in spite of that judgment had to be given for the Railway because the Crown could not be sued, because the Crown could do no wrong. That is an archaic thing and it should be done away with.

MR. MILLER: We may find some things here which may not be practical when the Act goes into practice, and consequently any clause which narrows down the rights of

an individual I do not think it is right to leave it in. And consequently that section (2)—after all the Board can be wrong, and they could do things which would be obnoxious, say, to communities, and there should be an appeal from that. No authority should be higher than the Courts. I think that is altogether too great a power to give to any body of men other than the Courts of the country.

MR. HIGGINS: A person is specially allowed to take an action against the Government for claims arising out of a contract, provided that one month's notice is given to the Attorney General of the intention to take the action. For instance, if the Government owes me \$10,000 for certain work, well I can sue the Government on that provided that I give the Attorney General one month's notice that I am going to take the action. Now in this case, if a man is dismissed, wrongfully dismissed, or alleged to be wrongfully dismissed, he cannot take any action against the Board, or against the Government in other words, without the consent of the Attorney General. Now in other cases all you have to do is to give notice to the Attorney General, so that he can enquire into the matter. Supposing we leave those two paragraphs open, and go ahead?

MR. CURTIS: Section 8 covers the point does it not?

MR. HIGGINS: The Lieutenant Governor in Council may appoint, but not dismiss.

MR. SMALLWOOD: Mr. Chairman, I have read the two clauses. Section 20 1) and (2) and section 21. These sections only say that with regard to things done by the

Board under a power to be given them by this very Act no one shall have a right to sue them. And surely while there might be cases in which that might be a hardship, but it must certainly be that if the Board refuses a licence, for instance, or having granted a licence it then cancels it, it may be that it lays itself open to an action. The very purpose of the Act itself—for example, if a shop is selling extracts in an amount and to an extent to lay itself open to the strong suspicion on the part of the Board that it is trafficking in extracts for the purposes of intoxication, could not the Board have the right to shut them up, so far as the trafficking in essences is concerned, and the shop should have no redress whatsoever, except to stop selling it, and be lucky they did not land in gaol. Now there are two cases. There may be other cases—

MR. HIGGINS: I know what the intention is, which is quite right. In other words, in carrying out the ordinary routine of this Act they shall not be liable for anything that they do in their discretion, refusing license or anything of that kind. But this is so drastic that it applies to everything.

MR. SMALLWOOD: Well, if the Act itself is lawful, it will be lawful, and if in pursuit of their duty imposed upon them by an Act which itself is law, should they be sued?

MR. HIGGINS: Oh, yes. If they want to dismiss a man, for instance.

MR. SMALLWOOD: He would have redress; he could go to the Lieutenant Governor in Council;

he could come to this House. He could have it by the permission of the Minister.

MR. HIGGINS: Yes, he would have redress by permission of the Minister.

MR. SMALLWOOD: He would have it without permission, to the Lieutenant Governor in Council, and to this House. He would have, with permission, to the Courts.

MR. HIGGINS: Only by permission of the Minister, and if the Minister refuses he would have no redress

MR. SMALLWOOD: Well, if we could sit down now and think of a number of instances such as the honourable and learned Leader of the Opposition suggest, as examples, we could put them in as exceptions, that without permission of the Minister they could sue. Wrongful dismissal is one thing. Now if we could think of some others. But generally we ought to give the Board exemption.

MR. HIGGINS: I agree with you. I know what the intention is. But this is very drastic. I think we might go ahead; we might find Leave 20 and 21 out and we will go ahead.

MR. SMALLWOOD: Let those stand?

MR. HIGGINS: Yes.

Section 22 read and passed.

Section 23 read and passed.

Section 24 read and passed.

Section 25 read and passed.

Section 26 read and passed.

Section 27 read and passed.

Section 28 read and passed.

Section 29 read and passed.

Committee rose, reported progress and asked leave to sit again.

MR. SMALLWOOD: Mr. Speaker, I think we might go onto the last item on the Order Paper, second reading of Bill "The Veterans' Land Act."

H O N. EDWARD RUSSELL: (Minister of Natural Resources): Mr. Speaker, this Bill, copies of which have been distributed to members, together with copy of proposed agreement—the principle of the Bill concerns two points. First, that the Minister be authorized to enter into an agreement with an official of the Dominion Government called the Director, the Director of Veterans' Land Act. That is referred to in Section 3 of the Bill. The other point is that the Lieutenant Governor in Council may, after that agreement has been made, reserve certain areas of provincially owned land for the purpose of carrying out the agreement, and that the Minister of Natural Resources may from time to time make grants in fee simple from those reserved areas to the Director; that is, the Director of the Veterans' Land Act at Ottawa. Now in order to make the House fully aware of or bring them up to date on things which they probably know quite well already, I would like to explain one or two things about the proposed agreement.

In 1942 the Dominion Government passed a Veterans' Land Act. It was one of several measures that the Government of Canada adopted in anticipation of the time when the veterans would be returning from overseas, but we are concerned only with this one particular

measure they adopted, the Veterans' Land Act. It provided for certain forms of assistance to be given to veterans who would wish to re-establish themselves by settling on the land. There were three different offers to be made to veterans under this Act. One of them was in Section 9. In Section 9, and it is still in force, a veteran may borrow up to \$6,000 in order to help re-establish himself on the land. He does not have to pay it all back. In fact, there are some details about it we need not go into now, but it amounts to the fact that he has to pay back two-thirds of it with interest, three and a half per cent, over a period of twenty-five years. That was Section 9.

Now under Section 13 he could borrow a little more than \$4,000 for the same purpose, and repay it all in twenty-five years at three and a half per cent interest.

Under Section 35 any and every veteran could obtain an outright grant of \$2,320 in order to help re-establish himself on the land—and outright grant; it would not have to be repaid at all at any time. I may add here, because there is another thing I may have to mention in a few minutes, that the Dominion government, knowing quite well that there would be a great many veterans who would not be interested in re-establishing themselves on the land at all; they would just come back and go to work in the offices or factories, or wherever they had been working, made an arrangement whereby they would equalize the benefits they were going to give to veterans by making some provision

for those who would not seek to be re-established on the land at all. So they set up what they called Re-establishment Credits for veterans based on the length of service that each veteran had in the armed forces. The result is that today—today for us, but three or four years ago for Canadians on the mainland—a great many of the veterans drew out their re-establishment credits in varying amounts, according to how long they had been in the service, some for the full period of the War—I think the Re-establishment Credit came to about \$1,200; that is the maximum—some drew out those credits and others took advantage of Section 9 or 13 or 35 of the Veterans' Act.

The position our veterans find themselves in, after becoming Canadians, is that they too are eligible for the Re-establishment Credits, depending on the length of service. Yesterday I saw a Veteran and talked to him and he showed me proof that he has a Re-establishment Credit of more than \$1,100 available to him, but there has been some delay in paying out those credits, because many of our boys instead of wanting to take up their credits would probably prefer to derive some benefit under the Re-establishment schemes as outlined in the Veterans' Land Act.

Now in order to allow those of our veterans who wish to take advantage of Section 35, an outright figure of \$2,320 assistance in establishing themselves, in order to allow them to take advantage of that it is necessary to do two or three things, all of which are referred to in the Bill.

The first is, it is necessary to enter into an agreement. This document here is not necessarily a final draft of the agreement; it has not been signed yet; it is very nearly, if not exactly, the agreement that the Bill proposes to be signed. It has been worked out, not exactly like the basis of the agreement between the Federal Government and the governments of the other provinces, but very near it. There is no standard, hard-and-fast agreement laid down as in the case, for instance, of the Tax Rental Agreements. There is a little latitude allowed for each province to try to arrange to have the conditions probably softened or changed a little in order to see you see, the point is that veterans all across Canada, no matter what province they may live in, should all be given equal opportunity to re-establish themselves in civil life. Therefore, whereas it may be all right, for instance, for an agreement concerning one of the Prairie provinces to say that the land in question shall not be less than one hundred and sixty acres; that would be absolutely out of the question in the Maritime Provinces and quite prohibitive here. So that there are no such hard-and-fast laws as to acreages and so on, and in fact I believe that in some respects we may have an agreement here a little more lax if anything than any other province has, because if you will turn to page 2 of the proposed agreement, page, the fifth paragraph, called 3(1)(B)—a veteran will be considered—his application to get benefits under this agreement will be considered according, as it says, to the suitability of each settlement enterprise, and a settle-

ment enterprise, by the way, is not a land settlement or a big community; it is the enterprise of one settler settling down on one piece of land; "as to the suitability of each settlement enterprise after taking into account terms of occupancy, the suitability of the land for agricultural purposes, for forestry purposes, for the production of fur, as a working base for commercial fishing, as a home site contiguous to seasonal or permanent employment opportunities or for a combination of any of these purposes."

In other words, it is just barely possible under that clause that a Newfoundland veteran may be re-established on the land and obtain benefits under Section 35, even if the piece of land he re-establishes himself on has little or no agricultural possibilities at all. This agreement, tentative as it is, but I believe it is almost in final draft, was worked out recently by two officials from Ottawa who came down especially for the purpose and were met by two officials, Messrs. Badcock and Murray from Natural Resources Department, and I think we have an agreement here which is not exactly like those of other provinces but a little more suited to our needs. We found the officials from the Federal Government were anxious to see that it was suited to our needs, as nearly as possible, because, as I mentioned a few moments ago, Mr. Speaker, the aim of the Federal Government is to see that all veterans get equal treatment, no matter where they live. Now, if this Bill then is passed, it will authorize the signing of an agreement, exactly in this form or very, very much like it.

The next point in the Bill, sections 4 and 5 combined, make it necessary, if we are to derive, our veterans are to derive, a benefit from this agreement, for the title to certain pieces of land, the pieces of land on which veterans settle, it will be necessary for the titles to be vested in the Director for at least ten years. In other words, here is what the Director says. He says it, and in his position, being responsible for the hundreds and millions of dollars being allocated to veterans, for their good, but he has this authority given him, in order to insure that it would not be thrown away, that the veterans will get it and make the best use of it, and that if they make a mistake, and go on the land when they should have gone at something else, the mistake will not be irretrievable; there will still be a way for the public interest being safeguarded and the veteran probably being allowed another chance at something else; the Director says this: "I want the title to the piece of land to be vested in me. If it be Crown land now owned by the province I would like a grant in fee simple of that Crown land to me, on the understanding—it is made quite clear in section 5, subsection 2 of the Bill—that I use it for no other purpose except settling a veteran on it. In other words, if veterans do not use it, it will revert to the province again. If veterans use it for a while and then abandon it, there is provision in the agreement whereby the province can get it back again, although they should, under the agreement, reimburse the veteran for the improvements made on it—reimburse the Director rather for the improvements made on it.

Now, I think that outlines the main principle, the purpose of the Bill. There are several thousand veterans who could possibly benefit from it, and at \$2320, if we begin to visualize all veterans taking advantage of it, it will run up into a sum probably in the neighbourhood of \$10,000,000. Actually, it will not be anything like that at all. The Premier just reminded me of fishermen. I hope when I read this on page 2 of the draft agreement, fifth paragraph: The land in question may be just used "as a working base for commercial fishing, as a homesite contiguous to season or permanent employment —"

In the case of Newfoundland, it is not only for agricultural purposes, but it may be even in respect to a piece of land with no agricultural possibilities at all, but a little point or a little place on the side of a cove where a fisherman can establish himself, built his fishing property, assisted by this grant, and prosecute the fishery. Now all our veterans will not qualify, and I would like just to explain the exceptions.

In the first place, a great many veterans may prefer not to take advantage of Section 35 at all. They may prefer to take advantage of Section 9 or Section 13 and get a loan. By getting a loan they can get a much larger amount; they have got twenty-five years to pay it back, and the rate of interest is very low, but we have already, from our contacts with veterans found out that there is something about them—they do not like this idea of getting this loan; they would rather get a grant, free, even though the amount is smaller. The thought of having to

pay back a loan at so much a year, and incidentally they know that the Director means business when he says that it must be repaid at so much a year over a period of twenty-five years. And the thought of having to repay a loan in the face of a bad fishery, or a crop failure, although a few are interested in it, yet there are a great many who would prefer section 35. That is why I am bringing the Bill here today. But there are some who would prefer sections 9 and 35, and therefore they will not benefit from this; they will benefit from the other schemes instead. There are a great many who prefer their re-establishment credits, to take their re-establishment credits and continue on in their work, probably as clerks, or civil servants, or teachers, or whatever work they may have been doing before they went Overseas. They will not derive any benefit from this, unless—let us suppose a Newfoundland veteran has already taken out his re-establishment credits and spend them or used them to buy furniture or some other things. Remember, quite a few of them did that within the last eight months. If he changes his mind and would prefer to take one of those schemes he may do so, but he has to repay the re-establishment credit that was given him—repay it, an then become eligible for the whole scheme just as if he never received it. But a great many of our boys, as a great many on the mainland, would prefer to take their re-establishment credits and to continue in other fields of occupation rather than settle themselves right on the land as fishermen or as fur farmers or as operators of small enterprises. So, many

will do that. At the moment there is a tendency in a great many cases—quite a few re-establishment credits are being frozen by the Dominion officials until they find out—just to give the boys a chance to make up their minds as to what they want to do.

A third group, who will not benefit, cannot benefit, to the extent of \$2,320 each are those who have already received assistance from the Newfoundland Government before this date. Now that is a very interesting point. I know of thirteen hundred, at least, thirteen hundred veterans who have been given assistance, re-establishment assistance, by the Newfoundland Government. Hon. members will remember the booklet "When You Come Home"; a great many of the things mentioned in that booklet have been since carried out. A great number of veterans received vocational training, some academic training, some—about a hundred—were given a great deal of assistance by being established, or partly established at the moment, on a land settlement in the Upper Humber. A great many others have received assistance in land clearing; others—this fact may be interesting—seven hundred boys received assistance averaging about five hundred dollars each; about three hundred received assistance to take part in small enterprises, in saw mills and wood-working factories, and things of that sort. Now all these will not be able to derive the full benefit of the \$2,320, for this reason; it has been established that they should either repay them or else receive \$2,320 less what they have already received. I will tell you the reason why that was done. It was done in

the case of veterans in a great many of the other provinces; there were, in one other province I have in mind at the moment, there were a great number of boys established with the help of provincial funds on the land before they went overseas; a great deal of provincial money had been spent to establish them; when they came back they naturally applied to have the \$2,320 assistance, but it was ruled, "No;" that would put them in a special class, and so the precedent was established on the mainland and it is of course applied here as well. Naturally it is quite fair. This is not an agreement between the Federal Government and the veterans, the one aim being to see that all veterans get equal opportunity to civil life. Our boys who have had a certain amount of help now will get the rest, which will make them equal to those who had no help at all. For example, the fishermen who received \$500—and seven hundred of them have—will now be eligible for a further \$1,800. Quite a number of fellows who received assistance in land clearing up to between six and seven hundred dollars will be eligible for the balance. I should say off-hand that at least thirteen hundred veterans will be eligible for assistance varying from \$1,600 to about \$2,320.

But again a rather unfortunate element enters in now. A great many of these will not be eligible for a cent, may not be eligible for a single dollar, because the title to the land on which they settle must be vested in the Director, and unless some of them apply to be re-established on Crown Lands, which of course the Government will facilitate in every possible

way their efforts to obtain the right to settle on Crown Lands; as soon as a veteran tells us about a piece of Crown Lands he wants we will immediately have it reserved by the Lieutenant Governor at once, as quickly as we can persuade him to do it, and I know he will do it as quickly as possible, but have the title to that land immediately vested to the Director so that the Director can get in direct touch with the veteran and get him established as quickly as possible, but there is a great deal, as I am sure all honourable members know, there is a great deal of confusion regarding titles, and in a great many cases, even if the veteran himself is partly established on a piece of land and wishes the additional benefits, and is prepared to say "Here I will give my title back to the province for the province to give to the Director so that I can get the other \$1,600 or \$1,800," he probably could not do it. It is rather fortunate, but I am afraid there may be quite a few veterans who will miss the full benefits of this for that reason.

But, Mr. Speaker, it was rather a pity in one respect that we could not bring the actual agreement here so that we would know exactly what the nature of the agreement was that is going to be signed. This, I believe, is the final thing, but it may not be. On the other hand, if the agreement had been signed first and the Bill brought in to ratify the agreement would have then been no opportunity for debate on the merits of the agreement itself, and I trust that either in committee or during the debate on second reading any constructive suggestions which

may improve either the agreement or the Bill could be brought in I would appreciate it, and I move the second reading.

MR. HIGGINS: Can he get the \$2,300 and the loan besides?

MR. RUSSELL: I believe he can get \$2,320 and a loan besides. Some have done that. I note on the first page of the draft agreement, the second "Whereas," it says there, in the third line,

"notwithstanding any other provisions of the Act and subject to regulations made under the Act the Director may grant an amount not exceeding \$2,320."

They can get this notwithstanding any other provisions of the Act. Well, that would include the provisions of Section 9, which makes provision for a loan. I believe that can be done.

MR. HIGGINS: I presume that if a loan is made he has twenty-five years to return it, that if he pays before the twenty-five years he will get title. I presume that is right, is it?

MR. RUSSELL: Under the loan?

MR. HIGGINS: Yes.

MR. RUSSELL: Section, I am sure of that. I was informed this morning, and I was surprised to hear it, that somebody who had applied for the loan of \$6,000 also had the benefit of the \$2,320, but this is just in passing.

MR. HIGGINS: I see, he can only get the money. Well, now, there is a provision here about ten years' occupancy. Now does that mean that when the veteran has served the ten years on this land

that he is absolutely entitled to it. I mean there must come a time when a veteran becomes absolutely entitled to the land.

MR. RUSSELL: Yes, see the top of paragraph on page 3, of the agreement, last three lines.

MR. HIGGINS: Yes, I see that. Well, now, supposing he starts to build a house and he finds he has not got enough money, what is the position then? It would be a loss then both to the veteran and to the Government.

MR. SMALLWOOD: The Government sees the plans, and costs, and supervises it. He is not given the money.

MR. HIGGINS: He is not given the money? I see. That is the point. We did not come to that. In other words, with regard to this grant, he has to build in a certain place designated by the Director, and in accordance with the plans and specification designated, and they will superintend the job. Is that right?

MR. RUSSELL: I do not know whether it is right to do this now or in committee, but on page 2 of the agreement is about the committee to be set up. The first act of the Government will be to set up a regional advisory committee. There will be six men, three to represent the Director, three will represent the province; every application for assistance under their agreement will be examined by them, and their terms of reference are laid out in part 3 of the agreement, and they will make their recommendations to the Director as to what assistance he should get, in what form he should get it, and all retails. There will

be three men to represent the province, and three to represent the Director.

MR. HIGGINS: Coming to the point which you mentioned, and I am sorry to say I have to agree with you on that, and that is with regard to the titles. It is unfortunate that practically all the titles in places outside Grand Falls and Corner Brook, probably Bell Island, and St. John's, there is always doubt as to the title, and one may take it for granted that in very few cases, except where there is a Crown Grant there is any proof at all of absolute title, and we may take it that the title is bad; or it may be a squatters title which may become. Well now, the unfortunate part is this, that a veteran may have a chance of getting land and house and barn for a small amount of money, but he cannot get that because he cannot get a title. I know that, because I have already tried to fix up some titles for some people who availed themselves of the Act, the Newfoundland Act—no it was on the Canadian scheme, that is right—and they insist that the lawyer has to certify that the title is a good one, a good and valid one, and each time I had to say that it was impossible. I suppose not even the Lord himself would know some of the titles around Newfoundland.

MR. SMALLWOOD: I wish we had the Torrence system.

MR. HIGGINS: Well, the Torrence system can only come in a new country. You cannot get it in an old county where there are old titles, and squatters' titles and everything else. You could

not possibly have it. The Torrence system is all right in a new settlement; for instance, Western Canada, they just took the whole prairie land and just marked it off; the Torrence system is quite easy. But you go and put the Torrence system in on land here, and you would be going in on the rights of certain people. After all, the right of possession is a very important right. If I am a squatter on land for a year or two years or a month, I have a right to possession of land save against the Crown, the only chance I can get it against the Crown is by sixty years possession. But now in case of places near St. John's, nearby settlements, a man may have a chance to buy land, and I think it would be possible for the Government to approve of the title to that land under what we call "The Quieting of Titles Act." We have an Act here called "The Quieting of Titles Act." I think that Act was brought into existence—

MR. CURTIS: It is too involved.

MR. HIGGINS: Of course, the whole thing would probably cost \$150 or \$100 to get it through. You have to advertise and everything else. But you would get an absolute title to land then. I think it was Canada the Quieting Act started; I think that was the first place it started, and the Cable Company in Bay Roberts desired to buy land there; it was impossible to get an absolute title, and they decided—Morine was acting for them, and he decided to bring in this Quieting of Titles Act, and under that a person wanted to own land, he ad-

vertised in the paper that he was claiming title to all this land and setting out the boundaries and asked that anybody who had any objection to his title or claimed any title whatsoever to file it in the Registry Office or file it with somebody else; if at the end of one month none was filed, he applies to the Court and the Court will give him full title. If anybody objects, well then the case would be tried in the ordinary way. Now it may be possible that this could be done. Of course, it would throw a heavy burden on this Justice Department if they were to do it, but it might be very advantageous, if you could get a property which would cost \$5,000 or \$6,000 to buy to build on, and you can get it for a thousand dollars, it would be worth while trying to get it under the Quieting of Title Act, because many people squat on land and they have not got an absolute title to it, and they would probably go on for years and years unless they try to sell it, and then the question of title comes up; and I was wondering if you try some of those under the Quieting of Title Act it is quite possible there would be no objections and the Court would give a full title.

MR. SMALLWOOD: Well, do you suppose the Crown would advertise.

MR. HIGGINS: Well, the Crown would have to be notified too, of course. Well, of course, the Crown cannot give a title of land to anybody if there is anybody else in possession. For instance, if I squat on a piece of land—of course, since 1934 you are not allowed to squat on land, you are

not allowed to take possession of Crown land that way; it is against the law. But if I squatted on land before 1934, and I was only there for five or six days, and the Crown gave a grant of that land to somebody else, that grant could be set aside on the ground that it was not unoccupied land; it was laid down in the Act that the Crown can give a grant of unoccupied land. Now what the Crown had to do, if there was a man there and he had squatted only a short while, not long enough to get possession, the Crown would have an action against that man for trespass and get him fired off the land and then give a grant. But there must be a portion or two of land outside various settlements which the Crown owns and which is not squatted on. But the main point that I am concerned with is that there have been places. I know chaps have come down to me where they could buy a house and a barn for less than \$2,000, but the trouble is to get the proper title, and I think it would be worth while if the Attorney General looked into that, looked into each particular case, and he might find that it would be possible to help the veteran in a very substantial way, and particularly as the Minister just said you are helping out fishermen, and in a settlement there may be a piece of land on which there may be no dispute until it is sold, and the dispute would only arise then because if any lawyer is engaged he might say, I cannot give an absolute title. And it could be fixed up by the Quieting of Title Act. If you advertise you will probably find that nobody will raise any objections.

HON. JAMES J. SPRATT (Minister of Provincial Affairs): Can a person get perpetual ownership by squatting.

MR. HIGGINS: Oh, yes, by twenty years' possession of a piece of land he claims a right to the land against everybody except the Crown. And then there is to prove the twenty years' possession. I might come into a piece of land and I might fence off a piece of that land and use it; I cannot cast a finger in the air and say: "Here I have taken possession of all that land up on the horizon." It is only land I have actually occupied and used I can get possession of. Well now I use a part of this land for five years; I enlarge it and take in ten more acres for another five years, and then after another five years I take in more. I have squatted on all that land. The only piece that I have squatted on for twenty years is the original piece. So you come to the question of proof, and proof is a very difficult thing at times to get. Because somebody will say, "I have occupied this. Here is my farm. I also used that woodland up there." Well, if you use the woodland by cutting wood now and then, that does not give him a right to the property; he must take it into his possession, his adverse possession; nobody else would have the right to do it. If he goes up and cuts wood, other people can go up and cut it, even though they do not, they can go up and cut it, so the man who has the farm there does not get possession to that, unless he actually fences it and uses it.

MR. SMALLWOOD: Mr. Speaker, we propose meeting tonight to resume the committee of the whole

state on the Alcoholic Liquors Act, so I move now the adjournment of the debate, and then after dinner to-night if any other honourable member wishes to speak in the present debate, the second reading of this Veterans Land Act Bill, he may do so whereupon the vote would be taken, whereupon we could move back into committee of the whole on the Alcoholic Liquors Bill.

Debate adjourned.

Recess taken until eight o'clock tonight.

After recess, 8 p.m.

Veterans Land Act passed second reading. To be referred to a committee of the whole House tomorrow.

MR. SMALLWOOD: I move that the House resolve itself into committee of the whole to consider the Alcoholic Liquors Act.

Motion carried.

Section 30 read and passed.
 Section 31 read and passed.
 Section 32 read and passed.
 Section 33 read and passed.
 Section 34 read and passed.
 Section 35 read and passed.
 Section 36 read and passed.
 Section 37 read and passed.
 Section 38 read and passed.
 Section 39 read and passed.
 Section 40 read and passed.
 Section 41 read and passed.
 Section 42 read and passed.
 Section 43 read and passed.
 Section 44 read and passed.
 Section 45 read and passed.

MR. HIGGINS: With regard to Section (2), I can imagine that if a young man who goes into a store and gets \$500, I can understand

that. But supposing there is a wholesaler here and he sells to a big shopkeeper, a certain amount, and that goes in a few days, he would not be responsible for that. Supposing he sells a thousand dollars worth to some big shopkeeper and that was all sold in one day and used as beverages; well, he would not expect that it would be used as a beverage.

MR. CURTIS: That would be the difficult part.

MR. HIGGINS: That is what I am saying. Supposing that the manufacturer sells to Ayre & Sons an immense amount of extract of lemon or essence of lemon or essence of vanilla and some man comes in and buys \$500 worth. That may not be too much—it may last a year and should last a year; well supposing that is all finished in a few days, why should Ayre & Sons be responsible for that. I mean, a number of fellows come in and violate the Act, but why should the fault be Ayre & Sons'?

AN HON. MEMBER: Is there not a restriction on the sale of essences in the future; under the Federal Law is not the alcoholic content considerably reduced?

MR. HIGGINS: Is that so? I did not know that, I may say that there are two sellers here, and I think both of them would be liable; both Ayre & Sons and the smaller shop-keeper would be liable because both sold it, didn't they?

HON. C. H. BALLAM (Minister of Labour): If sold for beverage purposes.

MR. HIGGINS: They sold it to a shopkeeper who sold it for beverage purposes, so I imagine both

would be liable under this Section. There is alcohol in boot polish too, you know. There is just as much alcohol in boot polish as in vanilla essences; somebody told me there was more.]

Section 45 passed with verbal amendment.

Section 45 read and passed.
 Section 47 read and passed.
 Section 48 read and passed.
 Section 49 read and passed.
 Section 50 read and passed.
 Section 51 read and passed.
 Section 52 read and passed.
 Section 53 read and passed.
 Section 54 read and passed.
 Section 55 read and passed.
 Section 56 read and passed.
 Section 57 read and passed.
 Section 58 read and passed.
 Section 59 read and passed.
 Section 60 read and passed.
 Section 61 read and passed.
 Section 62 read and passed.
 Section 63 read and passed.
 Section 64 read and passed.
 Section 65 read and passed.
 Section 66 read and passed.
 Section 67 read and passed.
 Section 68 read and passed.
 Section 69 read and passed.
 Section 70 read and passed.
 Section 71 read and passed.

(Clauses 48 and 49 were reconsidered but with only verbal amendment.)

MR. SMALLWOOD: Mr. Chairman, it just struck me now, I do not know if it would be acceptable to the House, to the committee—but in other legislative assemblies when they are in committee of the whole, and dealing clause by clause with legislation, it is not the practice for the Chairman to put each

motion, each clause on motion “Moved and seconded that—those in favour say ‘aye’ contrary ‘nay,’ carried.” The practice is this: when the clause is read members say “carried” maybe only one or two members will say it, and the Chairman repeats “carried.” And then the next clause goes on. But if when someone says “carried” anybody else wants to speak he says “no” and then he says what he wants to say and the debate is on, until finally somebody tries it again and says “carried” and if no member wants to speak the Chairman repeats “carried” and goes on. It saves a lot of time in a long Act—a lot of time. And the same thing in the estimates; in the estimates we have thousands of items. The amount of time used in putting that motion for every item is enormous, and when the Clerk reads the item there will be probably twenty carried without any debate, then, possibly a million dollars is gone in the twinkling of an eye. And then some item of a hundred dollars comes up and a couple of more debates may take place on it, but a great saving of time is made by that practice of just saying “carried.” That does not do away with the debate; the debate can still proceed by anyone saying “no”—and then he gets up and makes his remarks and maybe the debate starts right there. When it is finally over someone says “carried” and the Chairman says “carried” and the next clause comes up. I do not know if there is anything in our rules which would forbid that or whether the practice of putting the motion the way Mr. Chairman does it, is mere-

ly a convention of a written rule of the House.

AN HON. MEMBER: "Carried." Does the Chairman say it again?

MR. SMALLWOOD: Well, he repeats "carried." When he says "carried" it is carried. But it will never mean that if anyone says "no" and wants to debate it.

Section 71 read and passed.
 Section 72 read and passed.
 Section 73 read and passed.
 Section 74 read and passed.
 Section 75 read and passed.
 Section 75 read and passed.
 Section 77 read and passed.
 Section 78 read and passed.
 Section 79 read and passed.
 Section 79 read and passed.
 Section 80 read and passed.
 Section 81 read and passed.
 Section 82 read and passed.
 Section 83 read and passed.
 Section 84 read and passed.
 Section 85 read and passed.
 Section 86 read and passed.
 Section 87 read and passed.
 Section 88 read and passed.
 Section 89 read and passed.
 Section 90 read and passed.
 Section 91 read and passed.
 Section 92 read and passed.
 Section 93 read and passed.
 Section 94 read and passed.
 Section 95 read and passed.
 Section 96 read and passed.
 Section 97 read and passed.
 Section 98 read and passed.
 Section 99 read and passed.
 Section 100 read and passed.
 Section 101 read and passed.
 Section 102 read and passed.
 Section 103 read and passed.
 Section 104 read and passed.
 Section 105 read and passed.
 Section 106 read and passed.

Section 107 read and passed.
 Section 108 read and passed.
 Section 109 read and passed.
 Section 110 read and passed.
 Section 111 read and passed.
 Section 112 read and passed.
 Section 113 read and passed.
 Section 114 read and passed.
 Section 115 read and passed.
 Section 116 read and passed.
 Section 117 read and passed.
 Section 118 read and passed.
 Section 119 read and passed.
 Section 120 read and passed.
 Section 121 read and passed.
 Section 122 read and passed.

Committee rose, reported progress, and asked leave to sit again.

The remaining orders of the day were deferred and the Premier moved the adjournment of the House until tomorrow, Monday, at three of the clock.

House adjourned accordingly.

Monday, November 28, 1949.

The House opened at three of the clock.

Presenting Petitions:

A petition was presented by Mr. Drover from Coachman's Cove and Seal Cove, White Bay, re cottage hospital.

MR. HORWOOD: Mr. Speaker, in seconding that motion in support of a petition, I have an observation to make, namely, that up to the present time the public services of this country have not always been distributed strictly to the greatest need. Now, Sir, that statement is innocuous enough, goodness knows, and I shall go further and make it stronger. In the past, as

far as public services are concerned, certain sections of this country have received practically all the gravy, while other sections have been left to pick the bones. The people who settled in places like St. Barb, White Bay, and Labrador, stranded and forgotten in the lonely North, have had to put up with a lot of bone-picking these many years. If now they begin to stir themselves, and to assert themselves, and to raise their voices in the councils of the land, complaining of injustice, complaining of neglect, complaining that some body else walked off with the lion's share, leaving them with the smallest portion, then it should not be a surprise to anybody. I do not mind too much those members of past legislatures, members of past administrations, who acted, I suppose, according to their rights, and according to the expediency of the moment. Perhaps my friend, the honorable member for White Bay might say that it is impossible to blame them too much; I understand he feels rather strongly on the subject. However, I am not concerned with fixing blame, I am concerned only to see that we do not allow ourselves to be hampered, as our predecessors were hampered, by short-sighted over-attention by near-by places with access to our front doors; places, I may say, whose daily complaints hanged like a mill-stone around the necks of our government departments. It is all too easy for us to judge the amount of need by the amount of clamoring we hear. Let us remember the cornerstone of our truly Liberal philosophy Liberal with a big "L" or a little "l" according to whether we sit on this or that

side of the House. As Your Honour is well aware, the honourable gentlemen of the Opposition are fond of telling us that they too are liberals at heart, and we are glad to know that. We are glad to know that they are not dyed-in-the-wood Tories or hard-hearted old reactionaries, but merely sheep in wolves' clothing, as it were. So I say, let us remember the cornerstone of our truly Liberal, our truly humanitarian philosophy, the belief that we are members one of another, that belief that we, in this community of Newfoundland, are all members of the one body, and that if any member, no matter how isolated, no matter how poor, no matter how humble, is made to suffer needlessly, then all the other members will suffer with him. The suffering is, as it were, so contagious that it spreads from the poor to the more prosperous, from the isolated areas to the more populous. We must remember that we have members in outlying places where the incidence of tuberculosis is still 12% of the population, and that may be a surprise to the members of this House to know that, but it is a fact. We must not neglect those people; we must not leave them too much to their own resources, subsisting as they too often do, on the diet of berries and fish, so ably advocated on occasions by the honourable and learned Leader of the Opposition. It is not with any feeling of pleasure, Mr. Speaker, but with a feeling that I am performing my duty and doing what I should, that I strongly support this petition and urge the Government to take all possible steps to expedite the matter.

Petition received.

Reports of Standing and Select Committees:

A select committee to consider the request of the Twillingate Electric Telephone Company for a franchise were appointed as follows:

Hon. the Attorney General,
 Hon. Leader of the Opposition,
 Mr. Makinson,
 Mr. Horwood,
 Mr. Fahey.

Notice of Motions and Questions:

MR. FOGWILL: I give notice that on tomorrow I shall ask the honourable Premier have there been consultations between the Government of Canada and the Government of the Province of Newfoundland with respect to the detailed application of Term 39 of the Terms of Union, relating to public service pensions; if any consultations have taken place between the two Governments to inform the House in detail of the result.

Hon. EDWARD RUSSELL (Minister of Natural Resources): On Thursday last the honourable the Premier, in replying to question number 93 from the honourable Leader of the Opposition intimated that I would shortly make a statement as a supplementary reply to the question. I beg leave to table the following statement:

The Government is fully aware of and greatly concerned over the danger that many of our root crop farmers may be forced out of business by competition from the mainland. Such competition has always

existed but is now intensified as mainland farmers get more intimately acquainted with us as a potential market. The farmers themselves are acutely aware of the situation. They react in two ways. Some of them feel that their position is hopeless—that they can never compete with the mainland—and that they may as well abandon the industry altogether. Others take a different attitude. These have organized themselves into societies—and there are more than 25 of those societies stretching from St. John's to the Codroy Valley. In their society meetings they have studied their predicament thoroughly. Through their delegates they have met with other societies and formed the Newfoundland Farmers Association. This Association has met twice—first at Corner Brook last spring and again at St. John's this fall. It will meet again in February, 1950. They have studied their problem and initiated plans which they believe will solve it. I had the pleasure of attending their fall meeting. Delegates were there from Codroy Valley, Robinsons, Cartyville, Cormack, Eastport, Lethbirdge, Brooklyn, Shearstown and many other places. They were a group of level-headed, intelligent and determined men. They have pioneer spirit, native common sense and the readiness to adopt themselves to modern methods. They are not going to be driven out of their industry by competition or by anything else—at least not without a struggle.

They have formed a marketing board of five men: Colin Bull from Eastport, Herbert Sparkes from Shearstown, Cyril Lester from St. John's, Harold Guzzwell from Cor-

mack and Percy Legge from Robinsons. This Board has appointed a full time manager—Harold Halliday, a young man with farming experience and business ability. He is to carry out the plan to which the thousand farmer members of the Association have pledged themselves. Briefly their plan is this: Each of the 25 or more agricultural societies has a Secretary, and every farmer in the Society will keep his Secretary supplied with up to date information as to the stocks of produce on hand which he wishes to sell through the Association.

The Secretary will not try to sell those stocks. Instead he will compile an up to date total list for his Society and forward the list to the Manager of the Association. The Manager will thus be supplied with the up to date overall list of all available produce in the hands of all Societies cross the Island.

The Manager contacts buyers and arranges sales. He then consults his list and instructs the Secretary of some Society near the buyer to fill the order. All payments are made to the Manager. He deducts a small commission for operating costs, holds the balance for a while to allow for possible buyer's claims for readjustments, then remits the money to the local Secretary who pays the farmers. It is their intention to have regular settlement periods and to equalize prices in somewhat the same manner as does NAFEL.

On Friday night last week I held a meeting in my office to enable the representatives of this Marketing Board to meet and exchange views with some of their biggest prospective customers.

Purchasing agents of the paper companies attended as did several of the Island's largest wholesale buyers of farm produce. The discussion was frank and thorough. The type of service that local farmers must give to capture and hold the local market was discussed from every angle—price, quality, variety, availability, packages, appearance, business ethics—everything. If any lingering doubts existed as to the exact nature of the Association's problem this meeting must have removed them. As each requirement was stated by the buyers, the farmers' representatives were asked: "Are you able, through your Association, to meet this requirement?" and to each question the farmers replied as once did Zebedee's children—"We are able." The Government is grateful to those wholesalers who gave of their time and ability at the meeting. There need be no doubt in the minds of anyone that our wholesalers will patronize local producers whenever possible.

The economic laws that govern local farming are immutable and each law has a grim penalty clause. The penalty is death—economic death. It is economically suicidal to spend \$2.00 or \$2.50 to produce a sack of potatoes when a sack of similar quality can be produced in P.E.I for \$1.00 and freighted here for an additional fifty cents. The cost of such production must be lowered.

It is suicidal for a farmer to ship his produce in part carload lots instead of combining with his neighbours to fill the car and cut his freights almost in half. Cooperation is neither a philosopher's dream or a subject for controversial debate. It is a sheer ne-

cessity. Farmers must co-operate or perish.

It is suicidal for a farmer to do without farm machinery simply because his farm is too small to justify the capital outlay. Again the absolute need for co-operation in joint ownership of the tools that modern industry demands.

It is suicidal as well as criminal to sell blighted potatoes to a northern merchant or a logging camp for winter-keeping purposes—or to give short weight—or to stock up a wholesaler and then sell at a reduced price to his prospective customers. It is folly to ship Avalon Peninsula produce to Corner Brook while West Coast produce is coming to St. John's. C.N.R. freight rates are and will remain on a mileage basis. Here for your information are some sample freight charges on potatoes:

To St. John's per 100 lbs. from	Carload lots	Part carload lots
St. Andrews	42c	65c
Deer Lake	34c	53c
Alexander Bay	22c	41c

Farmers cannot afford to waste money in unnecessary mileages.

The Newfoundland Farmers Association through its Marketing Board is geared to meet and eliminate all this waste, dishonesty and inefficiency. We have already helped them to set up their organization. We shall help them further.

We cannot and we will not use public funds to subsidize inefficiency but we can and will help our farmers to become more efficient.

We can and we will encourage them to clear more land—not alone to give them increased acreage but also to enable them to practice efficient methods of crop rotation. We can and we will encourage them, and, if need be, plead with them in the interests of soil fertility and soil conservation.

We can and we will advertise the programme of the Farmers Association so that other farmers may join it and the general public may give moral support to the all-out effort of their fellow Newfoundlanders.

We can and we will encourage the Association to kick out any farmer or any Member Society which betrays the Association by dishonest practices. We can and we will help them by improvement in getting facilities so that the Association may be able to stand confidentially behind its quality guarantees.

We can and we will protect them against unfair trading practices (if such practices are proven to exist). This is not narrow provincialism. Our farmers are Canadians and every Canadian is entitled to a square deal from every other Canadian.

We can and we will accept all invitations to attend their meetings and conferences and give them all available encouragement and technical advice. We can and we will welcome each and every suggestion as to how we can increase our help—whether such suggestion comes from the farmers themselves, or from members of the Opposition, or from the public.

It is as true today in Newfoundland as it was two thousand years ago in Judea. It is as true of farm-

ers as of politicians that service is the only road to true success. The farmers, through their Association, are determined to give that service and we, as their Government, are proud to stand beside them. They are not going to be forced out of business. They are going to help themselves to stay in business and we are going to help them do it.

HON. LESLIE R. CURTIS: (Attorney General): Question number 99—Is it a rule of the R.C.M.P. that its men cannot serve in their native province. If so, is any request for exemption to this rule being made on behalf of members of the Newfoundland Constabulary absorbed by the R.C.M.P.

Answer to the first part—There is no such rule.

Answer to the second part—Covered in first part.

MR. RUSSELL: I beg leave to table reply to question number 100 directed to me by the honourable member for Placentia East.

Question 1. To table a list of all applications and grants made, if any, for mineral rights in the province by mainland companies or subsidiaries thereof, local companies and/or private individuals since date of Union. Does the Government collect any fees on such reserves.

Answer: No grants for mineral rights have been issued since April 1st, 1949. No reservations have been made in the Island since April 1st, 1949. No fees are collected by the Government on the reservations at present in force in the Island. No applications have been rejected during question but some are now being considered.

Question 2. Have grants been made to companies presently holding reserved areas.

Answer: No.

Question 3. What, if any, economic improvement has developed in our mining industry.

Answer: Over a year ago a new ore body was discovered at Buchans by Diamond Drilling. It is located about 1500 feet North of the present workings. The actual tonnage of this ore body is not known at this time but it may be taken to be substantial enough to effect materially the life of the operations. Besides the underground and surface explorations of the area immediately in the vicinity of the present workings, the company is engaged in an active programme of field exploration of the country to the South and Southwest of Buchans, being the area covered in the Agreement between the Government and the Anglo-Newfoundland Development Company, Limited, and Buchans Mining Company, Limited.

HON. E. S. SPENCER (Minister of Public Works): In regard to question number 101, Mr. Spencer, this question has just come to my attention for the first time; it is obvious I have not been able to deal with it. I shall endeavour to get the answer in due course.

Orders of the Day:

Committee of a whole on the Bill "An Act to Provide for the Regulation and Sale of Alcoholic Liquors."

Section 122 read.

MR. HIGGINS: Mr. Chairman, this matter was left over in order

that we might investigate further about the question of penalties. As a matter of fact, I am sorry that the matter was not left over longer because, we could go over this Act very much more carefully, and we should. Now, this Act in its sense is a brutal Act; I mean it is a negation of law in one sense; in other words the burden of proof is put on the person and not on the Crown. In other words this law is really a makeshift; it differs from the ordinary law because it is so easy to evade, and as a matter of money for the country it has to be carried out as strictly as possible. Now, the only thing we can do is to try and make it as little illegal, or as little as possible the breaking of the ordinary fundamental rules of liberty. Now, I am perfectly aware that parts of this Act must say that a lot of them are very illegal. But we have been carrying on for the last twenty years or twenty-five years the Alcoholic Liquors Act; this is practically the same, and there has been no complaint because of the proper administration of the law. In other words it must be carried out in a commonsense way, if this law is strictly adhered to, you would be making criminals of everybody, I have been a criminal long ago; I should have been in jail; I should have been fined, I admit that. If a man brings a bottle of smuggled liquor into my house, I am not going to break it up; I am not going to throw it out. And very often you have to put liquor in decanters, and that is breaking the law. Now, nobody has been brought up for that. I have never seen a case of that at all. Even if you have a defaced label

on a bottle in your house, you are not brought up about that. It is only when you go out in public, and the police arrest you for being drunk, and find a defaced label on the bottle, and then you are arrested; and you are probably arrested then because he presumes you bought it at a bootleggers.' Now I said it is illogical in the penalties. In one case a penalty for—so far as I can see if you give a present of a bottle of liquor to somebody you can be fined at least \$20.00. If I give liquor to a drunken man, I am only fined a dollar. Now that is very illogical; the other way round it would be all right, but it is the same as the old law. But in going over the Act I have found a couple of things, and I am going to ask you to go back, and that is with regard to the question of "knowingly." Now, you take in the case of section 65 (2):

"No vendor or licensee nor any employee of any licensee shall knowingly allow any person under the age of twenty-one years to enter, be in or remain in any store, lounge or tavern."

That is perfectly all right. If he is under twenty-one he should not be allowed in there, and that should be an offence. But it is necessary for the Crown to show that he was under twenty-one, and that is usually done by having the man in Court and looking at him, and seeing if he looks over twenty-one. But now you come to 69 (1)

"No person shall sell, give or otherwise supply alcoholic liquor to any person who has not reached the age of twenty-one years."

Well now, why should he be fined in that case if he did not know.

I mean, if a man comes into my tavern and he is under twenty-one, I am only found guilty if it can be show that I knew he was not twenty-one—maybe from his physical look, but if I supply liquor to him, the Crown does not have to prove that I knew he was under twenty-one, and I am immediately liable to a fine. Now in carnal knowledge cases, where there is a girl under sixteen, you must prove that the man knew she was under sixteen, and that is by her physical look; some people look very much older. Some person drew my attention to this: Suppose a chap has been fishing down on the Grand Banks for a month or two and comes in with a half beard on his face; say he is nineteen, he looks older than he is, and he goes in and buys liquor at a tavern, well the tavern keeper immediately becomes liable. So I think the word "knowingly" should be put in that section.

MR. CURTIS: If the honourable member will refer to paragraph 69 (3), he will see that it covers that.

MR. HIGGINS: I am sorry. I thought I saw that the other day, and today I went through it in a hurry downstairs, and I could not find it.

Then with regard to that section where the permission of the Attorney General must be obtained before an action can be taken. If I have an action against the Board, I must make application to the Attorney General for permission to take the action, and if he deems it proper he writes the word "Fiat," "Let it be done." Now that puts everything at the discretion of the Attorney General. The present At-

torney General, so far as I know, is a man who would not refuse in a proper case, but it can be refused, and it is very strange that in the Telegram, published that day, they were using the very same argument I am using; the difficulty of a private person obtaining a fiat when he wants to sue the Crown can be judged by the fact that there have been numerous cases where Canadian governments, both federal and provincial, have grossly abused the fiat system to place themselves above the law, and then it goes on and cites a number of cases where a man was found guilty and sent to gaol, and afterwards somebody else was found guilty, and he applied for leave to sue for damages and the Attorney General refused to give the fiat. As a matter of fact, I think this is wrong. I do not think you sue the Crown; I think you apply for compensation, and the Attorney General gives a fiat to let you get compensation. I do not think you sue the Government. Anyway, that is usually the rule in England, that if a man is sent to gaol wrongfully—remember it must be shown afterwards; in one way he would not have a claim is that, if the verdict of the jury is correct; that is all; that is the end of it. If the jury brings you in guilty, you are guilty, no matter if the judge thinks you absolutely innocent—but the Court, in the case of murder, for instance, would draw the attention of the Attorney General that they think the verdict unreasonable. Now if afterwards it is found that the man is not guilty and he has served his term, it is the usual rule to give an ex gratia payment. That is hardly ever refused. There have been a few cases in

Canada where no compensation was given to a person at all. Now having thought that over, yet I do not see how you can correct it, although I raised an objection, because you might put in there that this does not apply to an action of damages for wrongful dismissal or something, but you might draw the line there and there might be other cases which might come up, so I think we will have to depend upon the discretion of the Attorney General, although I must admit that I can't imagine an Attorney General who would follow the strict letter of the law and refuse a fiat under any circumstances; I do not know how you can get over that, so it is just as well to leave it as it is.

With regard to the other matters about the penalties, they are illogical in many cases, but no different from the other Act.

There is one thing, section 62 "no self, his clerk, servant or agent shall have to keep alcoholic liquor not obtained by him on his individual permit from the board. Now presume that if I buy a bottle in Ontario and I bring it down to Newfoundland, I am breaking that section. Is that illegal?"

HON. J. R. SMALLWOOD: (Prime Minister): Yes, it is one of the strange things, and it may turn out to be a very useful thing for Newfoundland in connection with the preservation of certain local economic activities, that a province has the right to forbid entry to the products of another province. It is usually believed that the B.N.A. Act says that the product of a province may not be barred by another province but shall enter freely into any other

province. Well, it does not say that at all. The word is not "freely" but "free." The products of one province shall enter free to any other province within the Union, and "freely" is not the same as "free," and indeed the Privy Council, has decided that "free" means without impost, without the imposition of an entrance tax, a Custom or such like tax, but it does not mean they shall enter freely, and the result is this, that liquor or beer product in one province may, and indeed frequently is, forbidden entry by another province. Consequently, in Canada today there are provinces which have a law to this effect, that no beer other than beer brewed within its own boundaries shall be sold or held or possessed in that province. Other provinces do not go quite so far, but give the local beer or liquor a financial preference by ordering that the beer or liquor from other provinces shall be sold at a higher price, but some do go to the full extreme of prohibiting entry. Now, I heard the Prime Minister of Canada himself, in the House of Commons, in February of last year, this year, when the Terms of Union were being debated, the Leader of the Opposition, Mr. Drew, raised the question of the clause in the Terms of Union which permitted the sale and manufacture of margarine in Newfoundland, but forbidding its movement from Newfoundland into other provinces. Mr. Drew pointing to that clause, said it was a denial of section one hundred and something or other, I forget the exact number, of the B.N.A. Act, to which Mr. St. Laurent replied at once,

that the Leader of the Opposition was quite wrong because it does not say it shall enter "freely" but shall enter "free". And then he went on to say that he had a rather embarrassing situation arise in his own apartment only a few nights before that when a visitor from across the border, is in the Province of Ontario, but the boundary is only the river, and across the river is the Province of Quebec; a visitor at his apartment, from across the river, that is, from Quebec, produced in the course of the evening a bottle, which came indeed from the Province of Quebec, and made the Prime Minister of Canada party to a violation of the laws of Ontario which forbid the entry of any liquor into that province, not the product of the province itself, so that—I forget what it is the honourable and learned Leader of the Opposition started to talk about. What was it?

MR. HIGGINS: It was about products from one province to another.

MR. SMALLWOOD: Yes, that is illegal, or it may be made illegal by any province, and has been done in a number of provinces.

MR. HIGGINS: Oh, I see. I did not know that. I was wondering—

MR. SMALLWOOD: I am sure my honourable friend will see the importance of that in the possible protection of certain local Newfoundland economic activities — I am not thinking of beer only, of other activities—if one province can do it, another can, and if they can do it with beer, they might do it with potatoes, for example.

MR. HIGGINS: I see. I brought a couple of bottles across the border myself and I had them opened so I took good care to be within the law. Well, this brings us to the point that transporting liquor had been so far been no offence; it was done in a small way and I understand that. When a bottle goes through the customs and it is opened, whether it comes from the United States or where, they do not bother you about it. But now we come to this other point here, that if I am given a present of a bottle of whiskey, a bottle of gin or a bottle of rum, it does not make any difference, I am breaking the law; not as a sale, because number 106 lays down—section 106 covers that. "Every delivery of alcoholic liquor made otherwise than purely gratuitously shall be considered a sale." Now, this is gratuitously, it is not a sale, but I am liable for having that in my possession and not obtained on my permit. Now, if you look at the penalty on that—12, (1)—62 (2)—page 54, a penalty of \$20.00. Now, I am given that thing for nothing, and I am fined \$20.00, but if I give a bottle of liquor to a youth under 21, even though I get no money for it at all, I am still fined \$20.00. Now, one is a serious offence and the other is a very minor offence. In other words, for the second part of 122 (2) "if the offence is not to have been deemed by the magistrate to have been committed for profit or reward, for the first offence to a penalty of not less than twenty dollars."

Clause was redrafted.

MR. MAKINSON: Mr. Chairman, with regard to Section 74, covering the matter of possession of a still

or any part of a still for the manufacturing of spirits, now whether or not this House has authority in a provincial Act to cover this I am not in a position to say; I believe this comes under excise. Now for this a person can be fined \$500.00 or so many months imprisonment. Now what might happen if he were brought up and after, under the provincial Act, he was fined \$500.00, immediately then the Federal authorities would take that up and he might be brought into court by the R.C.M.P. and he would be subject to the same penalty all over again, and I do not think a provincial Act can overrule a Federal one; I may be wrong, but I think that section should be looked into very carefully.

MR. CHAIRMAN: The Attorney General will look into that, I take it.

MR. HORWOOD: Mr. Chairman, I have an amendment in mind to cover the Indians and Eskimos on the Labrador, to Section 69. The Indians on the Labrador are not Indians under the Federal laws of Canada. I would suggest this: "To any person who is an Indian or an Eskimo, whether or not such person is an Indian under any Statute of the Parliament of Canada"

The Committee rose and reported having considered the matter to it referred and having passed the Bill with some amendments, ordered to be read a third time on tomorrow.

On motion orders number 2 and 3 were deferred.

Second reading of Bill "An Act to Provide for the Regulation of Public Utilities."

MR. SMALLWOOD: Mr. Speaker, copies of this Bill have, I think, been distributed to the members, and it is another of these lengthy Bills and it will require, undoubtedly, a considerable amount of close attention, and debate in Committee of a Whole. To-day, in moving the second reading of it, I propose under the Rules of the House merely to deal with the general principles of the Bill, and to tell the House what the Government has in mind in bringing this Act before it. It is, I may say, in pursuance of a pledge made by the party of which this government is a parliamentary expression, and in pursuance further of an undertaking given in the Speech from the Throne. In both cases it was said that a Bill would be brought before the House proposing the creation of a Public Utilities Commission. Now, Sir, I believe that just about every political party who went before the people of Newfoundland in general elections for many, many years previous to the suspension of Responsible Government, made that same promise to the Newfoundland people. They were all, I think, going to set up a Public Utilities Commission. Those which were not elected could hardly be expected to keep their promise, but none of those elected in the past did implement that promise made to the Newfoundland people, because, in fact, no Government in the past did set up a Public Utilities Commission. I think the nearest any government ever got to it was that of the late Rt. Hon. Sir Richard Squires, who brought into this Chamber a Bill "An Act to Set Up a Public Utilities Commission." That Bill became law, and is on the statute books at the present time, but was

never implemented, under it a Board could have been set up, but in fact was not. Now it may be asked why this Administration are not willing to act under the existing Act that lies on the statute books already? Well, it must be remembered that the Act is a good many years old, and that in the meantime the thinking of men has advanced, has developed, and that newer and perhaps, at least we can hope, more progressive outlooks have come about. So that the Act might not be expected to-day to be fully abreast of the latest thinking on this subject. In the second place, across the provinces of Canada and states of the United States public utility commissions exist under State and Provincial statutes in those two countries, and we have of course to-day the advantages of learning from their examples. We did think that merely to amend the existing Public Utilities Act would be sufficient for the purpose; we thought that might be the case until examination, first, of our own existing Act, and, second, of Public Utility Commission Acts across Canada revealed that our own Act might just as well be scrapped to make room for an entirely new Act.

Now, Sir, quite admittedly, we have not in Newfoundland, in this province, as yet, as many public Utilities as in certain other provinces of Canada. Indeed, we have fewer public utilities perhaps in Newfoundland than in any other province of Canada, with the exception of Prince Edward Island alone. Prince Edward Island is a province of a mere 95,000 people, almost wholly agricultural and rural in its character, with no cit-

ies with the exception only of Charlottetown, and it a city of about one-third the population of St. John's. So that obviously the need for a Public Utilities Commission in Prince Edward Island would be negligible compared with the need in Newfoundland.

Now in Newfoundland we have to-day a number of very important towns, and one large city, St. John's itself being amongst the largest cities of this whole nation from St. John's to Victoria. I forget just now the relative importance of St. John's numerically, but I think we are amongst the twelve or fifteen largest cities in the northern half of the North American Continent. Then, in addition, we have a most important industrial town in Bell Island. We have a very important and fast-growing industrial town at Grand Falls, and more especially if you consider metropolitan Grand Falls, which includes that town itself, the town of Windsor, the town of Bishop's Falls and the town of Botwood—a very important industrial area with a heavily congested population. Then at Corner Brook we have again a most important industrial town which is itself the centre of a large industrial area comprising a population of approximately 20,000 people surrounding, it is true, one main basic industry, but that industry happens to be the largest of its kind in the whole world, because the mill at Corner Brook is the world's largest single producer of newsprint paper and sulphite pulp. Then we have again the mining town of Buchans, which we are all glad to hear has recently taken on new life.

We have further the mining town of St. Lawrence, which,

please God, is going to be an even more important and larger industrial centre in the years ahead. Furthermore, when you leave the industrial towns you have such a very thickly congested area of Newfoundland as Conception Bay, which is the most populous area of this province outside the capital of St. John's. Between St. John's and Grates Cove, or Old Perlican live a very large number of our Newfoundland people in quite a number of our Newfoundland towns; places like Kelligrews, that whole area surrounding, on either side of Kelligrews, Conception Harbour, Avondale, Brigus, Spaniard's Bay, Bay Roberts, and the Port de Grave Peninsula, Clarke's Beach, Harbour Grace, Carbonear, Victoria—Victoria, it may surprise some members of the House to know, has a voting population of nearly six hundred, which makes it quite a sizeable town in Newfoundland to-day. And so it goes.

Then, furthermore, you have such large towns in Newfoundland as Trinity, Catalina, Bonavista; you have Greenspond, Wesleyville, Fogo, Change Islands, Twillingate, Springdale, St. Anthony, Bonne Bay; these are all quite sizeable towns, and nearly all of them are growing larger all the time, and some of them growing more important every year. You have places such as the Port au Port Peninsula, which is, in addition to being an important industrial area also may be important by the fact that a very large American base is located at its door. You have a most flourishing twin town of Port aux Basques and Channel; and one which I would regard as the largest and most flourishing town on the south-west coast in Grand Bank; you have Fortune,

you have Burin, which in many ways is the fastest growing town in Newfoundland to-day. And on the Southern Shore you have one or two very sizeable settlements. And in all of these places, or nearly all of them, public utilities exist and promise to exist in greater number and in greater degree in the years to come. By "public utilities" we mean, of course, such things as transportation by bus, by taxi, by ferry; we mean such things as telephonic communications; and we mean such things as electricity, and similar public utilities.

Clearly then, there is need in Newfoundland for some degree of intelligent control over public utilities, not so much perhaps for the purpose of controlling those public utilities which exist at this moment as for the purpose of controlling, of guiding, the public utilities which we may reasonably expect to come in the years that lie ahead. So we have brought to the House this Bill to-day which, if it becomes law, will result in the setting up, without delay, of a Public Utilities Commission.

Now, Sir, it is not in order, according to the rules of Parliamentary debate, and procedure, to refer in any session to any debate which has occurred previously in that same session, and so therefore under the rules I am debarred from referring to a certain debate which occurred in this House earlier in the present session, because to do so would be out of order, but I can I think properly say this, that on an earlier occasion I had pointed out to the House the urgent need that does exist at this moment for some degree of intelligent control and

guidance of the transportation system in the capital city of St. John's. The Golden Arrow Bus Company, for example, has gone out of existence in St. John's, and has not been replaced by any large transportation company, although rumors have appeared in the Press and have reached us otherwise on the possibility of large companies, either local or from the Canadian mainland, being interested in establishing a new bus system in the city of St. John's. On the other hand, a great many buses, vehicles of all kinds—I am told that one of them is an ex-hearse and that another is a former ambulance; I do not know how true that may be, but at all events some rather strange-looking vehicles are now plying the streets of St. John's in an effort to provide rapid and efficient transportation for the citizens of this city, and I notice by the papers that on yesterday morning some of them at least held a meeting with a view to deciding whether or not they could do anything to amalgamate or unite their efforts to provide a greater service to the public and more protection for themselves. Now it seems to me that one of the first duties of a Public Utilities Commission would be to weld that incipient bus service, which is presently being given the people of St. John's by a large number of unrelated and uncoordinated bus and taxi and jitney operators, to co-ordinate them and provide the people with a far superior service than that which they are now getting. That would be one of the first tasks of the Public Utilities Commission.

You have in the Grand Falls area a pressing problem with re-

gard to transportation, and you have in the Corner Brook area an even more pressing problem there demanding early attention and early solution, and perhaps the greatest problem of all is the problem of regulation of transportation around Conception Bay. We have been approached, as a Government, from time to time, in recent months by people in Conception Bay, in Grand Falls area and in the Humber area with requests for monopolies of the public bus transportation. We have, of course, declined to entertain any such requests, but these requests have pointed the need for some degree of regulation. Now, Mr. Speaker, it must not be understood that we have in mind any such thought as that the commission would protect the public and the public only in matters of transportation. We feel an obligation also to protect the operators and the drivers of the vehicles while at the same time we protect the interests of the public. If certain areas are zoned, and if certain operators are given the franchise within the various zones, not alone are we protecting the public, but we are protecting the operators against insane and disastrous competition, one against the other. In the various provinces of Canada, they have gone, I think, in their public utility commissions legislation far beyond anything proposed in the present Bill whose second reading I am now moving. Public utility commissions in the provinces of Canada have now far more functions than will the commission which would be set up under the present Bill. I notice, for example, that

in the Province of Nova Scotia, the Nova Scotia public utilities commission controls the price of milk. No person, no vendor of milk, in the Province of Nova Scotia can change the price at which he sells the milk, without first applying to the Nova Scotia Public Utilities Commission and getting an order from the Commission. That order, then, is law, and it remains law until changed by another order from the same Public Utilities Commission. Honourable members may have noticed in the newspapers within the past three or four days, that in the Province of Nova Scotia the price of gasoline to the public has fallen by one half cent to the gallon and you may have noticed that in the same item it was stated this drop of one half a cent a gallon was on order of the Nova Scotia Public Utilities Commission which has the right, and exercises the right, to set the price of gasoline, all gasoline, sold within the borders of that Province.

Well, Sir, I do not know that I need to spend more time advocating the principle in this Bill. We do, after all, live in 1949, and the thinking of the world is far in advance of the mere advocacy of the public utilities commissions. Half a century ago, in some of the more thoughtful and progressive spots of North America, the idea of public utilities commissions was born and adopted and carried out, and certainly in the last quarter of a century, or at least quarter of a century ago, the idea of regulating public utilities by means of public utilities commissions was fully adopted and has been in ef-

fect for the last quarter of a century, so that in bringing this Bill before the House today we are doing no more than attempting in this one regard to catch up with the thinking and the progress made on the mainland of North America, the Canadian and the American mainland, for the last quarter of a century. This is not perhaps the time to go into detail on this point, but there is one other point I have in mind, and that is, the need in Newfoundland for very much more development of hydro-electric energy. We have water powers in Newfoundland, including Labrador, of the utmost importance to this province, of great potential value to the people of the province, and potentially important as revenue sources to the Government of the province. We hope to see important hydro-electric development, and indeed, we hope, before many moons are passed to see the setting up of a hydro-electric commission in Newfoundland to deal specifically with the question of hydro-electric production as distinct from the sale of hydro-electric light and power, and heat, to the general public. But with the hydro-electric commission, operating on the production side, you will still have private enterprise operating on the retail side; that is, a hydro-electric commission, publicly owned, and publicly financed, might engage in the production of hydro-electric energy and the distribution of it to the public; the mill and mine and factory, church and school and home, be conducted by private enterprise through private electric light and power companies, so that, it is quite likely, that these

private electric utility concerns will continue to function, and that there will be more of them in the next eight or ten years than there are today by far, which again calls very definitely and very obviously for a degree of regulation and co-ordination; co-ordination of service to the public, so that you do not have the picture of the electric light companies skimming the cream, looking for and obtaining franchises to serve thickly congested communities and passing by the small and uncongested communities, so that they skim the cream only of the electric light business. That will have to stop, and the service of the public, by way of electricity, for light, heat, and power, will be very definitely a concern of a public utilities commission.

Now, one final point, and I am done, that point is this: That it is not proposed that the public utilities commission which would be set up under this Bill, if it becomes an Act, would be any net charge upon the public funds. It would be necessary, while the public utilities commission is organizing itself, making its plans, making the necessary service of its field, for that purpose we would propose to come later to the legislature with a request for a vote of a certain sum of money to the public utilities commission, which sum of money would be repayable by the commission to the Treasury. But that would be something in the nature of a short-term loan from the public Treasury to the commission. The ordinary day-to-day and year-to-year costs of operating the public utilities commission

would be borne, not by the Treasury of the province, but by the very utilities, public utilities, which the commission was set up to regulate. In other words, the public utilities commission would pay the costs of its own operation by levying an assessment upon the public utilities which it regulated, guided and controlled. That is the practice with regard to public utility commissions throughout North America. That is quite commonplace and we propose in this Bill to adopt exactly the same principle.

That is all, Mr. Speaker, and I have great pleasure in moving second reading of this Bill.

I do not know, Mr. Speaker, if it is thoroughly appreciated that this is second reading, and surely a Bill of this importance—it is understood by all members that this is the stage at which the principle of the Bill could be debated; if honourable gentlemen are not ready for the debate, if they would like to have this debate on the second reading adjourned, any member is at liberty, of course, to vote one adjournment of the debate, and we might then, at the regular stage, tomorrow, or the next day, have a debate on the principle of the Bill, but if the principle is universally accepted in the House, or more or less un-animously accepted, perhaps the honourable members might care to have the debate rather in the committee of the whole, on the clauses, than on the general principle of the Bill.

MR. HIGGINS: I never saw the Act until now. I did not think we would be listened to if we asked an adjournment for a couple of

days, and I do not know what the whole thing is about, really, except what the Prime Minister has told me, rather loosely, I must say, and clearly; I certainly would like a couple of days to go over the Act.

MR. SMALLWOOD: May I say, if I am not out of order, Mr. Speaker, that at any time that we move here the second reading of a Bill, if the honourable gentlemen on the opposite side feel, because of the late hour the Bill was distributed that they are not ready to proceed with the debate on second reading, it is their privilege at any time to move or suggest or request a postponement of the debate itself, so that they have more time to study the Bill in case they should wish to debate its principle. Perhaps some member, perhaps my honourable and learned friend, the Leader of the Opposition, if he thought he might wish to engage in debate on the principle, would move the adjournment of the debate. It would give him the priority in the next debate.

MR. HIGGINS: I have no idea of what it is all about except what I heard the Prime Minister himself say.

MR. SPEAKER: If the honourable Leader of the Opposition or if any other honourable member wishes to move the adjournment of the debate, provided the motion is carried, of course, that honourable member has the right to resume the debate at the next sitting of the House. Do I understand the honourable Leader of the Opposition has made that motion that the debate be adjourned?

MR. HIGGINS: I would ask for a couple of days.

MR. SMALLWOOD: Well, on Wednesday, we hope to have the Budget and Estimates. Could you make it tomorrow?

MR. HIGGINS: Tomorrow—yes, we can have it tomorrow.

Motion carried.

MR. SMALLWOOD: I would like Mr. Speaker, to refer to Item 2, committee of a whole on Bill—the Veterans' Land Act.

Committee of the whole on Bill "An Act to Authorize the Execution on behalf of Newfoundland of An Agreement between the Government of Newfoundland and the Government of Canada for the Settlement of Veterans on Provincial Lands and for other Purposes."

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Section 6 read and passed.

Section 7 read and passed.

Committee rose and reported having passed the Bill with some amendments. Ordered to be read a third time on tomorrow.

MR. CURTIS: I move, Mr. Speaker, that the remaining orders, all but the last, be deferred and that we proceed with the last item on the order paper.

Second reading of a Bill "An Act Respecting Industrial Statistics."

HON. C. H. BALLAM (Minister of Labour): Mr. Speaker, this Bill is more or less formal, and does not require a great deal of debate.

The Labour Department needs statistics and this Bill in effect authorizes the Minister of Labour to direct the collection of the statistics necessary for his Department; at the same time the Bill provides that any other Minister may use the Bill for collection of industrial statistics when authorized by the Lieutenant Governor in Council. I may say, that this Bill, or rather the Act, will be more or less along the lines of the 1938 Industrial Statistics Act, except that it is administered in a different way. The 1938 Act was administered by the Commissioner for Public Health and Welfare, through the Chief Statistician. Since there is now no such office as the Chief Statistician, and the old Act has not been used for some years, we found it necessary to bring in this new Act.

I may say that secrecy is imposed on officials in connection with statistics and no statistics may be published in such form as would reveal their relation to the companies concerned. Also, there is a new provision in the Act which permits arrangements to be made with the Federal Statistics Agencies, which might prevent duplication and over-lapping. Practically all of the sections of the Act are patterned after the 1938 Act, and I do not think there is anything there in it that is very debatable. There are some sections, I may say, in this new Act that were taken from the old Act, that is, the 1938 Act, which do not connect themselves with the Department of Labour, but because these sections may be used by some other department in collecting statistics, we thought it necessary to leave them in. Without delaying the House

further, and without prolonging the debate, Mr. Speaker, I move the second reading of this Bill.

MR. FOGWILL: Mr. Speaker, I support this Bill; in fact, I am entirely in accord with the honourable Minister in his words in introducing the second reading. It is something we have been lacking in this province, or in the country of Newfoundland previously—that is statistics. It is one thing applying to any country that is very important, particularly in this day and age. When you read the statistics of any other country like the great United States or shall we say, Canada, or Great Britain, or any other country where they have compiled statistics showing the total number of people employed in the different industries and the total number for the country as a whole and everything else. I think it is a timely Bill and we can have something in this province now whereby we can show year by year clearly, the economy of the Island itself, and we can show, in industry, the wages paid, the average wages, and so on and so forth, and also the production of the produce of Newfoundland, and where it goes and who buys it and what price they pay for it and so forth; so I am in accordance with the Bill respecting industrial statistics.

Bill read a second time. To go into committee of the whole on tomorrow.

MR. SPEAKER: Before the anticipated motion to adjourn, there are two matters I would like to mention to the honourable House. With regard to the position of the Mace, there has been some hint and question about it, and I would

like to refer the members, especially those who constitute the committee on Standing Orders, to Standing Orders 124 and 179 which are contradictory. That might explain the apparent discrepancy in the position of the Mace.

The other item I wish to mention is that it is expected that the Honourable Mr. Davies, Speaker of the House of Ontario, is expected to arrive to-night, and therefore will be making a formal visit to this House tomorrow afternoon. However, the T.C.A. has sent three telegrams to Toronto today to find out if the gentleman is on the plane or not, and so far we have no reply; in fact, I was on the telephone when the House was in committee a few minutes ago. I am therefore not able to inform the House yet definitely if Mr. Davies will arrive to-night, but I think we may assume that he will be paying an official visit here tomorrow. Are there any further items?

MR. SMALLWOOD: Mr. Speaker, when Mr. Speaker of Ontario does enter the Chamber, it might be an act of courtesy to him if we all rose as would be the case if our own Speaker entered while the House was in formal session, and I would ask my honourable and learned friend the Leader of the Opposition to assist me to escort him into the Chamber and to second a motion of thanks to the House of Assembly of Ontario for the gift of a Speaker's Throne, which I do not think has arrived yet—I do not know whether it has arrived yet or not; it may be in the city, and my impression is that Mr. Speaker would be coming to

make the formal presentation. If that should be the case, then the resolution of thanks from this House to the Ontario House could be made while Mr. Speaker of Ontario was present.

On motion the House adjourned until tomorrow at three of the clock.

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Tuesday, November 29, 1949.

The House opened at three of the clock.

MR. SPEAKER: Is it the pleasure of this House to admit the Honourable the Speaker of the Legislature of Ontario?

Motion carried.

MR. SPEAKER: Will the honourable the Premier and the Honourable the Leader of the Opposition escort the Honourable the Speaker of the Ontario Legislature into the Chamber?

MR. SMALLWOOD: His Honour the Speaker of the Ontario Legislature.

MR. SPEAKER: Honourable gentlemen, it is a very great pleasure for me, on your behalf, and therefore on behalf of the people of the Province of Newfoundland, to welcome to this Chamber His Honour the Speaker of the Ontario Legislature. I shall be very brief in introducing His Honour. His name, as you have already gathered, is Davies. He hails from the land where they have a habit of spelling names in a way that would trouble you—My apologies to the author of the Ingoldsby Legends — they use six L's, two N's and one W. His initials however are "M. C."; I am not sure of the first name,

but the second name is "Cook"—the Honourable M. C. Davies.

The Honourable Mr. Davies is a gentleman of wide experience in many fields. I surprised him on his arrival with the extend of my knowledge about him. He served with the R.C.A.F. for a period of I believe four years, during which time he was not only a Padre but also a Deputy Director of the Padre election Board, and was therefor largely one responsible for the fine type of padre which many sections of the R.C.A.F. received during the last war. He never had the, I would say pleasure of visiting Newfoundland until this moment, though he did reach as far north as Goose Bay.

The people of his constituency elected him to represent them in 1945, and because of their faith in his ability and his confidence in them, they re-elected him again in 1948, after which time the Government of Ontario, recognizing his worth elected him Speaker of the Ontario Legislature.

After many meanderings by telephone and by telegraph I finally picked him off the T.C.A. plane at an unearthly hour last night, and brought him safely to town. I would almost move that a vote of censure be tendered to the weather clerk or weather bureau of this ancient Colony for providing such miserable weather today. However, I explained to the Honourable Mr. Davies that this sort of weather is not peculiar to this province but was brought in on the T.C.A. last night from the mainland. He seemed to agree with me.

I have great pleasure in introducing to this honourable House the Honourable — Myrden Cook Davies, Speaker of the Legislative

Assembly of the Province of Ontario.

HON. M. C. DAVIES: Mr. Speaker, Honourable Members, the remarks of the honourable Speaker in referring to the weather reminds me very much of the remarks which I experienced in Britain last year, whenever you went it had been fine just yesterday, or would be very fine the next week, but this kind of rain and fog was just as unknown in every part of England, Wales and Scotland until the day I arrived. I can assure you I am quite used to the rain and the fog and enjoy it just as much as the honourable Speaker has today in taking me around to see your various dignitaries, for after all the pleasure is found not in the weather, but in the type of people one meets.

Mr. Speaker and Honourable Members: It is with a high sense of privilege and at the same time a deeper sense of humility that I come to you today as the Representative of the Province of Ontario to bring sincere greetings and to express goodwill upon your entrance into the family of the Dominion of Canada. Yours has been a long and glorious history—your rightful claim to have been Britain's oldest Colony—an heritage which no one can take away—your rise to the status of a Dominion—and advance to the development of a nation, and now your entrance into the larger association Canada, all mark steps in the growing position of the Island. Certainly when one thinks of the ruggedness of its terrain, the length of its shores, the unknown wealth of its forests, the possibilities of its minerals, the harvest of the seas, it is little wonder that the most import-

asset of any land, its people, have stood out as courageous, God-fearing kind and hospitable folk. There is something glorious in the word Newfoundland, there is something greater in being a Newfoundlander. Newfoundland is not totally strange to Canadians — thousands of our young men from sea, land, and air found not only a place to serve but a land to know and a people to admire. Our own son had the opportunity of coming to St. John's as he played his part in the Navy. It is not for me to speak of your history, growth and advance, these are known by yourselves, but we in Canada and particularly in Ontario, want you to feel and to know that we shall gain much from your association with us, a gain not to be measured by material wealth but more so from the moral and spiritual qualities which will add to our strength. In turn we ask you to accept our good will, our desire for finer understanding and our hope for splendid growth.

With that spirit may I ask you, Mr. Speaker, to accept this Resolution passed by the Ontario Legislature at its last Session on the day of your admittance into our family. May it convey to you in words what we feel in mind and heart.

Resolved: That the Members of the Legislative Assembly of the Province of Ontario, now assembled, desire to express their high regard for the people of Newfoundland and to convey to them, on behalf of the people of Ontario, most sincere and cordial greeting.

And that this House place on record our appreciation of the deep historic significance of approaching events whereby On-

tario, one of the first Provinces, will be joined in Confederation by a tenth Province, and our sense of pride in being more closely associated hereafter with the worthy people of that great Island.

And further that this Resolution be engrossed and forwarded by the Speaker of this House to the Speaker of the Legislature of Newfoundland as soon as he may be elected, in token of the wholehearted welcome it is desired, on behalf of the people of Ontario, to extend to Newfoundland and its people.

March 24th, 1949.

Leader of the Opposition.

(Sgd.) M. C. DAVIES,

Speaker.

THOMAS L. KENNEDY,

Prime Minister.

EDWARD B. JOLIFFE,

MR. SPEAKER: His Honour the Speaker of the Legislative Assembly of Ontario has just read to you the words which are inscribed on this very beautiful illuminated Resolution.

Mr. Speaker, this Resolution of greeting and appreciation of our close joining with the mighty Province of Ontario, I am quite sure moves every honourable member of this House and the people of Newfoundland. The words "Thank you" at times seem very inadequate and very insignificant but if I may be permitted to say so, people who know us Newfoundlanders well, know that when we say "Thank you" we mean more than sometimes can be expressed by a whole flock of words. We do thank you and we do wish to express to the people of Ontario our deep ap-

preciation for this eminently friendly gesture, on behalf of the people of this Province.

MR. SMALLWOOD: Mr. Speaker, I am quite sure that I express the feelings of the House, all sides of the House, when I say that we are very deeply grateful for the interest and thoughtfulness of the Legislature of that very great Province of Ontario in adopting the Resolution which has been presented here today, and above all in the thoughtfulness and interest of His Honour the Speaker of the House of Assembly of that great Province in travelling all the way at this time of year, which is not, I would have him know, the most attractive in our Newfoundland seasons, all the way from Ontario to St. John's for the purpose of presenting this Resolution personally to Your Honour and through you to the members of this House. We are deeply grateful indeed for the interest which Ontario has shown in our entry into the Canadian union. Newfoundland does not possess the great population of Ontario, or the even greater wealth of Ontario, but we possess something we think equal to the best in that province, and indeed insofar as the people of Ontario are a stout-hearted and fine-minded, and kind-hearted race of people we flatter ourselves with the belief that they are made so very largely by the large number of Newfoundland people who have made their homes in Ontario in recent years. But if we do not possess the great population of more than four millions of human souls who make up Ontario, or the vast extent and variety of natural and developed wealth of that great province, we do feel that in the richness of our historic background

we have to take second place to no part of this great Canadian nation. We know from our own history that Newfoundland was doing business at the same old stand when that great Ontario was populated by no higher civilization than that developed by the aboriginal Indians of Ontario, and that long before any part of the mainland of Canada had become populated Newfoundland was one of the landmarks of the whole of the western world; that St. John's, this ancient capital of Newfoundland, is indeed in point of history one of the great original cities of the world, and the oldest, the most ancient, and the longest continuously populated and inhabited city of all the western hemisphere. We feel that the opportunities that have existed in Newfoundland for the economic, and perhaps the cultural, advancement of her people, have been limited; that where they have found those opportunities on the mainland of North America, and in all the continents of the world, the inherent qualities of the Newfoundland people, developed perhaps by a stern and rugged coast in this Island, have been such as to place our people, our Newfoundland people in the very forefront of the activities, economic and cultural, of all the peoples of the world.

Your Honour, His Honour from Ontario can be assured that is visiting Newfoundland he is visiting a people, not stiff-necked, but very proud, very proud indeed, of a great heritage and a great tradition; what we lack in the material things of life, we well make up in the spiritual and in the cultural, and in the fine qualities of heart

and mind of our Newfoundland people. At the same time we are not insensitive to the fine compliment that has been paid us in the visit of the Speaker of the Ontario House, and in his presentation to us today of this warm and cordial resolution of that great Legislature of that great province. We are extremely proud to have the Honourable Mr. Davies here today, and we can say, I think, that is he is not a Newfoundlander by birth or adoption, he is something close up to being as good as a Newfoundlander in that he is a native-born Welshman. It is not given to everyone in the world to be a Newfoundlander, even by choice, even by adoption. In the ancient world, in Europe, the proudest boast of all was "I am a Roman citizen", and that was a password that took men into all corners of the earth. We hold here in Newfoundland that to be a Newfoundlander is an honour which comes, which always came in the past, above any honour we knew, and now we are finding difficulty in subordinating that boast to what is admittedly an even greater boast, that we are now citizens of that great Canadian nation *stretching from ocean to ocean*. I move, Mr. Speaker, that Resolution of greeting and salutation be prepared for submission to the House and when adopted by this House for forwarding to the Legislature of the great Province of Ontario.

MR. HIGGINS: Mr. Speaker, I am very sorry to learn that bad weather kept our honoured guest away from this country in the day time, so that he had to land at an unreasonable hour in the night. Mark Twain said, "Every one talks

about the weather, but no one does anything about it." Well I am very glad to find that this Legislature has wakened up and through the Speaker intends to take steps to see that something is done about it, and I would suggest that an Act be passed outlawing bad weather. Of course, it would be an ineffective as the old lady who tried one time—she lived on the borders of the Atlantic, on the beach, and in a high tide the water came into the room and she started to sweep it out, and Sidney Smith passed the remark "It is a wonderful thing to be able to sweep away the Atlantic." Well, may be it is ineffective at that, but at least when some honoured guest comes to our shores we can put that Act into effect just to show him that we are doing the best we can to provide good weather for him.

I am very glad indeed to take part in the welcoming of our honoured guest, His Honour the Speaker of the Legislature of Ontario. Of course, I am very glad in a second sense on account of the political opinion which fills his personality, and that we have now one more member on our side, and we all know we badly need another member.

Now the worthy Speaker here did pass the remark—I suppose this is behind closed doors; may be it should have been censored, but let me be censored if I pass the remark that it is a wonderful thing to think that the Liberal party will rise and pay tribute to a Progressive-Conservative, and I am very glad that they did rise when he entered here, to give tribute to the Progressive-Con-

servative party of Ontario. At least they recognize a good man when they see him, no matter what party he belongs to.

Now the Premier has drawn attention to the fact that this is an old city, one of the oldest. As a matter of fact, this is the oldest city on this side of the world, and when the whole North American continent was nothing but a vast wilderness, untrudged save only by a few thousand savages, this country was inhabited; it adopted fruits of civilization. We had here Elizabethan soldiers, walking down the street, probably speaking the purest Elizabethan language interspersed every now and then with some of that language with which soldiers are very well associated. We had fishermen here at that time, and the great mainland was absolutely unknown and unthought of. It was of very small consequence; we were basking in the sunshine of greatness in those days, and we were observing nobody and nothing.

Ontario must have a great number of Newfoundlanders, and I know that it is one part of the world where the people can speak fairly well of Newfoundland. If Ontario does not know a lot about Newfoundland, we must judge that the people who have gone there must be a very poor type, because there are so many thousands of Newfoundlanders in Ontario, that I am sure that they must have impressed themselves on the people of Ontario, so that when the Honourable Speaker came down here, when His Honour the Speaker came down here, he came down with a knowledge of a country of which he had heard much. I say

there are many people there now; I am afraid there are going to be many more in the future, judging by railway reports, but that might not be altogether too bad because probably most of them may be Progressive - Conservatives leaving the country and His Honour the Speaker will be able to get more votes if he will be able to tell the people that he had been to Newfoundland, and he will be able to say a lot about Newfoundland, and that may add a few more votes to his party.

Now, Confederation has done one thing, I must say; it has brought a number of big men to his country. Apart from the men whom we do not see in this House, we have met two well-known men here now, men who came across to this place on a little visit and to speak to the Legislature. The Honourable Mr. Forbes, the High Commissioner for Australia was here a short while ago, and now we have the Speaker, the leading citizen, of Ontario. Now, in the future I am sure we shall meet the Speakers and Prime Ministers of other provinces, but this must be said—you must remember this, that Ontario broke the ice. Ontario welcomed us first, and realized that Newfoundland was here. Ontario was the pioneer and if other people, if other Prime Ministers and Speakers from the other provinces come here, Ontario will have the great honour of saying that we were the first to recognize Newfoundland and to send our Speaker down there.

I am told that a Chair is being presented—am I wrong in mentioning that? A Throne, a Speaker's Throne, is being presented by

the Legislature of Ontario, and I am sure it will be welcomed, not alone because it comes from the Province of Ontario, not alone that it is going to be a fine Chair, but above all, I think we badly need a Chair. I know it will be a good one; I hope above all it will be a comfortable one, because I hate to see the Speaker sitting in a Chair that is not comfortable. I suppose the Chair is settled on now, but I am sure that Ontario has enough knowledge of things particularly if the Speaker himself has picked it out, to pick one, so that our Speaker can stand there with a fine and healthy and happy face, and now growl at us when we raise any objection to his rulings.

I have very much pleasure in seconding the motion put forward by the Premier. It is a good mood and a wholesome thought to pay tribute to somebody bigger than ourselves; but it is a happy thought that that person deserves credit, that that province deserves credit; and Ontario does deserve much tribute. Ontario is a great country; it is great not only in its towns, it is rich in its natural resources; it is a country of fine people. I recently travelled through the northern part of Ontario. What I did like best is where I found it most like Newfoundland. I love to see its vast and untrodden forests; its vast forest where there is not even a trail, and while we here in Newfoundland talk about lack of roads, I would like you to go up and see the northern part of Ontario where there is not a road at all; and I remember meeting a man there on the train and he told me he used to go fishing there; I asked him how he got

there, sure there is not a road there, a path there; there is nothing there. "Oh," he said, "the train goes by there, the train slows down there and I drop off and then it picks me up again." Well, at least there is one other country in the world that suffers in the very same way as Newfoundland suffers, and that is why I am glad that Ontario has that, and I hope that Ontario will have sense enough to realize that untrodden ways and vast forests without any paths are just as conducive to health and happiness as country with vast roads, and smoke and grime.

Ontario—I can say it now, seeing that there are no Quebec men here—that Ontario is the greatest province in Canada. If a Quebec man was here I might believe it but not say it. Ontario is a country that has gained respect all over the world. Ontario is known everywhere. I know there are sharp quips about Toronto, but nobody minds that. Of course anybody could say that Toronto is not Ontario, but Ontario is a nation itself. It is a vast country, and we here recognize the greatness and the vastness of Ontario, and that is why we feel honoured that today the Ontario Legislature sent down, Ontario, rather, I should say, has sent down its leading citizen. He has spoken to us in beautiful language, kind language indeed, and we ought to feel honoured that Ontario has done this, and it is for that reason I am very happy to second the motion which has been put forward by the Prime Minister, and I would ask His Honour, the Speaker, when he goes back, to say that he carried back with him

the best wishes of the Legislature here, and the thanks of this Legislature for having done us the honour of sending the Speaker down here to present that Resolution.

The motion of the Premier, seconded by the honourable the Leader of the Opposition, was passed unanimously, whereupon the Honourable Mr. Davies was escorted from the Assembly Room.

The business of the House resumed.

HON. H. W. QUINTON (Minister of Finance): Mr. Speaker, I give notice that I will on tomorrow move that this House resolve itself into a Committee of the Whole to consider of a Supply to be granted to His Majesty.

I give notice that I will on tomorrow move that this House resolve itself into a Committee of the Whole to consider the Ways and Means for raising the Supply to be granted to His Majesty.

HON. E. S. SPENCER (Minister of Public Works): Replying to Question number 101, by Mr. Miller to ask the honourable the Minister of Public Works to lay on the table of the House a copy of all correspondence as from date of Union to present date, relative to the proposed construction of a bridge on Placentia Gut showing estimated cost if available, the name of designing engineers and the cost of their services.

Through an arrangement made by the Premier, Colonel V. S. Thompson, Chief Designing Engineer of the Department of Reconstruction and Supply, visited Newfoundland for the purpose of inspecting the site and determining what would be the most suit-

able type of bridge to construct at Placentia Gut.

Colonel Thompson is now working on a design for a bridge over the Gut, but plans and estimates are not yet available.

The services of Colonel Thompson have been made available without cost to the Province.

The files of the Department of Public Works on this subject may be read by Members desiring to do so.

It was deemed almost impossible to spend the time to copy the enormous amount of correspondence in connection with it, but it is available in the Department and the Department will welcome any M. H.A. who may like to go there and read it for his satisfaction.

MR. SMALLWOOD: In reply to question 102 by the honourable the junior member for St. John's East, asking the honourable the Premier have there been consultations between the Government of Canada and the Government of the Province of Newfoundland with respect to the detailed application of term 39 of the Terms of Union, relating to public service pensions; if any consultations have taken place between the two Governments to inform the House in detail of the result.

There have been many consultations, some of them person-to-person, others, and mostly, in writing. It is, as the House will appreciate, in some of its aspects, quite a complicated matter. It was only yesterday, yesterday forenoon, when an entirely new type of problem arose in this very matter. The Terms of Union provide that Civil Servants, in the service of Newfoundland, who are taken over af-

ter Union, by the Government of Canada, because the service in which they worked was itself taken over by the Government of Canada, would be taken over without loss without deduction in salary or loss of pension rights, earned up to the date of union. Well, the new type of case which came to my attention yesterday was dealing with the case of a civil servant working for the Government of Newfoundland in a service, in Newfoundland Government Service, which was not taken over by the Government of Canada, but which ceased to exist, which became redundant, at the date of union, and which civil servant was absorbed by the Government of Canada, not because the service in which he was employed was itself taken over, but because (a) the service ceased to exist and (b) the Canadian Government employed the man anyway. What about his pension rights? There is, as my honourable friend will appreciate, a whole variety, a whole range, of problems arising out of these and other transactions in the course of union. All of these are receiving the close attention of the one Department of the Government to which they refer particularly, namely, the Department of Finance, and the Deputy Minister, Mr. Marshall, is in very frequent communication with the Deputy Minister of Finance in Ottawa, who is the head, you see, of the Civil Service of Canada, just as our Deputy Minister, Mr. Marshall, is, I believe, the head of the Civil Service in Newfoundland. So the correspondence has gone on between the two. When these two high-ranking officials work out the necessary solutions and compromises, they

will be brought up from official to Cabinet level, and an final adjustment made between Cabinet and Cabinet, the Cabinet of Newfoundland and the Cabinet of Canada. I want my honourable friend to know that the matter is not being lost sight of; that no time is being lost in bringing the matter to a satisfactory conclusion, and that, as quickly as it can be done it will be done. Now the details, I am quite sure, my honourable friend will appreciate, are kinds of cases that it would be next to an impossible task to list them all and describe them, but in general I can say what I have said, that the matter is very much in hand, is receiving the closest attention of those immediately concerned, and that we look for a reasonably early settlement, solution, or compromise of all cases concerned.

MR. FOGWILL: Mr. Speaker, in respect of the answer by the honourable the Premier, I did not ask the question for the purpose of knowing about isolated cases, but I want the result of the consultations, the general result. Now there has been a general result, I understand; there have been some resolutions passed by the Governor General in Council, making regulations to cover the civil servants of Newfoundland who went into the civil service of Canada, to cover them under 11 (g) of the Superannuation Act of Canada. Now that in general covers all the civil servants except perhaps, as the honourable the Premier said, some isolated cases which may need clearing up, but nevertheless there is another group of individuals who are covering under the Terms of Union who, I understand,

are very curious as to their position in regard to pensions. I also understand, in respect of these service pensions for all of those who had pensions rights by reasons of service with the Newfoundland Government, that is particularly with respect to those who worked at the Railway, that there was a circular issued which contained certain proposals whereby it was proposed that their past service up to April 1st would be determined to that date, and certain proposals were made whereby they could contribute as from April 1st into the C.N.R. Pension plan. Now I understand that approval has been asked of the Government of Canada for the proposals and it was also suggested in the circular that employees could make payments retroactive to April 1st, but the offer, as I know it now, closes as at December 31st next. Unless that is extended, you see, many people now are curious as to the position in regard to pensions and the Railway, they would like to know about it, but as regards to Civil Service Pensions, of those in the Civil Service, I have here a copy from the Secretary of State of Canada containing all the information in respect of those who were in the Civil Service of Newfoundland and entered the Civil Service of Canada as Civil Servants, certified Civil Servants, and it also relates to several other classes of Civil Servants who were not certified, as explained in an amendment to our Civil Service Act of 1947; an amendment to that Act was made and dated March 31st of this year, covering certain employees in the Civil Service.

MR. SMALLWOOD: I would say, Mr. Speaker, that I know the vital

interest of the honourable member in this matter. I recall that in the National Convention he showed a very deep interest in this very problem of the pension rights and the like of civil servants, but more especially of railway men, and I would suggest that he could probably be of considerable help if he could manage to find time to call on the Deputy Minister of Finance, Mr. Marshall, to raise these very points. I know that within the past week I received from the Secretary of State—no, within the past fortnight—the Secretary of State for Canada, a long series of communications drawn up by an inter-departmental committee in Ottawa affecting civil servants and others in Newfoundland taken over since Confederation, and within the past week I received an urgent cable from Mr. Bradley, officially from him to me, seeking a reply, a decision, by cable, at once. Well, frankly, the matter was beyond me; I have just not got the time to delve as deeply as would be needed into these details. I turned the matter over to Mr. Marshall. Mr. Marshall drafted a cable, which I signed, and sent to Mr. Bradley. Quite frankly I do not know what the cable is about. I just had not got the time to delve deeply enough into it, but if my honourable friend would call on Mr. Marshall he might get a whole lot of new light, and I am sure that Mr. Marshall would be very glad to get any information that my honourable friend has to give him on these matters.

Orders of the Day:

Third reading of Bill, "An Act to Provide for the Regulation and

Sale of Alcoholic Liquors.”

Bill was read a third time and passed.

Third reading of Bill, “An Act to Authorize the Execution on behalf of Newfoundland of an Agreement between the Government of Newfoundland and the Government of Canada for the Settelement of Veterans on Provincial Lands and for other Purposes.”

Bill read a third time and passed.

On motion committee of the whole on Bill, “An Act Respecting District Courts” was deferred.

Committee of the Whole on Bill “An Act Respecting Industrial Statistics.”

Bill passed committee stage. Ordered to be read a third time on tomorrow.

Second reading of Bill “An Act to Provide for the Regulations of Public Utilities.”

MR. HIGGINS: Mr. Speaker, on principle we have no objections at all to the Public Utilities Bill. As a matter of fact, as we have been reminded, one was passed some years ago. But we would like to object to certain matters in this Bill. There are some clauses in that Bill which are altogether too stringent. It gives too much authority to the Board, takes away too much discretion from the people who are supplying the money, and we feel it may have the effect of keeping money out of the country. If I had money I think that with that Act here I would not bring money in. I say we do not object in principles, and we cannot object to a Bill being brought forward, but we will object most strenuous-

ly in committee of the whole to certain sections of the Act.

Bill read a second time. Ordered to be referred to committee of a whole on tomorrow.

On motion the second reading of the Bill “An Act Respecting Trade Unions” was deferred.

Second reading of Bill “An Act Relating to Public Examinations in Schools.”

HON. S. J. HEFFERTON (Minister of Education): A Bill “An Act Relating to Public Examinations in Schools” deals primarily with the abolition of the Council of Higher Education as constituted today, and in its stead and advisory body, which would still look after examinations, but whose set-up would be slightly different from what it has been up to now.

The Council of Higher Education, an autonomous body, came into being in the year 1894, and during the years of its existence has influenced largely educational trends in this country. However during the long period of its existence many changes have taken place, particularly in the educational set-up. A big change came about in 1935. Originally the Council of Higher Education dealt with two things; first of it, the setting-up of examinations for children throughout the country, but at the time of its institution the children chiefly concerned were congregated largely in the St. John's area. During the passing of time, of course, we have high schools scattered all over the country, and public examinations in practically every hamlet and village.

One of its early functions, when it was organized, was to act as a

forum, during which representatives of different denominations could get together and discuss educational things in common. With the setting up of the Bureau of Education, in 1927, and later a Bureau of Education in 1935, and then further changes in the Department of Education in 1939 that second feature of the Council of Higher Education no longer existed, for the C.H.E., that is, the Council of Higher Education as a forum discussing educational problems; that part of the work was taken over by the Council of Education under the Departmental Act, 1939. The Council of Education consists of the Minister or Commissioner, the Deputy Minister, and the four executive officers, and these constitute a Council dealing primarily with functional work and educational trends, leaving to the Council of Higher Education almost entirely and almost solely the work of looking after public examinations. This division of the work in 1939 brought to the fore one great difficulty existing in our Department of Education. The Council of Higher Education right up to 1949 dealt chiefly with examinations in Grades 9, 10, and 11, whereas the Council of Education, or the Education Department dealt with the work, curricula syllabus courses of study, etc., from Grades 1 to 8. Now it is recognized in the educational world that there must be intergration of work among the various departments all aiming towards the one end.

Here in our department we had two different bodies, and any liaison between the two was purely incidental; there was a sort of cleav-

age then between the work that was done up to Grade 8 and the work that was done subsequent to Grade 8 as carried out by the syllabus and conditions and regulations laid down by the Council of Higher Education. This matter has been under consideration for some considerable time. It was felt that the situation was one that could be remedied, and this Bill merely wipes out, as it were that differentiation between the two, allowing co-ordination between the two bodies. Under this Bill will be set up an advisory body consisting not of a representation, as in the original C.H.E., but of teachers entirely, because in the matter of examinations in our public schools it is the teachers themselves who know most about what should be done, what ought to be done, and are able to prescribe the courses and studies to be followed in order that they may give a good account of themselves. Mr. Speaker, I move the second reading of Bill "An Act Relating to Public Examinations in Schools."

MR. HIGGINS: May I ask, Mr. Speaker, were the religious denominations consulted about this?

MR. HEFFERTON: Yes.

MR. HIGGINS: They were.

MR. SMALLWOOD: I may say, Mr. Speaker, in connection with any matter, at any time, of detail or principle affecting education, we never act, we never decide, without making sure that the thing is fully satisfactory to the religious denominations.

Bill read a second time. Ordered to be referred to committee of the whole House on to-morrow.

On motion the second reading of Bill "Education (Amendment) Act Number 3, 1949" and second reading of Bill "An Act to Transfer to the Memorial University of Newfoundland Rights Vested in the Newfoundland Memorial University College and Normal Training School, Assets of the Board of Governors of the Memorial University and Certain Crown Assets", were deferred.

Second reading of Bill "An Act to Amend the Public Enquiries Act, 1934."

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, I would like to move the second reading of this Bill. The object of the Bill is to repeal and substitute a more fitting section, for Section 2 of the Public Enquiries Act, 1934. I have brought with me to the House, Mr. Speaker, the Public Enquiries Act, 1934, and I will read Clause 2 or Section 2:

"2. The Commissioner or Commissioners shall have the same power to enforce the attendance of witnesses and to compel them to give evidence as is vested in any court of law in civil cases; and any wilfully false statement made by any such witness on oath or solemn affirmation shall be a misdemeanor punishable in the same manner as wilful and corrupt perjury; but no such witness shall be compelled to answer any question, by his answer to which he might render himself liable to a criminal prosecution."

The amendment, Mr. Speaker, reads—the main amendment will read as follows:

"(2) No witness shall be excused from answering any question upon the ground that the

answer to such question may tend to criminate him, or may tend to establish his liability to a civil proceeding at the instance of the Crown or of any person.

(3) If with respect to any question a witness objects to answer upon the ground that his answer may tend to criminate him or may tend to establish his liability to a civil proceeding at the instance of the Crown or of any person, and if but for this Act or the Canada Evidence Act the witness would therefore have been excused from answering the question and although the witness is by reason of this Act compelled to answer the answer so given shall not be used or receivable in evidence against him in any criminal trial, or other criminal proceeding against him thereafter taking place, other than a prosecution for perjury in the giving of such evidence."

Now, Mr. Speaker, the object of a public enquiry is to get at the facts, and since this Act of 1934 was passed, much progress has been made in other parts of the Dominion in connection with such enquiries. It is felt that an enquiry established to ascertain facts should be successful in getting these facts, and it is felt that it is not proper that a public enquiry should be stalled or in any way made inefficient by reasons of a section such as we have in Section 2 which might enable a witness to refuse to answer a question on the grounds that the answers might tend to incriminate him. I may say, for the benefit of the House, Mr. Speaker, and it is a point which will be appreciated particularly by my honourable and learned friend, the Leader of the Op-

position, there are three precedents for the amendment. The first is the Combines Investigation Act, Chapter 26 of the Revised Statutes of Canada, Section 24. This section is practically identical with the section we propose asking the honourable House to adopt now. In the Canadian Evidence Section 5, you will find the same section. In the Railway Act, Chapter 170 of the Revised Statutes of Canada, at Section 65, you will find a similar clause.

I do not think I need labour the point, Mr. Speaker; the object of an enquiry is to get at the facts, and the object of this section is to enable any commission of public enquiry to get at the facts; and I therefore move the second reading of this Bill, the effect of which will be to compel witnesses to answer any question that may be put to them and not to avoid answering on the grounds that the answer may tend to incriminate them, but at the same time protecting them in as much as the evidence received from them will not, in itself, be admissible in evidence against them. I would move the second reading, Mr. Speaker.

MR. SPEAKER: May I ask the honourable Minister a question for my own clarification? The passing of this amendment will mean that if a witness gives evidence which might conceivably be used against him, yet he is protected under this amendment? It will not be used against him?

MR. CURTIS: Evidence that he has given, Mr. Speaker, will not be capable of being used in evidence against him, but of course, the fact is still remaining, and if it can be proved otherwise, of course, action

can be taken against him, but the actual evidence that he himself gives will not be used against him.

MR. HIGGINS: In the ordinary law, if a person refuses to give evidence in a criminal trial, he can be given a pardon by the Attorney General and then he is bound to answer. I suppose this does away with that trouble, is that it?

MR. CURTIS: Yes, yes. Of course, it does not go as far as to give him a pardon. We do not give him a pardon, we only provide that that evidence he gives cannot be used against him. We do not have to go as far as to give him a pardon, which has been our practice.

MR. HIGGINS: That is pretty hard. However, the position is that while that evidence cannot be used against him, it can be used in order to get other evidence. For instance, a crime has been committed and I know something about it, and I cannot connect things together, but after that evidence is given I can connect them together and I may be able to convict him through some other evidence.

MR. CURTIS: I would like to say, Mr. Speaker, to our learned friend, this section really only anticipates the adoption into Newfoundland of the Canadian Evidence Act.

Bill passed second reading, to go into Committee of a Whole on tomorrow.

MR. SMALLWOOD: Mr. Speaker, I move that the House on its rising do adjourn until tomorrow, Wednesday, at three of the clock.

Adjourned accordingly.

Wednesday, November 30, 1949.

The House opened at three of the clock.

MR. SPEAKER: I have to inform the Honourable House that on Monday next at four of the clock His Honour the Lieutenant Governor will be pleased to visit this House for the purpose of assenting to various Bills.

HON. H. W. QUINTON (Minister of Finance): I have the honour by command to announce a message from His Honour the Lieutenant Governor:

"The Lieutenant Governor of the Province of Newfoundland transmits Estimates of sums required for the public services of the Province for the year ending March 31, 1950, and in accordance with the provisions of the British North America Act of 1867, as amended, he recommends the Estimates to the House of Assembly."

(Sgd.) Leonard Outerbridge,
Lieutenant Governor.

MR. QUINTON: I move that the House resolve itself into a committee of the whole to consider of a Supply to be granted to His Majesty.

Mr. Speaker leaves the Chair. Mr. Courage takes Chair of Committee.

MR. QUINTON: Mr. Chairman the Estimates of revenue and expenditure for the current fiscal year have now been distributed to members of the House, and the Committee sat for the purpose of making this distribution, and since it is intended to carry on with the delivery of the budget speech this

afternoon, I now move that this committee rise, report progress and ask leave to sit again on tomorrow.

Mr. Speaker resumed the Chair.

The Committee rose, reported progress, and asked leave to sit again on tomorrow.

MR. QUINTON: Mr. Speaker, I beg leave to move that this House do now resolve itself into a Committee of the Whole to consider the Ways and Means for raising the Supply to be granted to His Majesty, and propose to deliver the Budget Speech on this occasion.

I present this Budget, the first to be presented before an elected Assembly since 1933, under circumstances that are at once both unique and historic, for this is indeed a time in the life of the people of this Island which witnesses great and important changes. In this task I seek the indulgence of the House while I place before it a statement of the financial affairs of the Province.

Members of this House, and the people of the Province, will recall the facts which brought about the suspension of Responsible Government in 1934. Many of us are familiar with the conditions which had pre-existed the setting up of the Commission of Government. All of us for the most part were deeply concerned with the steps taken to restore elective government in this land, and to enable our people to secure that form of government which would provide the greatest good for the greatest number under democratic rule.

The electorate of Newfoundland in the General Election of last June, by an overwhelming vote, clearly reendorsed the desire ex-

pressed in the second stage of the National Referendum of 1948, to become a part of the great British Nation of Canada, and thereby opened the door to a measure of development and progress unequalled in the long and trying period of isolation through which our people had passed, since the discovery and settlement of this Island more than four centuries ago.

I am deeply conscious of the honour and privilege which falls to my lot today. I am also conscious of the responsibility which is associated with this duty.

The presentation of a Budget at this peculiar time of the year, and under conditions which obtain at this time in world affairs, is not without difficulty.

It will be recalled that governmental predecessors in office, because of the expiry of their term of office early in the present year, did not make, nor could they properly make, suitable financial provision for the needs of the provincial government, when it was considered that a new form of government would succeed to office, and new and different measures of public policy would be pursued.

Accordingly the outgoing government, that is to say, the Commission of Government, provided only sufficient Supply, in the several votes, to carry the province over the post-election period, and this has now made necessary a review of finances and the bringing in of amended estimates to complete the operations of Government for the balance of the financial year which ends on 31st March next.

Certain changes in administration have become effective since the consummation of Union. Heavy administrative responsibili-

ties, formerly constituting great financial burdens on our people, have been taken over by the Federal Government. Old departments have given place to new and reconstituted ones, designed to promote the public good.

The greater proportion of the National Debt of Newfoundland has been absorbed by the Federal authorities. The Railway has been transferred to Federal ownership. The Gander Airport also has passed to Federal control and ownership. These three factors alone have relieved the province of heavy financial commitments that in former years, resulted in the expenditure of huge sums for interest, and annual deficits that were a stranglehold on public resources.

Before dealing with the financial aspects of this address, I feel that some reference should be made both to conditions prevailing at the present time and also to future prospects with regard to the trade and industry of the Province. As far as future prospects are concerned, it is not my intention to indulge in forecasts or prophecies because there are too many doubtful factors to be considered. Perhaps I may be permitted however, to indicate briefly what these factors are and the extent to which they are likely to influence our future economy.

The momentous decisions in recent months involving a major realignment of world currencies have overshadowed all other economic developments in our primary industries. The situation created by the 30½ per cent devaluation of the pound sterling, from \$4.03 to \$2.80 in terms of the U.S. dollar, the ap-

proximately equivalent devaluation of other related currencies, and the official marking down of the Canadian dollar from parity to 90.5 cents U.S., is still too recent to permit any factual appraisal of its far-reaching consequences. Speaking in broad terms, however, and I should like it to be clearly understood that this is not intended to be a studied analysis of the position, the new exchange relationships should provide a stimulus to our imports from non-dollar countries whilst, on the export side, our shipments overseas will undoubtedly be more expensive in these markets. Exports to the United States, on the other hand, should become *additionally attractive in that market* on price grounds although, in this respect, it is well to keep in mind that, in certain lines, other countries whose currencies have been devaluated to a greater extent than the Canadian dollar, may now enjoy a competitive advantage. In general, it is becoming increasingly apparent that our industries will, in the future, be confronted with numerous and formidable problems of readjustment to an entirely new set of market conditions; but I am confident that these problems will be approached by our industrial leaders with the vigor and intelligence which they have displayed so often in the past and for which they are so well known.

So much for the overall picture. I should now like to refer specifically to conditions in some of our major industries and, because of the fact that it affects, directly or indirectly, the welfare and economy of the largest number of our population, I propose to deal first with the fishing industry.

FISHERIES

It is not possible, at present, to provide accurate figures on the total catch of fish for 1949, as the compilation of the relevant statistics has not yet been completed. From all available information, it appears that the Shore Fishery as a whole has produced more fish than last year, the Bank Fishery has produced somewhat less, whilst there has been little or no difference in the outcome of the Labrador Fishery. Salted codfish production has progressed during the current season at a point close to the 1948 level.

In spite of the very difficult trading conditions prevailing in the foreign markets for salt codfish, principally because of the inability of a number of countries to provide dollars for their purchases, the marketing of the catch has proceeded steadily, and forward contracts for substantial quantities have been negotiated. The quantity already shipped to European markets and the quantities still to be shipped to dollar markets in the Western Hemisphere, should, subject to the exchange difficulties previously mentioned, equal those in recent years.

You are already familiar with the action taken by the Government in 1947 and 1948, and again during the present year, to meet the problems arising from the dollar shortage in certain European markets, and it is unnecessary for me to make any detailed reference thereto at this time. It is sufficient to say that the Government's action has permitted the disposal in Europe, on a satisfactory basis, of a portion of our salt fish catch which

could not otherwise have been marketed and has also helped materially to maintain price levels in the world fish markets.

Unfortunately it is realized only too clearly that these measures gave only temporary relief. The problem is still as pressing as it ever was, if not more so. As at April 1st, 1949, the administration and control of all matters relative to the fisheries of Newfoundland were transferred to the Federal Government and, consequently, I am unable to say whether or not action along similar lines will be taken to facilitate salt fish marketing in 1950. It is also too early to attempt to assess the effect which the adjustment of exchange rates will have on the salt fish trade generally. However, the Government is keenly aware of the many and intricate problems which will undoubtedly confront salt fish exporters in the future and, in conjunction with the Newfoundland Associated Fish Exporters Limited, the Newfoundland Fisheries Board and the Department of Fisheries, Ottawa, these problems are being carefully studied in an effort to arrive at a satisfactory solution.

With regard to our frozen fish trade, which developed rapidly during the war years, the withdrawal of the United Kingdom as a buyer has resulted in the United States being the principal, and, indeed, almost the only market at the present time. Shipments have been moving out in considerable volume to date but, as a result of the sustained nervousness which prevailed in the market for some months earlier in the year, exports in 1949 have not been as large as in 1948. In recent weeks, however, there

has been a marked improvement in this respect; commodities generally in the United States have been steady and a feeling of confidence has been noted. These factors, if they continue, can be expected to have a beneficial effect on the sales position of our frozen months.

As a result of a succession of large relief orders for European countries which Newfoundland was successful in securing after the war, our exports of herring in recent years have been at an extremely high level. These orders have now ceased but the value and volume of our exports are still considerably above those pre-war years and it is anticipated that they will continue so for a reasonable period.

The situation with respect to fish oils is somewhat discouraging. Although there has been a resurgence in the sealing industry and a remarkable growth in whaling activities in the last few years, fish oils generally have been undergoing a series of sharp price decreases. These decreases have been due, in large measure, to the fact that edible and industrial oils from sources other than fish are becoming available in large quantities and the market is now highly competitive. In addition, sales have also been influenced by the weak dollar position of a number of countries which would otherwise be in the market for oils. No immediate improvement in these conditions is foreseen but there is some evidence of steadiness although, unfortunately, only at the low levels which have been reached. On the other hand, the whaling industry is helped by the strong demand for fish meals.

The lobster fishery has progressed steadily during the past ten years, largely because of a sound conservation programme in which the majority of our fishermen have co-operated whole-heartedly, and production is now over three times its previous volume. The catch for 1949 has been marketed and activities in this industry will therefore be slow until the opening of the 1950 season in the late spring of next year.

In review, it may be said that, whilst there may be further reductions in the prices of some of our fishery products and no substantial increases, if any, over last year's prices, conditions, on the whole, are satisfactory and should remain so during the coming year. The marketing difficulties prevailing in the salt codfish industry cannot, of course, be minimized and, since this represents the largest branch of our fisheries, the problem is thereby all the more demanding of an early solution.

PULP AND PAPER INDUSTRY

When it is considered that, in 1948, the pulp and paper mills operating in Newfoundland gave employment to an average of over 13,000 people and that their pay-rolls exceeded \$26,000,000, it will be readily appreciated that they loom very large in our economy and that any serious deterioration in the industry would have marked repercussions throughout the Province.

During the late war and post-war years, the demand for newsprint and sulphite pulp reached unprecedented levels, with the result that the operations of both Companies were maintained at full peak and

no difficulties were encountered by them in disposing of their production. Indeed, in order to enable them to keep pace with the growing demand during those years and according as the necessary materials became available, existing mill machinery and equipment were overhauled and new machinery installed by the Companies to increase their capacities. In this respect, it is interesting to note that, in the twelve months ended June 30th, 1949, Bowater's completed the installation of a new machine capable of producing 71,000 short tons of newsprint a year, whilst the productive capacity of old machines were increased to 224,000,000 short tons a year. The total productive capacity of all machines operated by this Company has thereby been increased from 205,500 to 295,000 short tons a year. A similar programme of improvement and rehabilitation has been undertaken by the A.N.D. Co. and is still in progress. These improvements have entailed heavy capital expenditures by the Companies, but are considered to be essential if they are to maintain their positions in the world newsprint markets in the face of growing competition.

Unfortunately, towards the end of 1948, and throughout the whole of the present year, signs of a definite weakening in the sulphite pulp and newsprint industries have become evident and, if the trend continues, conditions in certain markets may well become extremely difficult. As far as newsprint is concerned, this is due not so much to a reduction in demand as to the dollar shortage and exchange difficulties prevailing in many of our best markets. The market for

full price sideruns and pulping paper, however, has practically disappeared. In addition, the demand for sulphite pulp has fallen off considerably and there has also been a sharp decline in prices, with the result that the Companies find they are not able to manufacture without running the risk of incurring heavy losses. In an effort to overcome these difficulties, steps are being taken by one Company to improve the quality of Newfoundland sulphite pulp and to decrease costs of production so as to make some of it marketable in the United States and thus relieve its dependence upon the present uncertainties of the United Kingdom market. Unless some such alternative outlet is forthcoming, this Company may be forced to close down its sulphite mill entirely, as has already been found necessary in the case of the other sulphite mill operated in Newfoundland.

Turning again to the newsprint industry, these same exchange difficulties have imposed severe restrictions on purchases in soft currency countries and have materially curtailed the ability of overseas customers to buy our newsprint, despite the fact that the demand therefore still remains at a comparatively high level. In pre-war years, the United Kingdom purchases a large portion of our newsprint production but, following the outbreak of the late war, all but a *fraction of that market was lost*. The Companies were successful, however, in obtaining new markets, e.g. Australia, Argentina and Mexico, to compensate for the loss of the United Kingdom market, with the result, as I have previously stated, that they were enabled to

maintain their operations at full peak.

Following a further reduction in United Kingdom purchases in the dollar area and the devaluation of the pound sterling, which has resulted in reduced sales to Australia, Argentina and other markets, it has become necessary to turn to the United States market to dispose of the surplus tonnages released by the markets with dollar difficulties and, up to the present time, the United States has been able to absorb all such surpluses. In recent months, however, there have also been improvements in the output of Scandinavian mills and an appreciable increase in the production of mills throughout the rest of Canada, so that the danger now is that the saturation point in the United States market may shortly be, if it has not already been, reached. If this occurs, the result may be a buyer's market and a consequent decrease in prices.

It will be seen from the foregoing that the position of the industry is highly complex and that it is well-nigh impossible to make any reasonably accurate forecast of the future. Present prospects are that the Companies will be able to continue to operate satisfactorily for some time to come but, nevertheless, the outlook, in many respects, can only be described as uncertain. I have been informed by the Companies that every possible effort *will be made by them to maintain the industry on a satisfactory basis as far as it lies within their power to do but that, in order to guard against heavy losses, due to an inflated inventory position deterioration in existing conditions, it has been found necessary for them as*

a precautionary measure, to reduce their cutting programmes for 1949-50 by a considerable extent.

There are those, however, who confidently expect that by 1952 a more optimistic outlook will replace the present doubtful position regarding newsprint and sulphite markets, and that a world shortage of these materials will again place the newsprint industry in a strong position.

MINING INDUSTRY

During 1948, the D.O.S.C.O. operations at Bell Island employed daily an average of 2,134 persons and the total payroll for the year amounted to \$4,838,607. In the same period, ore shipments totalled approximately 1,717,763 gross tons.

It is estimated that the average number employed daily by the Corporation during 1949 will exceed 2,250 persons and it is probably that the payroll will be increased to \$5,150,000. In this respect it should be noted that, on August the 1st, 1949, an 8-hour day was introduced by the Company in place of the 10-hour day previously worked. Despite the shorted working hours, employees still receive the same earnings as they had received formerly for a 10-hour work shift, plus an additional 50c. a day, thereby increasing the basic rate of pay from 67c. to 90c. an hour. It is anticipated that ore shipments for the year will approximate 1,600,000 gross tons.

As in the case of the fisheries and the pulp and paper industries, prevailing exchange conditions make it extremely difficult to forecast with any degree of accuracy the future of the Bell Island Industry and, at the present time, it is not known exactly what may be

the position in respect of foreign and local ore shipments. The situation is, of course, being carefully studied from every angle and it is hoped that, in the final analysis, it will be possible to maintain production and shipments at a satisfactory level.

With regard to the operations of the Buchans Mining Company, conditions throughout the world during 1949 have resulted in a sharp decline in the price of non-ferrous metals and a consequent curtailment of operations in many mines. Further contributory causes were the shortage of dollars in sterling countries, increased costs of production, and a general decline in business activities. It is true that prices have advanced since June, but not to an extent sufficient to cover current costs. While the market is not active at present, I am unable to say, however, that the total production of the Buchans Mining Company has been sold up to 15th December, 1949.

Throughout the present year, this Company has continued its operations on a 6-day mining and milling basis and is currently mining and milling about 27,000 tons a month. When the Company's operations were on a 7-day basis, production was approximately 40,000 tons a month and it is therefore apparent that production of copper, lead and zinc concentrates at the present time is considerably lower than it was prior to 1946.

There has been an increase in the number of persons employed by the Company during 1949 as compared with 1948. In July, 1949, for example, employees totalled 1,015 as against 820 in July, a year before. The Company expects that during the summer

months of 1950, the number of its employees will be about the same as this year. In addition, however, they are carrying on a building expansion programme which embraces the construction of 80 workmen's dwellings and, if this programme is continued, a large number of carpenters, painters and plumbers will be employed.

With regard to the future, it has already been intimated that the outlook for non-ferrous metal mining is not too bright. The Buchans Company, however, expects to be able to maintain its operations at approximately the present rate. At the beginning of 1948, the life of the known ore bodies was projected for about five years at a diminishing rate of production but, in that year, an extension to the ore bodies was indicated from diamond drilling operations. As a result of investigations during the present year, further extensions or new ore bodies were located at depths which so far indicate an additional eight years' life to the mines. I am sure that the results of these investigations will be received with great satisfaction throughout the Province.

The Company is continuing the active examination of an area comprising some 2,000 square miles which has been leased from the A.N.D. Company, and, in conjunction with the A.N.D. Co., is also examining another large area, estimated to be over 7,000 square miles, which has been withdrawn from staking by the Government. This programme of survey and prospecting was started during the present year. It is hoped that the investigations will result in the discovery of additional new ore bodies thereby extending the life

of the Company for a further period of years.

I feel that reference should also be made at this time to another phase of the mining industry which commenced on a comparatively modest scale back in 1933 but which is already making a valuable contribution to our economy—I refer, of course, to the St. Lawrence fluorspar industry. Despite many vicissitudes and setbacks, the industry has progressed steadily year by year and now has an annual payroll of over \$1,000,000.

As for the future, I am assured that there are sufficient reserves of fluorspar at St. Lawrence to last for many years to come, and that its uses in daily life are increasing to an extent that will enable production to be maintained at a high level throughout 1950 and subsequent years.

GENERAL

The many disturbances and radical changes which have taken place during 1949 make it difficult to appraise accurately present conditions in the trade of the Province, and it is therefore possible to make generalization only, from which useful conclusions might be drawn.

The elimination of customs duties on goods from the mainland of Canada after April 1st, 1949, found the trade with stocks of duty-paid goods on their shelves which, while reduced in volume below normal, were nevertheless substantial in quantity. Losses in many cases were undoubtedly incurred, the exact amount of which is not presently known. In addition, traditional sources of supply in the United States were restricted or cut off by exchange regula-

tions, and this also had a disrupting effect. Finally, the sudden and unexpected devaluation of the pound sterling imposed further losses, presently undetermined, on firms holding English goods.

In spite of these difficulties, however, no large-scale symptoms have developed of any deterioration of trade, although the future outlook is uncertain in some respects.

There have also been some disturbances in the field of transportation. Longshoremen's payrolls in St. John's ordinarily amounting to \$1,500,000 a year, are estimated to be down by approximately 25%. Railway car loadings at St. John's for the period 1st April to 31st October, 1949, are estimated at 15% below 1948 although loadings throughout the Province are up about 100%. The latter is due to the free movement of goods from the Canadian mainland.

The general distributive trades remain brisk. There are no figures to indicate sales volume but bank clearings, which are always a good index, are virtually equal to 1948.

It appears likely, therefore, that **the volume** of trade for the year 1949 will be slightly below the level of 1948 although, as already stated, net **earnings** of traders will probably be reduced as a result of losses due to removal of duties and the devaluation of the pound sterling. It also appears possible at the present time that the volume of business for the first half of 1950 will be below the level of recent years.

Summing up, therefore, it may be said that the situation as a whole in Newfoundland this present year is that prices of our prin-

cipal export products have been well maintained, but that three unfortunate factors have produced some degree of depression in a few parts of the Province. These three factors are: first, an abnormal failure of the fishery in some areas; second, the slowing down of pulpwood cutting due to the complete unsaleability of pitprops and the greater difficulty in selling sulphite pulp; and, third, the lay-offs occurring on the American bases which resulted from the decision of the American Congress to reduce the number of civilian employees on all American bases throughout the world. These factors have produced a higher percentage and volume of unemployment than for any period since the early stages of the late war.

I need scarcely point out to the Province that these factors are quite beyond the control of the Government of Newfoundland, whatever form that government *might* take. Whatever the outcome of the Referendum or the General Election might have been, these three undesirable developments would have occurred in exactly the same degree as we have *in fact seen*.

This is the unfavourable side of the picture. The favourable side is made up of the social security payments which the Government of Canada has been, and is making each month to so many thousands of our people. These payments are so numerous, and so varied that there are to-day very few families in Newfoundland who are not sharing directly in them, and none at all who are benefiting indirectly from them. Family Allowances, Old Age Pensions, Pensions for the Blind, Unemploy-

ment Insurance and Unemployment Assistance, reestablishment Credits and other payments to our war veterans constitute between them well over \$2,000,000 every month of the year. It is unpleasant to contemplate the position of Newfoundland as it would be if these payments were not being received each month by thousands of our families. Family allowances alone, to take but one of these social security payments, amount to a sum greater than the total export value of all our fisheries and fishery-products of a mere ten years ago. It is clear that with this very substantial block of purchasing-power in the hands of our people, trade can never again decline to the low levels which we saw in the years between the two worldwars.

And now I turn to the financial side of the Province's affairs.

REVENUE AND EXPENDITURE

1948-49

I think that this House is entitled to a brief review of the outturn of Government financial operations during the year ended 31 March, 1948, the last year before Confederation. The Public Accounts relating to the year concerned will be released within the course of a week or two, but firm figures of revenue and expenditure have been extracted therefrom for the information of this House.

The original estimates of revenue for the year concerned were established at \$39,416,000; the actual receipts amounted to \$41,087,000, or a more favourable result by \$1,670,000; the expenditure for the year was estimated originally at \$38,544,000, but variations in the

actual expenditure programme were such that, at a later stage in the year, Supplementary Supply of the order of \$2,780,000 was authorized. The actual expenditure amounted, roughly, to \$40,000,000.

I do not propose to take up the time of this House by reading the detailed tables of Revenue and Expenditure; they will be found in the printed copy of this speech, but I would offer certain observations which will be of interest on the departmental outturns.

REVENUE

Finance	\$ 1,049,298
Customs	21,784,271
Posts & Telegraphs	1,789,298
Assessor	12,045,967
Home Affairs	78,856
Education	106,093
Justice	64,597
Natural Resources	582,240
Public Works	1,550,230
Public Health and Welfare	466,082
Liquor Control	1,500,000
Supply	70,571
	<hr/>
	\$41,087,503

EXPENDITURE

Consolidated Fund

Services	\$ 3,835,090
Finance	3,523,303
Customs	671,306
Posts & Telegraphs	2,046,057
Assessor	87,477
Home Affairs	936,350
Education	4,116,298
Justice	1,314,365
Natural Resources	2,949,484
Public Works	10,239,517
Public Health and Welfare	8,262,793

Liquor Control	1,843,900
Supply	94,507
	<hr/>
	\$39,920,447

The revenue of the Department of Finance exceeded the original estimate by some \$539,000, mainly due to the repossession by Exchequer, in accordance with the Terms of Union, and in anticipation of that event, of cash balances held in the Railway Renewals Fund and the Coin Redemption Account, aggregating \$411,500, and the receipt of \$60,000 from the sale of the S.S. "EMPIRE CONINGTON" an ex-German vessel which came into the possession of the Newfoundland Railway in the post-war settlement in partial compensation for Railway shipping losses arising out of enemy action. Since the loss of the Railway tonnage during the period of hostilities had been made good by a vessel paid for out of Exchequer grants, it was held that the proceeds from the disposal of the ex-enemy vessel properly belonged to the Exchequer rather than to the Newfoundland Railway and, when the disposal of the ship was authorized, the Commission of Government ordered that the proceeds of the sale should be treated in this manner.

In the case of the Department of Customs, the revenue outturn was better by some \$84,000 than had been estimated originally. In actual fact, there was a heavy reduction in duty on imports from the mainland owing to widespread bonding by the trade in anticipation of the act of the Union. Conversely, there were large clearances of goods of U.S.A. origin and exceptional receipts of some \$1,480,000 from duties on special im-

ports of liquor by the Board of Liquor Control.

The revenue of the Department of Posts & Telegraphs at \$1,789,298 exceeded the estimate by some \$106,000 and was an all-time record for that Department.

The revenue from Corporation and Personal Income Tax through the Assessor of Texas exceeded the estimates by some \$1,696,000. This was due, in the main, to the earlier payment of taxes of 1948 incomes by corporations and, in some degrees, to an under-estimate of business profits for 1947, the base year for calculation of 1948 receipts from this tax field.

The revenue of the Department of Home Affairs was short of the original estimate by some \$163,000, due to the non-receipts of repayments by Housing Associations, etc.

In the case of the Department of Public Works, also, the total revenue yield fell short of the original anticipation by some \$571,000 due almost entirely to an over-calculation of our claim against His Majesty's Government in the United Kingdom in respect of the recoverable portion of the Gander Airport operating deficit.

The revenue of the Department of Public Health and Welfare was \$80,000 more than had been originally anticipated, due in the main to the increased volume of receipts from patients in Government-operated hospitals.

No recovery was effected in 1948-49 from the Newfoundland Railway in respect of an estimated repayment of \$79,000 on Dominion Office Loan Account.

It was not anticipated that any revenue under the head of the Department of Supply during 1948-49

would be received. In actual fact, the revenue of this Department amounted to some \$70,000, the principal component being the recovery from a special trust account set up during the war years as a revolving fund for the purchase of essential goods which were in short supply during those years. There was no necessity for continued operation, and the recovery, as in the case of the exceptional recoveries under the Department of Finance to which I have already made reference, was in accordance with the Terms of Union of Newfoundland and Canada.

Turning now to the expenditure side—I have already shown that Government's cash outgoings in the year concerned amounted, roundly to \$40,000,000.

The service of the Public Debt showed an increase over the original estimate of some \$198,000, due to an increase in the tempo of the redemptions of Savings Certificates.

In the case of the Department of Home Affairs, there was a net saving of some \$391,000. There were, however, a number of variations under this vote; for example, owing to the unforeseen necessity of conducting two votes on the constitutional question, the original provision in respect of the national referendum was exceeded by \$112,000; further expenditure, not foreseen when the original estimates were prepared, to cover the expenses of the Newfoundland Delegation to Ottawa, including the fees and expenses of special advisors to the Delegation, amounted to some \$53,000. Countervailing savings of some \$209,000 under the

heading of Civil Re-establishment, and of \$377,000 for Housing Association services were effected.

In the case of the Department of Natural Resources, miscellaneous under-expenditures amounted to \$414,000, but these were offset by an increase of \$164,000 in the provision for advances by way of loans to assist the fishing industry. The net under-expenditure was thus \$247,000.

Net savings of \$723,000 were effected under the vote of the Department of Public Works; construction of public buildings, wharves and breakwaters, and advances in respect of Gander Airport operations were underspent by \$200,000, \$123,000 and \$488,000, respectively. These under-expenditures were, however, offset in some degree by over-expenditures on a number of the original provisions, the most significant of which were fuel, light and power, and road maintenance, where excess expenditures of \$188,000 and \$76,000, respectively, were encountered.

The Department of Public Health and Welfare's expenditures resulted in a net increase of \$1,011,000, which was due almost entirely to a greater expenditure by \$1,000,000 than had been anticipated in connection with the relief of indigent persons; in this connection, it should be emphasized that the actual cost to Government of public relief in the year under review was of the order of \$3,000,000, of which \$2,250,000 was actually paid out and bills aggregating \$750,000 carried forward as charges against the 1949-50 accounts—further reference will be made to this in my review of the proposed expenditure for the current financial year.

Finally, the expenditure of the Board of Liquor Control exceeded the original estimates by some \$1,700,000 and, apart from minor variations in the original estimate, this increase was entirely attributable to expenditure to taking into inventory special purchases, in anticipation of future years' trading operations, of exceptional stocks of hard liquors. These purchases were financed by a special advance of working capital from Exchequer funds, which advances will be recouped by the Exchequer in the current year and in 1950-51.

On these figures, therefore, the financial year ending the day before Confederation commenced showed a surplus of, roundly, \$1,000,000. Closer examination, however, puts the year's outturn in a somewhat different light. There were, for example, several revenue items of an unusual and non-recurring nature which belonged to that year no more than to any other year, but which, nevertheless, were actually taken into account and correspondingly increased the receipts for the year. The Railway Renewals Fund of over \$200,000 was recovered, as was the Coin Redemption Fund of nearly \$200,000. Sale of the S.S. "Empire Conington" realized \$60,000, and exceptional recoveries through the Department of Supply amounted to \$70,000. Furthermore, the recovery made in that year in respect of the United Kingdom portion of the Gander Airport deficit has subsequently proved to be some \$280,000 in excess of the amount actually due to Newfoundland in this regard. The surplus of, roundly, \$1,000,000, if these exceptional

revenue items be excluded, is thus reduced to some \$187,000 only.

If we turn now to an analysis of that year's expenditure, we find that it was exceptionally augmented by an issue of 1.7 million dollars to the Board of Liquor Control to finance special purchases of stocks of liquor. This exceptional increase in expenditure, however, should be balanced against the non-presentation of invoices, etc., amounting to approximately \$2.4 million incurred in that year but which, through late presentation of the accounts and other factors could not be paid in the year under review; the most notable example being an aggregate of \$750,000 of relief bills. If, therefore, it had been possible to pay all these bills, and it had not been essential to provide for the exceptional liquor purchases, the expenditure for the year would have shown at a figure of some \$700,000 in excess of the actual outgoings.

On this basis of review, therefore, the actual outturn for the year 1948-49 would have been an overall deficit of the order of \$600,000.

I would like now to direct the attention of the Members of the Assembly to the estimates of Revenue and Expenditure for the financial year ending 31 March, 1950. Copies of the detailed estimates have been tabled and include estimated expenditures on Current and Financial Surplus accounts in order to arrive at our *estimated budgetary requirements*.

The preparation of the amended estimates of Revenue and Expenditure for the financial year ending the 31st of March, 1950, presented problems of an unusual kind, but

in this task we were most fortunate in having the assistance of a very well-known authority in the person of Mr. James C. Thompson, of Montreal, who was invited by us to come to Newfoundland for the purpose. In this important work our own Deputy Minister Mr. Walter M. Marshall, C.B.E., collaborated with his very wide knowledge of our financial structure and background.

The federation of a country which had operated both as an autonomous unit of the British Commonwealth and under a Commission of Government was unique in Canadian history. Financial policies and procedures in Newfoundland at the date of Union with Canada were based mainly on those of the United Kingdom, whereas the other Canadian provinces had combined practices of both the United Kingdom and the United States of America and adapted them to their own particular requirements.

A re-orientation of the departments of government in the Province has resulted in the creation of new departments and the division into separate departments of operations which had formerly been administered jointly.

Members are aware that under the terms of Union with Canada the financial surplus of Newfoundland at 31 March, 1949, was allocated for subsequent expenditures by the Province of Newfoundland for certain specified purposes. Since many of these expenditures fall within the ambit of the ordinary annual appropriations of this Assembly, it was desirable that the amended budget should show whether the funds should be provided from current revenues or from the pre-union surplus.

The estimates submitted for your approval are a form which has never before been used in the Newfoundland Service. The new form is that which, broadly speaking, is in common usage by our sister Provinces. It is designed to show a functional or performance budget in which departmental requirements are broken down into appropriate subheads each of which exhibits the cost, salaries and other charges, of the separate activities or services of the department concerned.

For example, in the amended estimates for 1949-50, now before you, the estimated cost of the General Hospital, under separate sub-headings for salaries, expenses, and equipment and supplies, is shown in a few lines on one page with a further segregation under such captions as "Surgical Instruments and Supplies," "Provisions," "Clothing," etc. Details of the salaries, for this and all other departmental divisions, may be obtained by reference to an appendix at the end of the estimates. I believe that the time required by this Assembly to review the estimates will be greatly reduced by the new form of presentation. Care has been exercised to ensure that the new basis is practicable under the present accounting procedures of the various departments, pending the introduction of changes, now under consideration, in the general accounting system of the Province.

It will be obvious to honourable members that the Estimates having been prepared in this new form, it will follow that the Public Accounts for this and subsequent years will follow the same pattern.

The estimated expenditures include all liabilities for goods or services received during the financial year but unpaid at the close of the year. This is an important departure from previous practices. Government accounting has traditionally been on a cash and not on an accrual basis, but it is now generally acknowledged that a financial policy which does not provide funds to meet all liabilities incurred within the financial year is unsound. If encumbrances are not taken into account, an estimated budget surplus may easily prove to be an actual deficit.

In this connection, I quote from the recently published report of the Commission on Organization of the Executive Branch of the Government (U.S.A.):

“In government, control of appropriations is especially important. In order to control the use and prevent over-expenditure of appropriations, it is necessary that the available balance of each appropriation account be known at all times. The available balance of an appropriation is the difference between the amount appropriated and the sum of the amounts already withdrawn from it and the amounts that will be withdrawn in settlement of expenditures that have not yet reached the disbursement stage. Therefore, if over-expenditure of an appropriation account is to be prevented, it is necessary that outstanding commitments against the appropriation be known as well as the amounts already paid out in settlement of commitments.

Thus, in budgetary accounting, expenditure occurs when a commitment to buy something is made, and it is imperative that

the appropriation accounts be charged at this time. If this is done, the available balance of every appropriation account will be known at all times. **If it is not done, commitments might easily be made against appropriations that already have been exhausted.”**

Expenditures arising from pre-union operations have been excluded from current operations. Provision for payment thereof has been made by charging such expenditures against the pre-union surplus. It was only in this manner that the true expenditures of the financial year now current could be properly presented to this Assembly.

The new estimates show by columnar distribution whether revenues are for the credit of current account or the pre-union surplus account and, in the case of expenditures, whether these must be made from current revenues or if they are proper charges against the pre-union surplus.

Finally, the method of presentation which has been adopted provides a foundation for revision of the existing accounting system inasmuch as each subhead is given a number which will correspond to the numerical code of the new accounting system when it is introduced at the beginning of the financial year 1950-51.

FINANCIAL SURPLUS ACCOUNT AS OF THE DATE OF UNION

The financial surplus as of the Date of Union, as far as can be determined, at this date, amounted to not less than \$40,283,147, representing the difference between cash and other current assets of \$47,676,482 and liabilities of \$7,393,335, as follows:

1. Cash at the Bank of Montreal, St. John's		\$10,189,404	
2. Cash at the Crown Agents for the Colonies, London		8,571,482	
3. Loans to the United Kingdom Government		9,139,768	
4. Investment in United Kingdom 2½ per cent. National War Bonds		3,361,777	
5. Amounts outstanding at March 31, 1949, and repayable during present financial year end- ing 31 March, 1950, in respect of—			
Loans and Advances:			
Board of Liquor Control	\$ 1,000,000		
Other advances, per Estimates Appen- dix 10	201,150	1,201,150	
6. Taxes and other revenues in respect of pre- union operations:			
Income taxes on corporations and in- dividuals	\$ 9,002,800		
Customs Late Receipts	343,500		
Board of Liquor Control, partial remit- tance of pre-union profits	350,000	9,698,300	
7. Amounts recoverable from Canada or the United Kingdom and from the liquidation of various pre-union activities:			
Newfoundland Railway	\$1,671,600		
Gander Airport	3,332,000		
Inventories	268,900		
Other	172,000	\$5,444,500	
8. Refunds of Expenditures		72,100	
Sub-Total (cash and other current assets)		\$47,676,482	
Liabilities at the date of Union, excluding debenture debt, referred to later, amounted to \$7,393,335, as follows:			
Debt Dedemption:			
	Due in 1949-50	Due in later years	
Accounts Payable	\$2,452,400		
Trustee Stock	2,301,976	1,223,037	
Savings Certificates	500,124	558,136	
Sinking Funds	56,000		
Public Debt Interest	83,500		
Savings Certificates Interest	103,000	97,000	
Miscellaneous	18,162		
	<u>\$5,515,162</u>	<u>\$1,878,173</u>	<u>\$7,393,335</u>

At this juncture, it should be stated that accounts receivable and sundry other assets at the date of union, excluded from the pre-union surplus pending realization or liquidation amounted to \$11,029,690. Debenture debt, less sinking funds, maturing after 31 March, 1950, amounting to \$4,124,220 was also excluded from the computation of the pre-union surplus, as funds to meet this obligation will be provided from the \$11,029,690 previously mentioned or from yearly legislative appropriations.

I now propose to place before the Assembly a short summary of the receivables and other assets excluded from the financial surplus account, pending realization or liquidation. The amount of \$11,029,690 was made up as follows:

At Book Values—

Working Capital and Unremitted profits, Board of Liquor Control		\$3,008,201
Less amounts included in the 1949-50 Estimates		
Repayment of Working Capital	\$1,000,000	
Unremitted profits	350,000	1,350,000
		<hr/>
		1,658,201
Fisheries Assistance Fund		552,011
Arrears of Taxes (nominal)		75,000
Loans, Advances and Sundry Investments, per Appendix 13, printed Estimates:		
Housing Associations	5,155,421	
Other	2,045,371	7,200,792
		<hr/>
Departmental Operating Accounts		\$ 43,686
Surplus, Newfoundland Savings Bank		1,000,000
"Clareville" Vessels (nominal value)		500,000
		<hr/>
		\$11,029,690

Summing up, therefore, it will be seen that our cash surplus on the day before Confederation was roundly \$40,000,000, and that we had another \$11,000,000 of value not turned into cash.

REVENUE AND EXPENDITURE, 1949-50

Having dealt with the financial surplus account as of the date of union, I now invite the attention of the Assembly to the estimated revenue and expenditure for the present financial year ending 31 March, 1950.

Our over-all requirements are as follows:

CURRENT ACCOUNT

Estimated Expenditure, Current Account	\$22,984,600
Estimated Revenue, Current Account	20,182,550

Estimated Deficit, Current Account	<u>\$ 2,802,050</u>
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FINANCIAL SURPLUS ACCOUNT

Estimated Expenditure, Financial Surplus Account	\$11,588,700
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Less provision included therein for the discharge of pre-union liabilities	5,497,000
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Total	<u>\$ 6,091,700</u>
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Estimated Revenue, Financial Surplus Account	\$16,746,050
Less amounts included therein allocated to financial surplus account as of date of Union	16,414,050
	<u>332,000</u>

Net Expenditure for ext. of Pub. Services	<u>\$ 5,759,700</u>
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Estimated sum to be provided from pre-union financial surplus account for current deficit and extension of Public Services	<u>\$ 8,561,750</u>
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Deducting this amount of \$8,561,750 from the pre-union surplus of \$40,283,147 leaves a balance of \$31,721,397 available for future requirements.

ESTIMATED DEFICIT, CURRENT ACCOUNT, 1949-50

Members will recall that under terms of union, one-third of the pre-union surplus may be utilized for the payment of current account deficits. The 513,427,716 thus made available will be reduced accordingly by \$2,802,050, the estimated deficit for 1949-50, leaving a balance of \$10,625,666 for future requirements.

It will be noted that the estimated deficit for 1949-50 is in part occasioned by the fact that only three-quarters of the tax rental payments due from the Government of Canada will be received for the financial year now current, the balance being payable three months after the close of the financial year. The amount of \$1,985,000 thus deferred, has the effect of increasing the estimated deficit by that extent. It is hoped that expenditures will not exceed, but in all probability will fall below, the estimates tabled. Revenues have been conservatively estimated, and the combination of these various factors would indicate that in a normal year the current account deficit should be much lower than for the year now current.

SUMMARY OF ESTIMATED REVENUE

I will pass over the details of the estimated revenues for 1949-50, since these will be more readily understood when read in the printed form.

	Current Account	Pre-Union Surplus	Total
Finance	\$13,738,700	\$14,793,800	\$28,532,500
Education	160,400	3,200	163,600
Provincial Affairs	155,000	119,400	274,400
Attorney General	101,000	—	101,000
Natural Resources	901,900	62,600	964,500
Public Works	412,650	333,350	746,000
Health	1,129,800	—	1,129,800
Public Welfare	1,886,200	—	1,886,200
Board of Liquor Control	1,650,100	1,350,000	3,000,000
Fisheries and Co-operatives	41,800	83,700	125,000
Labour	5,000	—	5,000
	<u>\$20,182,550</u>	<u>\$16,746,050</u>	<u>\$36,928,600</u>

REVENUE, CURRENT ACCOUNT

In the Department of Finance statutory subsidies, payments in lieu of taxes rented and transitional grants represent the principal items of revenue. These amount to \$12,455,000. In addition it is anticipated that receipts from the gasoline tax will amount to \$865,000 and interest on exchequer balances to \$310,000. The remaining revenues of this department arise from sundry revenue sources shown in detail in the estimates and amount to \$108,700.

In the Department of Provincial Affairs the principal item of revenue is in connection with interest on loans to housing associations, the anticipated collections from this source being \$154,900.

Estimated revenues of the Department of Education arise from pension contributions of teachers, \$26,000; sale of school supplies, \$90,000; Dominion Government Grant in aid of Vocational Training, \$26,700, and other miscellaneous items aggregating \$16,700.

In the Department of the Attorney General revenues comprise fines and forfeitures, \$48,000; receipts from the Penitentiary, \$50,000, and revenue from miscellaneous sources, \$3,000.

In the Department of Natural Resources collections of the Forestry Branch are estimated at	\$422,000
From Agriculture	32,000
From Mines	406,500
From Miscellaneous sources	41,000

Totalling	<u>\$901,900</u>
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Estimated revenues of the Department of Public Works arise chiefly from licences for for motor vehicles, drivers, etc., \$350,000, and from other sources, \$62,650.

Health revenues total \$1,129,800, represented by contributions by the Government of Canada for the extension of existing Health Services, \$588,000; hospital collections for fees, medicines, etc., from patients, \$482,300, and from miscellaneous sources, \$59,500.

Revenues of the Department of Public Welfare arise chiefly from the augmentation by the Government of Canada of provincial Old Age Pensions, \$1,875,000. Other sundry revenues of the Department are estimated at \$11,200.

Trading profits of the Board of Liquor Control are estimated at \$1,650,000.

Sundry revenues from Fisheries and Co-operatives and Labour are estimated at \$41,800 and \$5,000 respectively.

REVENUE—FINANCIAL SURPLUS ACCOUNT

The total revenues under this heading are estimated at \$16,746,050 of which all except \$332,000 represent amounts collectible in respect of pre-union activities and which will be credited to the pre-union surplus. The remaining \$332,000 arises from anticipated receipts from the Government of Canada in respect of hospital construction.

SUMMARY OF ESTIMATES—EXPENDITURE

I shall not delay the House by giving the details here. Itemized figures will be found in the printed estimates.

	Current Account	Pre-Union Surplus	Total
Consolidated Fund Services	\$ 364,400	\$ 3,044,600	\$ 3,409,000
Legislative	186,300	—	196,300
Executive Council	152,100	—	152,100
Finance	798,400	902,300	1,700,700
Provincial Affairs	63,200	276,700	339,900
Education	4,013,000	475,300	4,488,300
Attorney General	1,328,300	24,200	1,352,500
Natural Resources	1,579,400	76,100	1,655,500
Public Works	3,344,100	4,744,200	8,088,300
Health	4,756,100	796,800	5,552,900
Public Welfare	5,649,400	789,900	6,439,300
Board of Liquor Control	166,100	—	166,100
Supply	346,800	270,000	616,800
Fisheries and Co-operatives	129,000	188,200	317,200
Economic Development.....	59,400	400	59,800
Labour	48,600	—	48,600
Totals	\$22,984,600	\$11,588,700	\$34,573,300

EXPENDITURE, CURRENT ACCOUNT

Anticipated expenditures for Consolidated Fund Services provide for public debt interest \$251,150, sinking fund requirements \$111,250, and administration \$2,000.

Sessional allowances and expenses are estimated at \$186,300, or almost double the normal annual cost since provision has had to be made for two sessions of the Legislature in this financial year.

Under Executive Council, provision is made for expenses of Government House, the Premier's Office, Executive Council Office, and the Newfoundland Election Act. Requirements are estimated at \$152,100, of which \$100,000 is for expense of the recent general election.

In the Department of Finance, expenditures are estimated at \$798,400, comprising:

Administration	\$112,400
Pensions and Gratuities	573,800
Miscellaneous expenditures	112,200
	<hr/>
	\$798,400

The estimated expenditure of the Department of Provincial Affairs is set at \$63,200.

The expenditures proposed for the Department of Education amount to \$4,013,000, the principal items comprising grants for general education \$3,692,356, teachers' pensions \$144,000, and grants for library services \$85,760.

Expenditures of the Attorney General's Department are estimated at \$1,328,300, the principal items being:

Constabulary	\$ 654,886
Fire Department	226,740
H.M. Penitentiary and Gaols	145,865
Courts and Magistrates	156,937
Other Services	143,872
	<hr/>
	\$1,328,300

Negotiations are now in course of progress whereby the Royal Canadian Mounted Police will take over policing services at a considerable saving to the Province. The take-over will be gradual and the estimates include a token provision of \$26,000 for their services, calculated on the assumption that the Ranger Force only will be absorbed in 1949-50, pending the execution of an agreement.

For the Natural Resources Department provision is made for expenditures of \$1,579,400, the chief components being:

Division of Forestry	\$ 795,000
Division of Agriculture	233,000
Division of Land Development	137,000

Ranger Service	164,000
Division of Crown Lands and Surveys	78,000
Other services	172,400
	<hr/>
	\$1,579,400
	<hr/>

Public Works expenditures are estimated at \$3,344,100 as follows:

Maintenance, etc., of Public Buildings	\$1,302,000
Maintenance, etc., of Roads and Bridges	1,892,000
Other Services	150,100
	<hr/>
	\$3,344,100
	<hr/>

Appendices to the estimates give full particulars of the Building and Road expenditures of this Department.

Activities of the Department of Health are estimated at \$4,756,100 for the following:

Hospital Services	\$2,971,000
General Health Services	1,023,000
Expansion of Health Services	588,000
Medical and General Administration	174,100
	<hr/>
	\$4,756,100
	<hr/>

Welfare Services require \$5,649,400 of which \$2,500,000 is for Old Age Pensions (\$75% of it is recoverable from the Government of Canada). Estimated requirements for direct relief amount to \$2,250,000. The vote for the Department is summarized below:

Old Age Pensions and Mothers' Allowances	\$2,795,000
Public Assistance	2,404,000
Other Services	450,400
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	\$5,649,400
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Expenditures for the remaining departments need no particular comment at this time; full particulars are given in the detailed estimates.

REVENUE, FINANCIAL SURPLUS ACCOUNT

I have already intimated to this House that, with the exception of an item of \$332,000, representing a contribution by the Government of Canada for hospital construction, revenues under this heading will be credited to the pre-union surplus.

EXPENDITURE, FINANCIAL SURPLUS ACCOUNT

Budgetary provisions are in respect of pre-union activities \$5,497,000, post-union services of \$6,091,700. With respect to the latter the

chief items are as follows:

School Buildings, etc.	\$ 463,500
Construction and Extension of public buildings, hospitals, etc.	2,238,000
Construction and reconstruction of roads and bridges	2,050,000
Equipment of hospitals	110,000
Corner Brook General Hospital Extension	475,000
Grants to Local Governments	250,000
Shipbuilding Bounty	180,000
Loans to Housing Associations	275,700
Land Development	49,500
	\$6,091,700

I shall endeavour to explain simply the position of our surplus. As you will have seen, the net surplus at the commencement of Confederation, after deducting certain debt and other liabilities against it, was just over \$40,000,000. This does not include a further amount of just over \$11,000,000 of assets not turned into cash.

In arriving at this sum amounts aggregating some \$2,500,000 were charged against surplus to pay off certain bills incurred by the Commission of Government last year and falling due this year. Amongst these bills were \$600,000 operating deficit of the Railway, \$200,000 customs refunds, \$40,000 operating deficit of the Clarenville boats, \$282,000 which had been overcharged the United Kingdom Government on account of Gander, and \$750,000 for indigent relief. We have to pay these last year's bills this year and, as is proper, out of the pre-union surplus. Roundly \$3,000,000 on account of Debt service brings the total to \$5,750,000 as a charge against the gross surplus of \$47,600,000 under this heading to arrive against the nett figure of approximately \$40,000,000 already quoted.

Let me make it clear that in referring to last year's bills falling due for payment this year, and to be paid by us out of the surplus, I am not suggesting any dereliction of duty on the part of the Commission of Government. These bills of approximately \$2,500,000 were legitimate bills that could have been paid only when the exact amount of each became known, which was not until after the Commission of Government had gone out of office. If the exact amounts had been known to them, the former Government undoubtedly would have paid them, and in that case, our surplus, at the commencement of Confederation, would have been smaller by that amount. I allude to them only to show that some of the total amount which we have in fact spent out of the surplus is attributable, not to any operations of this Government, but to those of the former administration.

When this first year of Confederation closes on 31st March next our actual cash surplus will be, not \$40,000,000, but just under \$32,000,000. In this first year of Confederation a total of roundly \$8,500,000 will have been spent

from the cash surplus. This, however, is a gross figure; for \$2,800,000 of it is to pay this year's deficit on current account and, as I have already said, nearly \$2,000,000 of that deficit is offset by a credit that we held at Ottawa, being one-quarter of the payment due us this year under the Tax Rental Agreement, but falling to us in next year's accounts. That is to say, while our accounts for this present year show a deficit on current account of \$2,800,000, the actual net deficit is of the order of \$800,000.

The members of the Legislature, and the people of the Province, are doubtless anxious to know something of the Government's ideas and plans with regard to the immediate, and not-so-immediate, future. In one word I can state this administration's policy. The word is Development. The Honourable the Premier stated it well when he said that Newfoundland must develop or perish. We are strong believers in the ideas of social security, and strong advocates of the welfare state. With all the development in the world, the need for social security will be just as great, for we have only to look to the great industrial nations, such as the United Kingdom, the United States and Canada, to see that mere development of itself is not enough. In these three great industrial nations the demand, and the need, for social security grew with industrial expansion. But it cannot be denied that the means to pay for social security comes out of the very development which creates the demand and the need for social services. In short, a growing economy sets up the need for social security, and it is the very growth of the

economy that makes it possible to pay for the social security.

We have already secured the passing of an Act to increase Old Age Pensions for the Blind to \$40 a month. We have already secured the passing of Acts to pay Mother's Allowances and Allowances to Dependent Persons. We have other proposals to lay before the Legislature to create greater social security for our people, including a modern Workmen's Compensation Act, a Fishermen's Insurance Act, and the like. All of these proposals cost money, and the money must come out of the general economy of the Province by means of taxation. But it would be suicidal to impose taxation that would cripple the Province's economy, or would impede the expansion of that economy.

The final answer is development. We must develop our natural resources, and it is to this great task that this Government is bending all of the energy that can possibly be spared from the routine, day-by-day tasks of administration. These day-by-day tasks absorb all too much of our time and energies, and we have come to the conclusion that we must engage the services of highly qualified specialists to assist us in the greater work of encouraging development.

We have faith in the possibilities of development. We are convinced that important development is possible in fisheries, forests and minerals. The vast mining development about to get underway in Labrador is important as much for its symbolism as for the actual employment it will give.

We believe that great changes

come in the production side of our fisheries. One half our people are directly dependent upon the fisheries, and overall improvement in our Newfoundland economy is unthinkable without far-reaching development in the fisheries.

We have reason to believe that there is room for two, if not three more pulp and paper mills in our Province. For the moment the pulp and newsprint paper situation is not buoyant, but that we believe to be a mere passing phase. We see possibilities of even more profitable industries based upon our vast supplies of wood in this Province.

Far too little effort has been made in the past to measure our water-power potential, but already we know that our Province possesses very great resources of hydro-electric power. We believe that important new industries other than those using wood can be based upon our water-powers.

Far too much emphasis has been placed upon mere trading, and not enough in basic development. The Government cannot go into industry, but it can help lead the way to a new emphasis, an emphasis on industrial development, and this we are determined to do. We invite the unreserved co-operation of all Newfoundlanders in this drive.

In a word, then, our outlook is optimistic. Doubtless we shall experience difficulties, and there will be many ups and downs in our economy before it reaches a point that can be regarded as sound; that our Province possesses most of the ingredients of real strength and prosperity. The duty of all Newfoundlanders is

to assist in utilizing those ingredients.

Someone has said "There is not enough darkness in the whole world to put out the light of a single candle."

We are not pessimists, nor are we over-optimistic. As a Government we believe that the whole field of human progress is founded on Faith and Works.

While men have faith in God and pursue the principle of the Golden Rule, the level of human dignity, decency, and living will be maintained, raised, and strengthened.

It is now to that end that all our energies will be devoted.

I thank you, Mr. Speaker, and the House for the patient and indulgent hearing you have given me, and I trust that I have satisfied you and the members of this Assembly with the presentation of our financial affairs. Let me now renew my opening motion that this House resolve itself into a Committee of the Whole on Ways and Means.

MR. CASHIN: I would like to ask the honorable Minister of Finance whether copies of this speech will be ready tomorrow for the members of the House.

MR. QUINTON: Mr. Speaker, I am afraid that copies of this speech will not be ready tomorrow for the members of the House. They are to be printed as quickly as possible. I can table a copy of it for the members of the Opposition. A number of copies were made, but not sufficient for all members. The press, of course, will contain it. The press were given copies for that purpose.

MR. CASHIN: Yes. Because it is customary following the delivery of the budget speech that copies would be given to the members of the House because it is impossible to discuss it even half intelligently without being able to read it. I presume that the debate on this thing will be postponed until such time as the copies of this speech are available to members of both sides of the House.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, all of the figures which are contained in the Budget Speech are contained also in the printed Estimates, because our Estimates this year differ fundamentally from those of any previous year in the history of this House in that they contain estimates of revenue as well as those of expenditure, and having listened carefully to the Budget Speech, I have noted that it contains no figures which are not in the printed estimates of revenue and expenditure. The speech does, of course, contain a general review, but no indication of new taxation and no new figures, so that all the information, factual and statistical information, in the budget, is contained also in the printed Estimates, so that there need, in fact, for that reason, be no delay in the debate on the budget speech, or indeed, on the debate on the Estimates themselves.

MR. CASHIN: Mr. Speaker, with your permission, Sir, I think that ordinary courtesy would demand that every member of the House be given a copy of the Budget Speech, despite the fact that the honorable Premier tells us that the figures, and so on, con-

tained in the estimates of revenue and expenditure, but there is a lot of commentary in that Budget Speech which certainly has to be read and studied carefully in order for any individual, whether he be on the Government side or on the Opposition side, or in the middle of the House, to discuss the thing, or debate it. And I feel—at any rate I do feel personally—that we should have a copy of that Budget Speech as early as possible.

Mr. Higgins moved adjournment of the debate.

MR. SMALLWOOD: Mr. Speaker, if I may on that point, if my friend the honorable and learned Leader of the Opposition who has moved the adjournment of the debate, and my honorable and gallant friend the member for Ferryland would be happy to have it so, we could quite easily agree, but could the debate itself on the budget proceed not earlier than Monday next? If we could give my honorable and gallant friend, the Minister of Finance, ample time in which to get the speech printed in pamphlet form and be ready for distribution to all members of the House in time for the debate on Monday? In the meanwhile, it will doubtless be published in the newspapers, following the usual custom, and while waiting for Monday, to commence the debate on the Budget. I would see nothing in the way of our commencing the debate, say, tomorrow, on the Estimates, in Committee of the Whole, and in so doing we will be dealing with the actual finances of the province, and then on Monday, in the debate on the Budget, deal widely,

and generally, and universally, with any topic under the sun.

Debate was adjourned.

Orders of the Day:

Third reading of a Bill, An Act Respecting Industrial Statistics."

Bill read a third time and passed.

On motion Committee of the Whole on Bills "An Act Respecting District Courts," and "An Act to Provide for the Regulation of Public Utilities," were deferred.

Committee of the Whole on Bill "An Act Relating Public Examinations in Schools."

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Section 6 read and passed.

Section 7 read and passed.

Committee rose, reported having passed the Bill without amendment.

Committee of a Whole on a Bill "An Act to Amend the Public Enquiries Act, 1934."

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Preamble read and passed.

Committee rose, and reported having passed the Bill without amendment.

MR. SMALLWOOD: Mr. Speaker, I suggest that we pass over the next order, "An Act Respecting Trade Union." I understand that the Bill has not yet been received from the printers; also the next one "Education (Amendment) Act Number 3, 1949," and

go on to the other Order of the Day.

Items 6 and 7 deferred.

Second reading of Bill "An Act to Transfer to the Memorial University College and Normal Training School, Assets of the Board of Governors of the Memorial University and Certain Crown Assets."

HON. S. J. HEFFERTON (Minister of Education): I move the second reading of this Bill "An Act to Transfer to the Memorial University College and Normal Training School, Assets of the Board of Governors of the Memorial University and Certain Crown Assets." The honorable members of the House are aware that this is what might be termed a purely formal matter, necessitated by earlier legislation, when the Memorial University College was raised in status to that of a University, and consequently the rights which were vested in a Board of Governors under the old regime," the Board of Governors of the Memorial University College, these rights should naturally be transferred over to a Board of Regents which would automatically take the place of a Board of Governors when the implications of the Charter have been implemented. I do not know that it is necessary to make any long reference to the need for this Bill except merely to move the second reading.

MR. HIGGINS: Mr. Speaker, do I understand that all the property of the Memorial University College is vested in the Crown at present, in the Minister of Public Works, and that you now require that it be vested in the Board of

Regents of the Memorial University? Is that what it is?

MR. HEFFERTON: In answer to the honorable and learned Leader of the Opposition, I would say that when we get into committee of the whole on tomorrow, or whenever it might be, there is an amendment to Section 4 coming up in this Bill which will take care of the very question which the honorable and learned Leader of the Opposition has just asked.

MR. HIGGINS: I would also ask the Minister is it his intention to file here a list of the property, the measurements of the property, that the Memorial University holds now? Why I ask that is because I do not think there should be any more encroachments on the land which forms part of the University. It is unfortunate that so much land is gone already, and at least we should see that there should be either an Act of Parliament or something else just as strong to prevent any further encroachments on this property, and that if it is possible to get other lands in the vicinity we should make an attempt to get it, and to see that this is also included. Why I say that is because in the past there have been encroachments on the land, and it is unfortunate that the whole space of what used to be called the Commons in the olden days, the whole of that Commons did not go to the Memorial College, because I think we could very easily have extended the University if we had all the rest of that land. Of course, that is out of the question now, but there has been land in the vicinity. I think if the Government had been wide

awake to have bought St. George's field, it would have been just the same as if it was part of the Commons. It would be rather a pity if we lost the chance of buying land in the vicinity. I think it is all gone now, but it would have been a wonderful piece of land.

Bill passed second reading. Ordered to be referred to committee of a whole tomorrow.

On motion of the honorable the Premier the House adjourned until tomorrow, Thursday, at three of the clock.

THURSDAY, December 1, 1949.

House opened at three of the clock.

Notice of Motions and Questions

MR. SPEAKER: Notice of Motion Standing in the name of the honourable the Minister of Finance to move that this House resolve itself into a Committee of the Whole to consider Ways and Means for raising Supply. The debate on this motion was adjourned yesterday.

HON. H. W. QUINTON (Minister of Finance): I move that this Order be deferred.

Order deferred.

MR. SPEAKER:

Orders of the Day. Committee of the Whole on Supply.

MR. CASHIN: Mr. Speaker, might I ask if it is the intention of the Government to go ahead on these Estimates this afternoon. We got them yesterday, and whilst the Government members may have studied them and know something about them, there are a lot of things in here that I have to learn yet. I was wondering whether or not the honourable Min-

ister might like to postpone this until Monday, and go ahead with the other legislation. If it is the intention of the Government to go ahead on it, well there is nothing I can do about it.

HON. J. R. SMALLWOOD (Prime Minister): I think, Mr. Speaker, in view of the lateness of the season now, we have been here since July, and Christmas is coming, that if my honorable friends on the other side are going to examine these estimates closely, it is a tremendous job, we may indeed have to have not merely night sessions but morning sessions. It is a tremendous task, and it is very late in the year, and I think now if were to take today the Consolidated Fund Services, Legislative, Executive Council, and Finance; these are not heavy Departments, and some of them do not call for debate; we cannot do anything about them. For instance, Consolidated Fund Services. If we got through these, and then left at Provincial Affairs; if we just go through these two or three things, I, II, III, and IV today, it would be a good start, and then tomorrow we could be ready perhaps for Provincial Affairs; having got through these four we then could do the legislative Orders of the Day, there being two Third Readings, Committee of the Whole—We could use up the rest of the Day.

MR. CASHIN: I thank the honorable the Premier. To go through these item by item, as he says, is quite a job, but I think he will agree, and the House will agree, that we should not just go through them haphazard and not understand the half of what is in here. If we start today, the first place

I would like to start is on Page 2. I want to check on that surplus.

MR. SMALLWOOD: It is the estimates of expenditure we are going to deal with, Page 13, Expenditures.

MR. CASHIN: Well, these others will lay over then.

MR. SMALLWOOD: These others would come in on the Debate on the Budget, but we are asking for Supply, the King is asking for Supply. Supply begins on Page 13.

MR. CASHIN: All right. Go ahead.

MR. QUINTON: Mr. Speaker, when matters relating to Revenue are discussed in this House, members will have long before had copies of the Budget Speech and all the detailed information that the Speech contains with regard to the Surplus.

MR. CASHIN: Well I tried to analyze it in the paper this morning; it was scattered all over the paper, and it was very difficult to get at it.

MR. QUINTON: We hope to have the printed Budget Speech in the hands of members by Monday.

Speaker leaves the chair. Mr. Courage takes chair of committee.

MR. QUINTON: Mr. Chairman, it will be noted in the printed estimates that each item has a specific number assigned to it. I take it, Mr. Chairman, that the procedure will be to read the details under the sub-head and then vote the sub-head.

MR. CASHIN: Under the Consolidated Fund Services, Mr. Chair-

man, there is one item I would like the Minister to explain to me. 3 1/2 per cent stock of £569,000. Is it not a fact that provision has already been made in England for that; that is, some of our interest free loans granted to Britain some years ago, and in reply to a question asked by me the other day, I understand this amount of money is over in England. True, it is included in your surplus; on the other hand it is charged off against you; cost of bonds, plus interest £880,401. Now the total of these two amounts, here—it is not the intention of the Finance Minister to transfer any more money in order to pay this in dollars, because the sterling is already over there, and we lost money on it, because it was originally £800,000, and it is now being built up to £880,000. Now the two amounts there altogether £569,000, and £302,000,—about £872,000; in other words, will leave credit over there as far as these two loans are concerned, and they will have to transfer these moneys back to Newfoundland at the rate of \$4.04. I would just like that explained.

MR. QUINTON: Mr. Chairman, there is an artificial sinking fund set up for the redemption of these items, but it is not in the Exchequer—it is in the Exchequer but cannot be taken out by legislative authority. The 2.3 million dollars which is shown here is not intended for transfer.

MR. CASHIN: Not to make any more transfers to England. It is already over there. That item there—we are sending over interest to them now. What date does it fall due on? It is the 30th June that

that comes due, when they have to pay the interest on it over there, and I notice in the estimates of expenditure here that provision is made for the redemption of that money. Now what date does it come due? Is it on the 30th June or March 31st?

MR. QUINTON: The maturity date is the 31st December, 1949, each year at the same time; the interest is due at the 30th of June and the 31st of December, semi-annually.

MR. CASHIN: Yes. In other words when the loan was raised—it is a twenty-five year loan, if I remember correctly; it was raised in 1924, and it was this part of the loan that was to pay off the Reids for the railway, in 1923 or 1924, and we are now paying it. It was a trust fund amount.

MR. QUINTON: Yes, I believe it was. I cannot be positively sure, at this moment.

MR. CASHIN: That makes the interest on that current. Then Pre-Union Surplus, what does that mean?

MR. QUINTON: What number are you referring to?

MR. CASHIN: I mean this 3 1/2 stock, 1950-52; there is an estimate of expenditure, current, of \$86,150, and then Pre-Union Surplus \$30,850, making a total of \$117,000, and the original estimate was \$123,400. Now, what are we voting: are we voting \$117,000 and what is it?

MR. QUINTON: The \$86,150 represents the current year and the amount under Pre-Union Surplus that is due to the 31st of March.

MR. SMALLWOOD: Perhaps, Mr. Chairman, I could help the honourable and gallant member a little on that point. All through the estimates I noticed that there are four columns the first is called "Current," and the second "Pre-Union surplus," the third is called "Total" and the fourth is called "Original Estimates," and I understand, and I hope my honourable and gallant friend, the Minister of Finance can confirm me, or tell me if I am wrong, my understanding is this, that the second column "Pre-union Surplus" means this, that the amounts shown in that column all through this book, both on the revenue and on the expenditure side, refers either to a sum of money which was owed, before the date of union and is therefore a debt charged against the pre-union surplus, or else is a capital expenditure, or what the Commission of Government used to call "re-construction" and which is again charged against the surplus; that column 2, pre-union surplus column, throughout the expenditure estimates represents either one or the other of these two items. It is either an item that was owed before Confederation, and is therefore charged to the surplus existing at the date of Confederation, or else, is an amount spent by this Government this year on capital account and is therefore again, debited against the surplus. Now the honourable Minister can tell you if I am right, and that the whole expenditure, therefore for the year, is the total of these two together, Current Account or ordinary account, capital account or pre-union surplus, and added together, making a total of what we spend this year

under those headings, current and pre-union surplus. Maybe my honourable friend can tell me if that is so.

MR. QUINTON: That is so. The \$86,150 is for the current year and the amount under pre-union surplus is that which belonged to the pre-Confederation period.

MR. CASHIN: Yes, I think I have an idea what you mean. This money that we are talking about, this particular loan which is coming due, or interest we are paying on it, that current of \$86,150 is really the interest on that money from April 1st, 1949 to March 31st 1950. The due dates of these loans I take it, are on June 30th and December 31st. Consequently, when the Commission of Government were charging up what they were liable for—they say, we are liable for \$30,850; the new Government, are liable for \$86,150. That makes a total of \$117,000. But nevertheless, in their estimates—and I had them here—the Commission of Government's Estimates—they say that their original estimates for that thing was only \$123,400. Now that is a difference of \$6,400. It is not much, these days. A thousand dollars is just pin money. So it doesn't entirely balance in that respect.

MR. QUINTON: If the honourable member will look at the interest and the value of the pound—\$4.04 in the first place and devaluated to \$3.08 3/4, that explains the difference in the margin under "original estimates."

MR. CASHIN: I know, but the point is this; they are also taking into consideration that the Pound

has gone down and you have it here at \$3.08 $\frac{3}{4}$ which means that even though we put this money over there and we converted it at \$4.40 there is an indication here that you are going to transfer more money over there at \$3.08.

MR. QUINTON: That is not so, Mr. Chairman. We have the money there—

MR. CASHIN: I know you have the money there, that is the point. The money is over there and then if that be so, why put in \$3.08 $\frac{3}{4}$ as you have it here? True, the money that is over there is at \$4.04.

Subhead 101 passed.

Subhead 102 passed.

MR. CASHIN: Excuse me, these should be read individually, not in lump sum.

MR. SMALLWOOD: Why?

MR. CASHIN: Because that is the general way to do it.

MR. SMALLWOOD: But with the actual details of estimates in front of us, a number is called, and the total amount which we would vote, if we do vote it e.g. 101 \$437,650—surely that is enough to call. The details can be read here, as long as it is not called and the vote taken instantaneously—necessary hesitation, necessary pause if any member desires information, and give ample time for that, surely it is enough to call the number subject 101, total \$437,650. After the debate is over. Then he reads “102, \$167,250”, and then another necessary pause to debate it, and then carried. Then go on to number 103 and so on.

THE CHAIRMAN: I can assure honourable members that this is the practice of the Canadian Parliament at Ottawa.

MR. CASHIN: And if they are doing it—they can do no wrong. Mr. Chairman, this is a Sinking Fund to redeem three loans raised during the War, I take it, one of two millions, and two of one and a half each; that is five millions altogether. Now the Commission of Government, in voting this Sinking Fund—and there are none of these in sterling, not one of them—and they voted a total amount of \$111,250; that was their Original Estimates, and the Current is \$111,000 and now it is \$167,000. Where does the \$56,000 come in.

MR. QUINTON: The amount shown in the Pre-Union Surplus follows exactly the same pattern as in the previous sub-head, the accrued interest up to the beginning of Confederation. I might say, Mr. Chairman, that the precise figure that will be found in the Commission Estimates also found on the right hand space there under “Original Estimates.”

MR. CASHIN: Commission Estimates here, Sinking Fund contribution of 2 per cent on Victoria Loan, 1943, \$40,000; 1942, \$30,000; and \$41,250.

MR. SMALLWOOD: T h e s e three figures you will find in the fourth column in your Estimates.

MR. CASHIN: That makes \$11,250. Well, now, when they voted these Estimates, or passed them, they voted them for twelve months, April 1st, 1949, to March 31st, 1950. Now if you carry these

amounts of \$111,250 to the Provincial Government, and \$56,000 to the other one, it makes \$167,000. Consequently there is the difference of that \$56,000, which, according to these Estimates here, it just does not work out. No one else seems to worry about it. I do not know why I do. These Estimates were for the full year.

MR. SMALLWOOD: Mr. Chairman, I could explain this now. The honourable and gallant member, the Minister of Finance, said in his Budget Speech that Newfoundland hitherto has followed the British practice of placing on the Expenditure side for any given year only the cash that it actually pays out in that year. In other words, it is purely a cash account. Where as, we have adopted the practice in both Canada and the United States, on this side of the Atlantic, of including as expenditure in any given year, not merely what you pay out in that given year, but what you are permitted in that year to pay out, even though you do not do that, you may find that you have at the end of the year a surplus, which, in fact, is a deficit; and that the only true way of knowing your exact financial position is to have it on a Commitment basis, as well as a cash basis, and on your Expenditure side you include for the year not only everything you spend in that year, but everything that you are permitted in that year to spend, even if you do not spend it in that year; but if you are permitted to spend it, it is included. And that is the case all through the Estimates. We have an entirely new system—a new principle rather, that we have adopted; that

to show the true financial position, if we are permitted to spend money, if in this year, or in any given year, if we are permitted to spend money, that goes on the Expenditure side, even though we do not actually spend it this year, but spend it a month or two months after this year is over. But we are permitted to spend it; Now this \$56,000 will not, in fact, be spent in this fiscal year; it will be spent in the present financial year. Why is it there then? In accordance with this new principle. We know we have to spend it at the 30th of June; the interest comes due on the 30th June. Anything we do not have to spend this year we could have left out; no one could say a word to us, because we would be following the procedure, well defined, well established, here in Newfoundland, copied by the Commission of Government, I believe, from the United Kingdom system. But we prefer the trans-Atlantic system of showing not only what we spend but what we are permitted to spend in any given year.

MR. CASHIN: The Sinking Fund we are discussing, and that says that we pay 2 3/4 per cent for the War Loan, 1940, which is \$41,250. Now at the time that money was raised, if my memory serves me right, our fiscal year ended on June 30th. In fact, I am pretty well sure.

MR. SMALLWOOD: It was changed after that.

MR. CASHIN: 1942 or 1943. Then the next Loan 2 per cent on that, is \$30,000, and the Third Victory Loan—we were changed then—is \$40,000. Now if you look at

the Estimates of Expenditure for the Commission of Government, Estimate \$41,250 one year, the same the next year, and the same the next year. Now we are including more money to the tune of fifty odd thousand dollars, for the Sinking Fund, and we would be leaving it to the Government to pay that extra fifty odd thousand dollars into the Sinking Fund when the time comes for it to be paid. On the other hand, the Premier stated this is a new system, but we are going to have another Budget, probably before March 31st, and more Supply brought in here, new Estimates for the year 1950-51. Are we going to have the same thing in it again?

MR. SMALLWOOD: That is rather an interesting point. Oh, yes—in starting it you have that overlapping, but you catch up as you go along, you see. That can refer only to the first year.

MR. CASHIN: In other words, then, when we get the next Estimates of Expenditure, there will be \$56,000 less for the Sinking Fund.

MR. SMALLWOOD: Except this, that the Sinking Fund which will fall due June 15th or June 30th, whichever it be, in the calendar year 1951, that will have to be included in next year's estimates. In other words, just as this year we are including an amount for Sinking Fund which we will not pay this year, but we are permitted—that is why it is included—so similarly we will do the same thing in next year's Estimates. These are Estimates for the current year, ending March 31st. Now in the new Estimates, which we will bring down in Feb-

ruary, for the year that commences the next day, April 1st next, and ending 1951, the same position, I take it, will crop up. We will still be budgeting, providing for an expenditure, not for the next financial year but for the year after. How would we catch up in that case? That is clear enough.

MR. MILLER: Mr. Chairman, there may be a necessity of budgeting for something that is going to be a year ahead, granted that there would be reasonable excuse for it, for something that would be a certainty, for instance, the redemption of the public debt, or servicing of the debt, but what would happen in respect of grants which would not be expended—say, these are not such certainties; something may arise, for instance, and a grant of \$200,000 provided for in the Estimates, would not ultimately arise, what then? Surely somewhere in our financial statement we should show those balances at the end of the year.

MR. SMALLWOOD: How do you know the probability of drop balances?

MR. MILLER: Well, that is what I do not know. The point I want to raise is this, somewhere they should show in our financial statement, if they are unexpected.

MR. QUINTON: The dropped balances revert to the Treasury, Mr. Chairman.

MR. MILLER: It just so happens that we are introducing a system now, and consequently we will have no drop balances. Is that the case?

MR. QUINTON: That is the case.

MR. CASHIN: But here is the position again. The Commission of Government, before they went out of office, they introduced this, and they said, on the $2\frac{3}{4}$ per cent million and a half loan we have a Sinking Fund coming due of \$41,250. You cannot change that. That is the amount. Similarly the next one, 2 per cent on the million and half, which amounts to \$30,000. That is the amount. And it does not matter how much we vote in here, these are the actual Sinking Fund, but we are voting more, because there you are stating March 31st; it was paid on June 30th or whatever date—the Sinking Fund, I take it, is paid annually, not semi-annually; it is probably paid annually, or is it paid semi-annually?

MR. QUINTON: Semi-annually.

MR. CASHIN: Well, there. If it is paid semi-annually, that means that the Sinking Fund per year is double the amount you have in here.

MR. QUINTON: Yes, but we are talking about the interest, that is different; the Sinking Fund we are talking about now.

MR. SMALLWOOD: It is the same thing.

MR. CASHIN: No, Mr. Chairman, the Sinking Fund is $2\frac{3}{4}$ % on a million and a half dollars, is \$41,250, that is so much a year, it is not half yearly, it is a full year. So you are going to vote an extra \$56,000 for a Sinking Fund. It is going to be a dropped balance; why vote it?

MR. QUINTON: On the same principle as has already been ex-

plained in a previous speech by the Premier, Mr. Chairman we are making provision for accounts; a commitment—the commitment is there, that we shall have to meet it in the next—the commitment is there, the same thing applies to the point that was raised by the member for Placentia East. After all, if a thing has been agreed to be done, if it stands in the form of a contract and financial provision must be reserved in order to meet that when it turns up, otherwise you will not have a surplus at all, you will have a deficit.

MR. CASHIN: I quite understand that; the thing is this, that the contract that was made to pay these Sinking Funds was \$111,000. You say now, in effect, the contract should be \$167,250.

MR. QUINTON: It is a carry-over, a carry-over into the 1950-1951 account which we are providing for now.

MR. CASHIN: I see, but you will bring in another budget in the 1950-1951 account, and we give you \$56,000 extra.

MR. QUINTON: Oh no, that would be redundant.

MR. CASHIN: Oh well, that was not explained. The \$56,000 will not be in the next estimates for Supply. In other words, when you come in here the next time, instead of \$111,000 we are going to have \$56,000 less. In other words—

MR. SMALLWOOD: In other words it will be \$56,000.

MR. QUINTON: We shall have \$111,000 and not \$167,000.

MR. CASHIN: Well, what is to become of the \$56,000 in the mean time?

MR. MILLER: Mr. Chairman, may I ask this question, although it may be a bit too far ahead. Would the possible position of our expenditure when we get it, say, in the next session, show these four columns as well. Will we then be able to charge up so much to pre-union surplus? Will we be able to continue that, under this new arrangement?

MR. SMALLWOOD: Yes, because the pre-union surplus deals not only with surplus incurred before Confederation, but includes all capital account. But as long as there is a surplus there will probably always be a pre-union surplus column.

MR. MILLER: Until such demands disappear.

MR. SMALLWOOD: No, until that surplus disappears.

MR. CASHIN: That will not be very long.

MR. MILLER: I would like to see all we can charge up to that surplus, because the Current is not so strong.

MR. CASHIN: See, when we meet again, we will not have any Auditor General's report to cover the issue. We will not know.

Sub-head 102 passed.

Subhead 103 \$2,802,100.

MR. CASHIN: Just a second now. These Savings Certificates. What is the total of the Saving Certificates outstanding at the present time?

MR. QUINTON: I am afraid I shall have to have notice of that point, Mr. Chairman. We have not got the information right here.

MR. J. G. HIGGINS (Leader of the Opposition): What was the last year they were issued?

MR. CASHIN: No, this is a Sinking Fund to pay for these, to go to work and pay off these war saving certificates—redemption, not in the Savings Fund. Your saving certificates are more than \$500,000.

MR. HIGGINS: How long were these issued for—five years, Sir?

MR. QUINTON: Six years.

MR. HIGGINS: Six years.

MR. CASHIN: In the redemption of saving certificates, we will take the Commission of Government estimates, \$400,000. That is what they were going to pay towards saving certificates. Now, the Provincial Government has estimates to pass over a hundred thousand. What is the idea, to redeem them quicker than was anticipated, because you are voting a hundred thousand dollars more than the Commission of Government did?

MR. QUINTON: The expense, the tempo of redemption has been increased that amount.

MR. CASHIN: In other words you are buying them in now. A hundred thousand dollars a year more than was anticipated by the Commission of Government.

MR. SMALLWOOD: More people are redeeming.

MR. CASHIN: More people are selling.

MR. SMALLWOOD: Are selling.

MR. CASHIN: The Government is redeeming, and they are called upon to pay it.

MR. SMALLWOOD: Yes.

MR. CASHIN: And you figure that this year, instead of \$400,000 you want \$500,000 to redeem them?

MR. QUINTON: It is an estimate. It is an estimate.

MR. CASHIN: Yes. Now, the next amount is \$569,796. That is, I gather it, the amount raised in bonds given to the Reid Newfoundland Company in 1923-24 and payable to the railway. The special loan paid to the Reid Newfoundland Company for the railway, and that amount is \$2,901,976 at the rate of \$4.04.

MR. QUINTON: That is the amount shown in number 101.

MR. CASHIN: Yes, I know. This is \$2,301,076 which comes due on June 30th, is it, or is it the 31st of December, which?

MR. QUINTON: 31st of December.

MR. CASHIN: 31st of December, 1950. I thought it might be 30th June 1951, or 1950. We might be losing money on that. It is not your fault. I am blaming the Government for it. It was converted over on the other side, 800,000 pounds for the purpose of meeting these two loans, and it was converted at the rate of \$4.04 and the pounds is now down to \$3.08. Consequently, what happens is—I am not blaming the Government, understand that—Commission of Government took that money, in-

terest-free loan, and set it to one side for the purpose of redeeming these loans, one in 1950 and the other in 1952, and you have lost the difference between \$3.08 and \$4.04. 96 cents on every pound or over half a million dollars have been lost on that transaction, not, as I said a moment ago, because of the actions of the present Government, but because of the action of the Commission of Government, whereby if they had let that money on the interest-free loan over there at that time, left it there to their credit, and used it now, we would have made over a half a million dollars. But the loan is coming due and you have got to pay it, and you have got to lose half a million dollars by it.

Subhead 103 passed.

Subhead 104 \$2,000.00

MR. CASHIN: Wait, just a second now. Here is another point, here is an auditor general which has to be appointed by the Government. Now, as far as I understand, the present auditor general, his job is finished, so to speak, at the end of December.

MR. SMALLWOOD: In January.

MR. CASHIN: In January. He told me himself, as a matter of fact, at the end of the year. Now, we have got to find another auditor general and you vote \$2,000 here for his salary, for how long?

MR. SMALLWOOD: To the end of the year.

MR. CASHIN: I know, but when was he appointed?

MR. QUINTON: Well, this amount here is to provide for the

present auditor general at half the statutory provisions.

MR. CASHIN: No, I do not think that is right.

MR. QUINTON: The present auditor general gets his salary from the United Kingdom.

MR. CASHIN: He gets his salary from the United Kingdom, and you expect to appoint another, voted \$2,000 for him, and assuming he is appointed on January 1st. We shall just assume that for argument sake, he may not be appointed until later on, in which case, if he is not appointed until April 1st, which would be a very foolish day to appoint him—you have done a lot of foolish things on April 1st—but supposing for argument's sake he was appointed on January 1st, the other man goes out, he gets \$2,000, between January 1st and March 31st, which is a quarter, in other words, the auditor general's salary at that rate is to be \$8,000 a year, is that correct?

MR. QUINTON: That amount does not indicate this. We have got to have an auditor general, but—

MR. SMALLWOOD: He probably would get about that much.

MR. CASHIN: I know, that is a point; we are voting on his salary, whoever he is going to be, and there is \$2,000 being voted, and assuming that this man goes away on January 1st, someone has got to take his place; there is \$2,000 voted in here for him, and the Government must have in mind, they will have to appoint a man at some date, and they must have in mind a certain salary he

is going to get, and you are voting \$2,000 and you are not prepared to tell the House when that job will start and what will the rate of salary be.

MR. QUINTON: This is a token amount really, Mr. Chairman. The salary will be provided in the coming year's estimates, contingent upon the appointment that is made, and the rate of salary which is made for it.

MR. CASHIN: I know. I mean there is no indication in these estimates as to what salary he might get, and you have voted \$2,000 even though there has been no appointment.

MR. QUINTON: That is a token amount.

MR. CASHIN: Well, supposing he is getting \$10,000 a year, he would have to wait until the House opens to get the balance.

MR. QUINTON: Yes.

MR. CASHIN: It is pretty indefinite.

Subhead 104 passed.

Subhead 201: \$180,300.

MR. CASHIN: I shall want some detailed information on this. I am going to learn these estimates before I go out of here, even if I have to—The first amount mentioned here is \$120,800 and if you will turn to page 56, we find that amount \$120,800 included in there, which gives a certain amount of money to the Chairman, and members and law-clerks and everything else in this House. Now, we come down below there and we get \$59,500, and we come

over to page 56 now, and we do not see that \$59,500 in there.

MR. SMALLWOOD: Nor do you anywhere else in the Estimates.

MR. CASHIN: Why not?

MR. SMALLWOOD: Because you do not; it is all covered here in the original page.

MR. CASHIN: I see.

MR. QUINTON: They speak for themselves.

MR. CASHIN: The appendix deals only with salaries. Oh, you don't call these other things salaries?

MR SMALLWOOD: No.

MR. QUINTON: We call them allowances, and travelling expenses, and office \$1,500 and books and binding \$2,000, and then down below these pictures that are going to be painted, \$6,000, making a total of \$186,300.

MR. SMALLWOOD: That is for two years, now. You see, the House is going to meet again before the present financial year is over.

MR. CASHIN: Now, I hate to talk about sessional pay, because it includes ourselves. The sessional pay, as far as I understand, is \$2,500 a year. Here, it is two \$1,000's which is \$56,000, that is expenses and so on. On the other side over here it is \$1500; \$1500 and double that is \$3000—look at it. In other words, this year members of the House of Assembly will get for one year \$5,000.

MR. SMALLWOOD: How do you make that out.

MR. CASHIN: Because they do, and we are going to meet again, as you say, in February or March sometime, and we shall have the privilege of you sending us up another cheque before the end of March, and we will have two lots of sessional pay in one year.

MR. SMALLWOOD: Not in one year—two years.

MR. CASHIN: Oh, no. You see, we started on July 13th; we are going to meet again some time in February or March; we will get another lot then.

MR. SMALLWOOD: It is another year.

MR. CASHIN: No, it is in the same year, July 13th to March 31st.

MR. SMALLWOOD: The same financial year.

MR. CASHIN: Yes, the same financial year.

MR. SMALLWOOD: But two different calendar years; two different sessions.

MR. CASHIN: But it is charged up twice in the year; in other words, for one year, the first year, we are fortunate in being able to get \$5,000 each, up to the time when we close next March, and after that we get \$2,500. That is something like the Sinking Fund, the \$56,000 you are voting that you do not pay out, but this you are going to pay out because one day we come in here and the next day we are chasing looking for it.

MR. SMALLWOOD: The laborer is worthy of his hire.

MR. CASHIN: Yes. I think I ought to get a little bit extra.

MR. SMALLWOOD: Well, just say the word. You and I both.

MR. CASHIN: Yes, we ought to get a bonus.

201 carried.

202. \$6,000.

MR. CASHIN: One second now. I would love to see some pretty pictures around here, but I think it is a waste of money to have these paintings of Speakers. I know there are some you will not get.

Carried.

301. \$30,720.

MR. CASHIN: One minute. That \$6,000. I take it that the Government just cannot go and get a picture painted of anyone and just put it up here without permission of some one. For instance, if I had been a Speaker, and I thought I was too good-looking to have my picture put up with the rest of them, and I say, "You are not going to have my picture put up here, because you are not good-looking fellows," I take it you could not put it up unless you had my permission.

MR. SMALLWOOD: That is very questionable. You are a public man. A photograph of a public man can be published in the newspapers at any time. Can you refuse? The lawyers can answer that, perhaps.

MR. HIGGINS: I take it there could be no invasion, of privacy in the case of a dead man. I do not know about a living man. I take it most of them are dead.

MR. SMALLWOOD: There are three living ex-Speakers.

THE CHAIRMAN: I must remind members that we are now on 301.

MR. CASHIN: The original estimate was for salaries \$13,845; it is now \$14,020. Travelling: What is that thousand dollars for travelling? Is that for the Lieutenant Governor?

MR. QUINTON: Yes

MR. CASHIN: Office, \$1,500; the office is there.

MR. QUINTON: You see postage has to be paid now.

MR. CASHIN: The office is \$1,500; and automobile \$100.00. You are not going to get far on that. "Entertainment Allowance to First Lieutenant Governor \$4,500." Is that for Sir Albert Walsh? Wages, Messing and Uniforms, Domestic Staff \$9,600." How long was he there? He must have had quite a time down there, "Entertaining Allowance \$4,500."

MR. SMALLWOOD: Did you go there?

MR. CASHIN: No, I did not, and I am not going—I always heard in going to these places you had to have a good tea before you went, because you got nothing to eat when you got there. I take it that that \$4,500 had been paid?

MR. QUINTON: Yes.

MR. CASHIN: "Wages, Messing and Uniforms, Domestic Staff \$9,600. That covers the whole year?"

MR. QUINTON: Yes.

301 carried.

302 \$18,510.

MR. CASHIN: Just a second now. What is that?

MR. SMALLWOOD: That is me.

MR. CASHIN: That is you. We have got to watch you.

MR. HIGGINS: Who is your personal assistant? Is that your secretary?

MR. SMALLWOOD: No. I have an executive assistant, and a private secretary, both. Page 56. We have one Premier—

AN HON. MEMBER: That is enough.

MR. SMALLWOOD: One personal assistant, or executive assistant, one confidential clerk (that is a private secretary, really.)

MR. CASHIN: Who is the personal assistant?

MR. SMALLWOOD: Mr. Gregory Power. The confidential clerk is Mrs. Templeman. Shorthand-typist—I really do not know her name, but she is quite a competent girl, although, to tell the truth I have not seen her yet, because I do most of my dictation by dictaphone in the night, and she takes the cylinders the next day and types them from the cylinders; I have never laid an eye on her; she has been there for five or six months, but she is good because I see the letters when they are brought back to be signed. Anything else?

AN HON. MEMBER: "Cost of Living Bonus." Does the Premier get a share of that?

MR. SMALLWOOD: No, that is purely Civil Servants.

MR. CASHIN: Is the personal assistant a civil servant now?

MR. SMALLWOOD: No, none of my staff is a civil servant, except, I believe, one, one of the stenographers is a civil servant who was seconded to one of my two Departments. It may be this young lady in the Premier's office, or it may be one of them in the Economic Development office. That is one of the last Departments in the Estimates here. I think I have three, one of them is or was a civil servant before she came up with me, and she still holds her civil service status, but all the rest are non-established and non-pensionable.

MR. CASHIN: Does the Personal Assistant go from \$3,200 to \$3,800. I thought that he must be a civil servant, or otherwise he would not have that rate of pay, and that rate would be set by the Civil Service Board.

M. QUINTON: It is probably the scale for Deputy Ministers.

MR. CASHIN: Deputy Ministers get \$4,000.

MR. SMALLWOOD: Assistant Deputy Ministers.

MR. CASHIN: They get \$3,200 and go to \$3,800.

MR. SMALLWOOD: Yes.

Carried.

Subhead 303, \$2,870.

MR. CASHIN: What is that, Clerk Grade I, \$2,000? Who is that?

MR. SMALLWOOD: The Clerk of the Council is Mr. Carew.

MR. CASHIN: I know.

MR. SMALLWOOD: And then there is—I think, it is Miss Meaney. She is in the Provincial Affairs. You see, the Premier's office and the Department of Economic Development do no accounting and handle no money; all our accounting is done by and our cheques are received from, the Provincial Affairs, and the work of the Executive Council is down there. Miss Stella Meaney.

Carried.

304, \$100,000. (Newfoundland Election Act.)

MR. CASHIN: I suppose these expenses are all over now.

MR. SMALLWOOD: Yes. A very fortunate result it had, too.

MR. CASHIN: We will find out about that.

Carried.

401, \$42,230.

MR. CASHIN: "Office \$300.00." You do not have to pay rent, do you? I see in all of them "Office."

MR. QUINTON: There is for miscellaneous office expenses.

Carried.

402, \$42,230.

MR. CASHIN: You have \$300.00 for office in the other one, and now you have \$600.00 here, and automobile \$2,000.

MR. QUINTON: I may say to the honourable member that if he is the upper bracket, for the Minister's office, he can be assured that that is going to be a drop balance.

MR. CASHIN: I notice you have \$2,000 down here for an automobile.

MR. QUINTON: It is not mine.

MR. CASHIN: I know it is not yours. I am not saying it is yours. Where does that come in?

MR. QUINTON: You see, Mr. Chairman, we have some new duties in that Department, for instance, the collection and inspection of gasoline operations on the Avalon Peninsula.

MR. CASHIN: Now, an automobile costing \$2,000 a year—the capital cost is the principal one, and does it cost \$2,000 a year to run an automobile?

MR. QUINTON: Well, this is an estimate.

MR. CASHIN: I really could not afford to drive one if it would cost me \$2,000 a year to operate.

MR. QUINTON: Well, Mr. Chairman, it is proposed that we do have an automobile for the increased travelling in the Department, and that is a capital item of expense.

MR. CASHIN: I see. This \$2,000 is to buy an automobile. And then you are going to take the costs out of the "Travelling \$6,700." Part of that \$6,700 would be the expenses of the automobile?

MR. QUINTON: Yes.

MR. QUINTON: I am afraid I shall have to refer that to the Department of Supply.

MR. CASHIN: Because anything except English cars cost more than \$2,000.

MR. SMALLWOOD: We might get a wholesale price.

MR. CASHIN: No, I do not think you will.

Carried.

403, \$59,280.

MR. CASHIN: "Auditor General, Salaries \$54,880." That takes us back again to where we were discussing a few moments ago, where you vote \$2,000 for an Auditor General.

MR. QUINTON: Well, Mr. Chairman, the Auditor General's salary will be provided by statute.

MR. CASHIN: I am quite aware of that. The only thing I wanted to bring to the Minister's attention is why we are voting the \$2,000 if there is no Auditor General. We do not know if there is going to be one.

MR. SMALLWOOD: Suppose there were one, and it was not in these Estimates, and this House did not provide a salary for him.

MR. CASHIN: You could provide his salary by Minute-in-Council. It would not be the first time such a thing was done.

MR. SMALLWOOD: But can you?

MR. CASHIN: You have done it. Take these new Departments you have created. There was no particular vote, for instance, for them.

MR. SMALLWOOD: There was. That was \$200,000.

MR. CASHIN: And you have been using that to pay, for instance, your Deputy Minister, for argu-

ment's sake, for Economic Development.

MR. SMALLWOOD: Yes, from a drop vote.

MR. CASHIN: O.K. you pass a Minute-of-Council. You pass a Minute-of-Council and charge it up to that.

MR. SMALLWOOD: No, the vote was passed by the Legislature.

MR. CASHIN: The vote. was passed by the Commission of Government of \$200,000.

MR. SMALLWOOD: The Commission of Government, as a legislature, voted \$200,000 to us for Governmental purposes, and the apportionment of it we did by Minute-of-Council.

MR. CASHIN: Well, other things are done by Minute-of-Council, you know. For instance, \$6,091,700, under section 24 (2) (b), whatever that is. That was done by Minute-of-Council.

Carried.

404, \$575,800.

Carried.

405, \$1,000.

MR. CASHIN: In connection with 404, Civil Service Pensions. Is that people who have been pensioned prior to Confederation. "Death Gratuities." What does that mean? "Marriage Graduties \$5,000," "Railway Pensions, \$247,500." In other words, do I take it that the Provincial Government has to pay the pensions of Railway employees that were eligible for pension prior to Confederation and that it is not chargeable to the C.N.R.?

MR. SMALLWOOD: Not only railwaymen, but all public employees. All up to the date of Union.

MR. CASHIN: I am not going to press the point, Mr. Chairman, but what is the Death Gratuities.

MR. QUINTON: That arises from the provisions made in the 1947 Civil Service Act. There is provision for Death Gratuities and Marriage Gratuities.

MR. CASHIN: I have not seen that Act, but I have an idea what it covers.

MR. QUINTON: (On 405). This Mr. Chairman, is a token vote. There is no probability that this amount will be spent in this fiscal year.

Carried.
406, \$953,700.

MR. SMALLWOOD: Who is that whistling?

THE CHAIRMAN: If the whistle occurs up there again I shall move that strangers be asked to withdraw.

MR. SMALLWOOD: If the person can be identified, Mr. Chairman, I would move his immediate arrest, his instantaneous arrest.

THE CHAIRMAN: Mr. Sergeant-at-Arms, would you—

MR. SMALLWOOD: Mr. Chairman, I would say do not give him one solitary fraction of an inch. If you give him an inch it will go to ten miles. I have seen that happen in this House before, and it is not going to happen now. A little whistle, and a few months in gaol. I am not having it.

MR. CASHIN: I do not think you could threaten that.

MR. SMALLWOOD: We can threaten that—disrespect shown to this House—to the person who does it.

THE CHAIRMAN: We cannot have people whistling. Mr. Sergeant-at-Arms, if you can determine the person who is whistling, will you have him put out immediately.

MR. SMALLWOOD: Mr. Chairman, in other Houses, when strangers are admitted, they are not even permitted, as the honourable and gallant member from Ferryland knows, when he and I sat in the Distinguished Visitors Gallery of the House of Commons, we were not allowed to touch the rail. No one is even permitted to touch the rail. You can lean over, but not touch it. There are the very strictest rules in the House of Commons in London and everywhere else, and I saw this House reduced to a beer garden. It is not going to be now.

MR. CASHIN: There is a lot of money involved here, and probably the party who whistled, whoever he might be, was surprised that we jumped from \$1,000 to \$953,000. "Railway: Balance of Operating Deficit 1948-49 \$600,000." What is that?

MR. SMALLWOOD: That is left over from last year.

MR. CASHIN: That is "Deficit Clarenville Vessels, 1948-49 \$40,000. There was a credit for these vessels.

MR. QUINTON: That belongs to a period past.

MR. CASHIN: I know, but—

MR. QUINTON: This is an estimate for the balance of the fiscal year. It is an estimate.

MR. HIGGINS: "Life Insurance Companies Act of 1906, Expenses." What is that?

MR. QUINTON: That is a safe-keeping charge which the Government pays on the collateral which Government requires to be deposited in a safety vault. This will not recur. We have made amendments to the Life Insurance Companies Act, and this item will not appear any more.

MR. CASHIN: Now, "Management Expenses, Public Debt, \$9,700," who is that paid to?

MR. QUINTON: That \$4,200 under "Current" is payable in respect of Securities, and the \$5,500 was payable to the Bank of England up to the 31st March, 1949.

MR. CASHIN: Nothing in the Bank of Montreal?

MR. QUINTON: The Bank of Montreal was included in the first item.

MR. CASHIN: Which? The \$4,200? So they charge us 1 per cent.

MR. QUINTON: One tenth of one per cent.

MR. CASHIN: They get the two and three-quarters, and then they get one per cent for management.

MR. QUINTON: It is one tenth of one per cent.

MR. HIGGINS: That is a small percentage for looking after interest and paying out interest and keeping the books.

MR. MILLER: Item 10. "Revision of Accounting Procedures, Fees and Expenses," \$25,000, what does that mean?

MR. QUINTON: That is the fee of Mr. James Thompson, the man who helped us reorganize, and his employees, who helped us reorganize the whole system of what we have before us now.

MR. CASHIN: Well, now, I asked a question a short time ago what was the fee of Mr. Thompson and the answer I received was three months at \$5,000, approximately, that is \$15,000.

MR. QUINTON: This \$25,000 is there because he is still at work, reorganizing other departments of the Government.

MR. CASHIN: He is still at work, then his rate of pay is \$5,000 a month, is that what he is paid?

MR. SMALLWOOD: Approximately that.

MR. CASHIN: \$5,000 a month, that is \$60,000 a year, as much as is paid to the president of the Canadian Pacific Railway, more than the president of the Canadian National.

MR. SMALLWOOD: Yes, but this includes the staff which is brought with him. If we could spend \$60,000 a year for ten firms like his firm and get the same result from each expenditure of \$60,000, we would end up by not having any expenditure at all.

MR. CASHIN: No, because we would not be able to pay for anything else.

MR. SMALLWOOD: No, no, not at all. Not at all. The savings, the economics, and the retrenchments, and the greater efficiency that will be produced by this \$25,000 or \$30,000 will be many, many, many times the amount it costs us.

MR. CASHIN: No; he brought self?

other people with him besides him-

MR. SMALLWOOD: Yes.

MR. CASHIN: And where do they fit in?

MR. SMALLWOOD: For instance, he has one of his own partners with him.

MR. CASHIN: What is the name of his firm?

MR. SMALLWOOD: Peat, Marwick and Mitchell.

MR. CASHIN: Well, is he a partner?

MR. SMALLWOOD: Yes.

MR. CASHIN: His name is not mentioned.

MR. SMALLWOOD: No; he is the principal of the firm.

MR. CASHIN: Just a minute now—"Payment to Dominion Government for service rendered in connection with collection of Newfoundland Income Taxes"—oh, that is for the collection of the 1948 income taxes, I take it. We have to pay that over the Dominion Government for services by Mr. Allan and the staff down there in the Income Tax Office, to pass over to the Provincial Govern-

ment; and we pay for that, that is only natural. "Refunds of Previous Years' Revenue: \$200,000." Has there been any amount paid on that yet?

MR. QUINTON: Yes. There has been some.

MR. CASHIN: Have you any idea how much?

MR. QUINTON: You see, Mr. Chairman, there has been \$120,000.

MR. CASHIN: In other words, there is still \$80,000 to go. All this is going to take another year before we find out where in the name of goodness we are. This is all new, and we can place questions on the order paper to keep each department busy for the next two weeks explaining these various amounts of money, how they have been spent, how much has been spent. Some of them have not been touched probably. For instance, the railway balance, \$600,000, is being passed over to the C.N.R.

HON. LESLIE R. CURTIS (Attorney General): But, Mr. Chairman, it is a point in fact all these amounts have already been voted by the Commission of Government. If you notice the original estimates, all these amounts have been already voted.

MR. CASHIN: Well, it is no harm to ask something about them is it?

MR. QUINTON: Not a bit, not the least bit.

MR. FOGWILL: Commission of Government are \$1,000 in the difference there.

MR. CASHIN: Yes, and I notice that remuneration etc. of Seconded United Kingdom Officials are \$9,000, but venture they were paid too.

MR. SMALLWOOD: That is the Auditor General's salary.

MR. CASHIN: The Auditor General does not get any salary here.

MR. SMALLWOOD: Yes he does.

MR. CASHIN: No, he does not. He is getting a living allowance.

MR. SMALLWOOD: Yes, it is the Auditor General's.

MR. CASHIN: What?

MR. SMALLWOOD: The \$9,000.

MR. CASHIN: This \$9,000—we are paying it, we are doing the Commission of Government's job.

MR. SMALLWOOD: Oh no.

MR. CASHIN: Because, I take it—you see the Auditor General's report, for instance, for 1948-49—excuse me Mr. Chairman, for jumping up and down here so often—for 1948-49—the Auditor General will undoubtedly give a report for that period. Now, if we have to pay him, therefore, for nine months, we are paying him \$1,000 a month, that is the position. And then, \$2,000 of our own to the man to be appointed in February, and he gets \$1,000 a month, because we have already voted \$2,000 to be paid somehow or other if there is to be such an individual appointed, to that statutory office. So the Auditor General gets \$1,000 a month.

MR. SMALLWOOD: That is nonsense.

MR. CASHIN: Well the Commission of Government paid him until they went out of office.

MR. QUINTON: Yes, but you see it does not follow that he came here at the beginning of a fiscal year.

MR. CASHIN: No, I know that. I know that he is provided with \$9,000 from April 1st to March 31st.

MR. QUINTON: You see, Mr. Chairman, this is paid through the parent Department from England, and part of it belongs to last year's work.

Subhead 406 passed.

Spbhead 407: \$28,500. Carried.

Subhead 408: \$30,000.

MR. QUINTON: That is an additional amount loaned to Public Utilities Commission.

MR. CASHIN: Well, the Public Utilities has not been passed yet. At least I do not think it has been passed yet.

MR. QUINTON: No.

MR. CASHIN: And it is still before the House. Why not leave that until the Bill comes up for further debate — I think in that Bill, if my memory serves me correctly, the sum is \$50,000.

MR. SMALLWOOD: If there is no Public Utilities Commission, this will become dropped balance; it will not be spent, so why not transfer it? It cannot be spent unless there is a Commission.

Carried.

Subhead 501; \$9,890.

MR. CASHIN: Just a minute. Provincial Affairs. What are the

functions of the Department of Provincial Affairs? What revenue does it bring into the Country?

HON. JAMES J. SPRATT (Minister of Provincial Affairs): It conducts the legislative affairs of the Government.

MR. HIGGINS: A lot of the fees they used to collect are gone now, trade marks, patent fees. But there is no revenue at all now.

MR. CASHIN: This Public Relations office in here.

THE CHAIRMAN: That is another item. 501 we are on now.

Carried.

502: \$21,661.

Carried.

MR. CASHIN: That covers Public Relations.

MR. SMALLWOOD: That is mostly Government Bulletin.

MR. CASHIN: What is that?

MR. SPRATT: A publication of a lot of official business.

MR. CASHIN: I have not seen one of them; I have heard something about it, — when the Commission of Government were in they were introducing a political document to bolster themselves. I presume this Government is going to use it for the same purpose.

MR. HIGGINS: What is it? What is the Government Bulletin?

MR. SMALLWOOD: It is a monthly newspaper, of which 60,000 copies are printed, and are distributed, I believe, some 30,000 copies through the schools, and the remainder through the post offices individually addressed. It

is printed at the office of the Daily News, where it has been printed for quite a number of years past, and it is the one and only opportunity that thousands of our Newfoundland families have to learn anything in the printed word about what is going on in Newfoundland. There is a department in it called "Farming," an excellent farm page, or two pages, or three; there is on forestry, on health, there is excellent propaganda and information on public health; there are cooking receipts, household hints and tips and the like. Ceiling prices are published. That usually takes the two centre pages; that is a double page spread, the only chance that thousands of our people have of knowing the ceiling prices set. As a matter of fact, the Government Bulletin is an excellent publication and serves an excellent public purpose. We did not start it; it was started years ago by the Commission of Government, and Mr. McNeilly, who I may say is not a supporter, has not been a supporter of this Government, is its editor; we do not mind; we are not a bit concerned; we think it is a good magazine; we think Mr. McNeilly is making a very good job of it so it goes on. Personally, I have not seen it since we have been in office. I have not had time. This is how much political use we make of it.

AN HON. MEMBER: "Carried."

MR. CASHIN: One moment, those votes have got to be put properly. It is not because you and I call out "Carried", but the Chairman has got to put that vote. "Moved and Seconded that Section 1106—"

MR. SMALLWOOD: I don't think so. If it suits the convenience of the House to say "Carried," and if the debate on it has finished, then Mr. Chairman says "Carried," it is carried.

MR. CASHIN: But it is not up to you or I to say "Carried." It is up to the Chairman.

MR. SMALLWOOD: No, it is up to us. He does not know unless there is an indication from the House whether we have finished debating it or not.

MR. CHAIRMAN: I said "Carried" to that. I would like to say that I am going to give every member an opportunity of debating any item.

MR. CASHIN: You have to say it yourself.

MR. CHAIRMAN: I do. I always say "Carried" to every item.

MR. SMALLWOOD: It is not carried until Mr. Chairman says "Carried".

504, \$3,243.

MR. HIGGINS: Is that the salary for the year?

MR. SPRATT: That is the point that you raised about the Museum.

MR. HIGGINS: You have only one salary.

MR. SPRATT: That is all.

MR. SMALLWOOD: The Museum is not open; it is not started.

MR. SPRATT: Mr. English is employed at indexing; and such things; he is employed all the time.

505, \$282,000.

MR. SPRATT: That is expenditure on the outports and the City as well.

Carried.

506, \$4000.

MR. CASHIN: "Provincial Legislature—Sundry Expenses" nothing. But there is a note down at the bottom of the Estimates here; that was the vote we were discussing here a long time ago, where certain salaries were paid out of \$200,000 voted by the Commission of Government I take it, is it not?—which was incorporated in the Estimates brought down by the Commission of Government and passed. Now we find here that is spent, "(A) Distributed in amended estimates under appropriate heads to an aggregate of \$320,175". Now is that an over-expenditure, \$120,175, or what?

MR. SMALLWOOD: That is for a variety of things spread throughout the various headings, appearing in one lump sum in this one Department.

MR. CASHIN: Mr. Chairman here was an instance of \$200,000 voted to do a certain thing, and there is \$120,000 more spent, and it had to be spent by Minute of Council. You have already spent it and you come in now looking for authority for what you have already spent by Minute of Council.

MR. QUINTON: If I may say a word here, Mr. Chairman, this amount of \$200,000 has not yet been exhausted, but this is an estimate for the balance.

MR. CASHIN: In other words, there is \$120,000 worth of bills not

paid. We did not vote that \$320,000 anyway; it is a cover-up vote, and we know nothing about it.

MR. QUINTON: The vote in the first place, Mr. Chairman, was \$200,000. Part of that \$200,000 is still in hand, but there are services which will go forward and which cover the difference between \$320,000 and \$200,000.

Carried.

601.

MR. CASHIN: Did not the Premier say we would just finish Provincial Affairs and then go on to the other Orders.

MR. SMALLWOOD: We have an hour and a half. I notice that the Minister of Education has his Deputy here, and I think perhaps, ten or fifteen minutes, just to begin the Educational Estimates, now that the Deputy is here, and then we could rise the committee and carry on with some other legislation.

MR. CASHIN: When we started this thing I tried to get the whole thing postponed until tomorrow because I had not gone into it, and we kind of agreed that we would do up to Provincial Affairs and Finance. Now I find we are going to do the Educational Department as well.

MR. SMALLWOOD: No, we cannot possibly.

MR. CASHIN: Well, why not leave the Education Department until tomorrow and do the balance of what you have on your Order Paper now?

MR. SMALLWOOD: Well, I am agreeable, but I thought since the

Deputy was here, that we might take it for five or ten minutes, to begin it. I did not think we could get very far.

MR. CASHIN: I think we have done a lot this afternoon, because I can remember times in this House when you could not get through votes like you got them through this afternoon. In fact, if we got through one Department a day here, we were doing very well. The Estimates came in yesterday; we had never seen them before.

MR. SMALLWOOD: If the honourable and gallant member is not ready to proceed for the next five or ten minutes with the Department of Education, now that the Deputy is here, that will be all right. We will not proceed.

MR. CASHIN: Not until tomorrow.

MR. SMALLWOOD: Not until tomorrow.

On motion of Mr. Quinton, the Committee rose, reported progress, and asked leave to sit again on tomorrow.

MR. SPEAKER: Third Reading of Bill "An Act Relating to Public Examinations in Schools".

Bill read a third time.

MR. SPEAKER: Third Reading of Bill "An Act to Amend the Public Enquiries Act, 1934".

Bill read a third time.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Transfer to the Memorial University of Newfoundland Rights Vested in the Newfoundland Memorial University College and Normal

Training School, Assets of the Board of Governors of the Memorial University and Certain Crown Assets”.

HON. S. J. HEFFERTON (Minister of Education): I move Mr Speaker that this Order be deferred.

Order deferred.

MR. SPEAKER: Committee of the Whole on Bill “An Act Respecting District Courts.”

MR. CURTIS: I move Mr. Speaker, that this Order be deferred.

Order deferred.

MR. SPEAKER: Committee of the Whole on Bill “An Act to Provide for the Regulation of Public Utilities.”

Mr. Speaker leaves the chair.

Mr. Courage takes the chair of the committee.

Section 1 read, passed.

Section 2 read, passed.

Section 3 read, passed.

MR. HIGGINS: Mr. Chairman, in dealing with this Act it must be remembered that the expenses will be thrown on the public utilities and that will be added to the cost of the service, and consequently will be thrown on the public. It is necessary therefore that all expenses in connection with this Act be very much scrutinized. There is no question that where a type of business takes in a certain area of operation, public service requires a monopoly, but there should be some regulation. It seems to be customary in the States and in all the provinces of the Dominion. Now in Newfound-

and our population is very small and consequently the work of the public utilities will be very small in comparison with, for instance the public utilities of Quebec and Ontario. Now some of these provinces are carrying on public utilities themselves, but there is no point in this debate to deal with whether the service by the province itself or by public utilities is better. There is no necessity for us to find out which system would give the better service. But this Act, which deals with Newfoundland public utilities, is a very real one and it provides for an expenditure of setting up a Board with scope and power to regulate the utilities in the Province which would suit a province ten times the population of this country. This Act is sufficiently weighty enough to deal with a population very much bigger than Newfoundland. The duties of the Board, and the authority and the rights are large, and the expenses will be tremendous.

I said I did not object to the principle of the Act, but that I would object to some of the clauses; some of the sections of this Act look something like what would be presented by the Communists in Czechoslovakia. It is giving the Board power to run a public utility. It will let people who know nothing about it go in and tell a public utility how to run their business. It will in my opinion keep capital out of the country. I would advise any client who was going to come in here, into this country, to start a public utility to have nothing to do with it if this Act is carried out. I could draft an act very much better than

that, I think, very much more sensible, if I were given the time. I would draft it in accordance with the population of Newfoundland and the fact that the public utilities here are very small.

Take the public utilities in this country. You take the two or three companies in St. John's. We have the electric light company and we have the telephone company. Now I may say, gentlemen, I am not solicitor for any public utility company in this country; I am not a shareholder; I have no money whatsoever invested in them. But I am broad enough to realize that, for instance, during the War, the public utility companies did extraordinary work. The electric light company, without any fanfare at all took over the vast responsibilities which were thrust upon them by the War. They enlarged their business when the American Bases started; the Navy started a dockyard, and Buckmaster's Field, and this required an enormous amount of electricity and they got it, and the strange part about it without any extra cost or expense to the public. I may say that the electric light is the only one that carried on its business, at least as far as the Public was concerned, and has reduced the cost of its commodities. Their cost of service has gone down much lower than it was before the War; in fact, the extraordinary thing is that electricity costs now less than one-third of of what it cost before the War.

That is an example of how the public utility has been carried on. And I would like to pay tribute to them because everybody in the city here has benefitted by that. The

telephone company, in spite of the vast increase in telephones necessitated during the War, that company has carried on an extraordinary business and now they have spent thousands of dollars in bringing in that has not cost the public one cent.

I say, then, that we should be very, very careful in connection with this Act. If the expenses are going to be heavy they are going to be paid by the public utilities, but in the long run they will be paid by the public. Utilities in this country are carried on on a very small percentage, but if there are going to be heavy expenses then what will have to be done is to increase the cost to the public of electricity and telephone service in this country. If they are going to have fifty or sixty thousand dollars expenses thrown on them every year it will mean that the public, you and I and everybody, in this county, will have to pay for it, and if these public utilities have been carried on in the past, if the cost of electricity and 'phones had been very high I certainly would be the very first one to say that we should enquire into it, but when we see what extraordinary service we get from companies like that; when we see how extraordinarily cheap they are, when we come to realize that the only commodity in this whole country that is less than it was previous to the War, then I think that these companies should be left alone and not have people who would not be able to carry out the same work they are carrying out come in and tell them what to do.

I said the expense is pretty high. The Lieutenant Governor in

Council may appoint the persons, and then in sub-section 4 "each commissioner shall hold office during good behaviour." The electric light company is now, I understand, carrying on extensive work now, new work, in Mobile. They are employing many men and I understand are paying them good wages. I am told the total expenditures will go into one million or one million five hundred thousand dollars. This company started this work without any idea that there would be any Public Utilities Commission, and it strikes me they would be perfectly justified in stopping the work is they realized that people without the technical knowledge that they have could come in and dictate to them how they are to carry on their business.

With regard to expenses, they are not allowed to expend any more than a thousand dollars without the approval of the Board; that is one of the sections.

MR. SMALLWOOD: This section?

MR. HIGGINS: No, but it deals with expenses.

MR. SMALLWOOD: We are dealing with this section.

MR. HIGGINS: I am talking about this section, too, and I am saying that—"The Lieutenant Governor in Council may appoint technical or other assistants to attend on and advise the Board whenever requested by the Board so to do." There is a section which says that not more than a thousand dollars expended without the approval of the Board.

MR. SMALLWOOD: That is not in this section.

MR. HIGGINS: But it is in connection with the technical assistants. If they want to build a concrete wall in front of their building and it is going to cost a thousand dollars, then they go to the Board, and they send to find out if it is necessary, and then the man would have to report to the Board. All that is expense. Now if this Board is composed of expensive engineers, you have to get them somewhere else than here; that is duplication because the public utilities here have their own technical advisers and a good staff. You are going to double the expense.

Now before this is rushed through I would suggest that we should get further particulars. I have gone into this matter during the last couple of days; I have had very little time, but I think we should get some idea from the public utilities themselves as to certain sections of this Act. They would have some sort of a story, and I think the least we should do is to pay respect to what they say. I think it would be a very good thing to do. As I said, I feel that a Public Utilities Commission is necessary, because there are other public utilities outside of the companies I named. Now, the Government, for instance, cannot give certain amenities to outlying districts, but public utilities are giving good service, not alone in St. John's, but in Corner Brook and Grand Falls, and in many outlying districts they have expended money themselves; they have taken the chance; they have been able to do work.

Now, as I said before, the public utilities in this day get only a *small return on their capital*; the expenses to be incurred by this Act, and by this section, will be such as to throw a very heavy expense on them, and consequently an expense on the public.

When some other sections come up I am going to show that they are dangerous in the very highest degree. Still I have no objection to the principle of a Board of Public Utilities. There is a necessity here for a Public Utility Board, but the Act must be reasonable; it must be run in accordance with economy to the public; it must be run by decent men who will realize that the expenses must be curtailed and must realize that it is necessary that capital should be invited into this country and not be frightened away from it, and I totally object to that section, and there are a lot of other sections that I have to object to, and I think this Act is being rushed too fast; it is too important an Act at this time, when we should have capital coming in; we are doing our best with this Act to throw it out. Many sections of this Act are absolutely and entirely dangerous.

MR. SMALLWOOD: Mr. Chairman, my honourable and learned friend says that this clause sounds like—no he did not say that—he said there are clauses in this that sound as though they came from a Communist. I think I understood him right that there are clauses in this Act that sound as though they came from a Communist—

MR. HIGGINS: As would be done by the Communists in Czechoslovakia.

MR. SMALLWOOD: Well, the Act was drafted almost entirely

after the Act of the Nova Scotia Legislature, which is Liberal and *not Communist*, and is led by the Honourable Angus MacDonald. It does not emanate from Czechoslovakia, and I do not think there is a Communist, not only in the Government of Nova Scotia, but in the whole legislature of Nova Scotia. So how could it sound like it—except this, that if there are Communists in Czechoslovakia who speak English, and they happen to use certain words that are found in some of these clauses, that might be something that they would hold in common; that is, the Communist in Czechoslovakia and this Act. If two people of the same nationality use the same English language, then they have that in common, and if the Communist is an Englishman and he speaks English, it might be said that he sounds like me and I, like him, because we both speak the English language, but that is only to say that the honourable and learned Leader of the Opposition and the Communist sound much alike, because they both use the English language.

There is nothing Communistic in this Act. It is taken from beginning to end, from the letter "a" where it says "A Bill" to the last letter, which happens to be the letter "d" in the word "repealed" in the last Clause, between these two letters, there is not a word that is Communistic, because—if there is it speaks well for Communism—because in every province of Canada to-day, every province, with one exception, Prince Edward Island, and every State of the United States of America, with possible exceptions in the backward, hill-billy areas, there is almost the identical Act. Is the United States

Communist? Is Canada Communist? I have heard some queer things said in this House, and probably I have said some of the queer things myself, but of all the queer things I have ever heard, to hear it said here to-day that there were clauses in this Act that sound as though they came from the Communists in Czechoslovakia—

MR. HIGGINS: I said so, yes. I repeat it. People are in business and you try to take control of the business.

MR. SMALLWOOD: If that is the criterion, and if it is Communism,—

MR. HIGGINS: That is totalitarianism—That is my opinion—

MR. SMALLWOOD: If that is Communism, if that is totalitarianism, then Nova Scotia is totalitarian and Communist—

MR. HIGGINS: That is my opinion.

MR. SMALLWOOD: Well, if that is my honourable friend's opinion that Nova Scotia is totalitarian and Communist, he is welcome to the opinion, and I will not be able to change his mind. If this is Communism, then Ontario is Communist; the province of Quebec is Communist; the Province of Manitoba, or Saskatchewan, or Alberta, or British Columbia, or New Brunswick, they are all Communist. The State of New York is Communist; the State of Massachusetts is Communist. This Act is identical in principle with those in these states and provinces. There is nothing Communistic about it. Since when did it become Communist or become totali-

tarian to set up a public utilities commission for the regulation of public utilities? Since when did that become Communist? Since when?

MR. HIGGINS: As I said, I have no objection to the principle of the Bill, but I do say here, and say it again, no matter how much you rant about it, and attack me on the matter, I still say it. I am entitled to my opinion. I saw certain paragraphs in certain Acts drafted here, even by the Commission of Government, where no lawyer is allowed to be reinstated on either side, no lawyer; and to find anything like that you have to go where there are no lawyers, to China or Russia.

MR. SMALLWOOD: And Ontario. In the Workmen's Compensation Act of Ontario there are no lawyers allowed.

MR. HIGGINS: I am not saying that. I am saying that in China and Russia there have no lawyers, and they will not allow any lawyer^s to appear in any suit and any argument or anything else.

MR. SMALLWOOD: Neither do they in Ontario, in Workmen's Compensation.

MR. HIGGINS: That is totalitarianism. A man is entitled, if he wants to, to get legal advice. You take in any determination of any question of fact, the Board is not bound by any finding of any court in any suit prosecution or proceeding involving the determination of such fact, but such finding, order or judgment shall in proceedings before the Board, be prima facie evidence only.

MR. SMALLWOOD: That is another section of this Act. Now the

section under consideration is Section 3. Let us take a look at it? So what is wrong with it? "The Lieutenant Governor in Council may appoint three or more persons"—

MR. HIGGINS: Let us see if it is reasonable. Never mind about whether it is Communist or not. Is it reasonable or unreasonable? Let us argue it now on the question whether it is reasonable or unreasonable.

MR. SMALLWOOD: I agree. I agree on that. I do not feel that it should be argued that this Act is a Communist Act.

MR. HIGGINS: I did not say it is a Communist Act. I said certain sections tend to that.

MR. CHAIRMAN: I would ask both the honourable members if they would speak one at a time, please. If one member has the floor, the other should wait until he is finished unless he rises to a point of order.

MR. SMALLWOOD: Yes. Well, Mr. Chairman my honourable and learned friend says that this whole section is not the one which he has in mind, but he says that there are sections that are Communist.

MR. HIGGINS: I am talking about the expenses.

MR. SMALLWOOD: Your argument about this section is about the expenses with regard to this clause.

MR. HIGGINS: It would keep capital from coming here.

MR. SMALLWOOD: This section will not keep any capitalist from coming to Newfoundland, because this section says,

- (1) "The Lieutenant Governor in Council may appoint three or more persons who shall constitute a Board of Commissioners of Public Utilities, and shall designate a chairman and a vice chairman of and appoint a clerk for the Board."

Will that keep capital out of Newfoundland? I think the answer is "No." Such a Board is in every part of North America. They are quite accustomed to it. They would expect if they came to Newfoundland to find such Board here. That sub-clause is just to say that the Lieutenant Governor may appoint a Public Utilities Commission, with a chairman, a vice-chairman, and a clerk. Then the second one goes on,

"The clerk shall keep full and faithful record of the proceedings of the Board and serve such notices and perform such duties as the Board may require."

"The Commissioners and the clerk shall be sworn to the faithful performance of the duties of their respective office before entering upon the discharge of their duties."

I do not think that will keep any capital out of Newfoundland.

"Subject to sub-section (5) each commissioner shall hold office during good behaviour." I do not think that will keep any capital out of Newfoundland.

"Unless otherwise directed by the Lieutenant - Governor in Council a commissioner shall cease to hold office when he attains the age of seventy years." I doubt if that would keep any capital out of Newfoundland.

"The Lieutenant Governor in Council may appoint technical

or other assistance to attend on and advise the Board whenever requested by the Board so to do."

That, I think, is the answer to the point raised by my honourable and learned friend. If some person did not know how to handle some particular thing, the Board would send somebody who knew how to operate it. That is the answer to that. That is to prevent some ignoramus from doing anything like that. That is the aim of the Board. If it is a matter relating to electricity they have to deal with, electric rates, or power rates, to review, and set, instead of rushing in where angels fear to tread, with their ignorance, with their lack of knowledge, technical knowledge, engage an engineer, to take a look at the part of the utility in question. I do not think that will, I think that would rather invite capital into Newfoundland, but it would not be in the hands of a heavy-handed clown who did not know what he was talking about, but rather they would be served by a competent engineer, and this engineer would be brought down at need—it does not follow that the board would retain him full time all the year around. It might mean that they would engage one only when they needed one, or any other kind of technician or any other kind of technical advice, and the board finally may employ such accountants, engineers, clerks, stenographers or other persons as they require them or deem advisable, for the purpose of carrying out the provisions of this Act, and the wage or salaries or compensation of such persons shall be paid by the Board and shall form part of the annual expenses of the

Board. Well, you set up a board, and you give it certain duties to perform, and you say to them, one of you will be Chairman, one of you will be Vice-Chairman, and you would have to engage a clerk to keep your records, and you would probably engage stenographers too, if you should need them. We shall allow you the staff you need, because we are imposing duties on you to perform and in order to perform them we shall let you have the staff. No, I do not think that is keeping capital out.

Now, when we come to any clause that will keep capital out of Newfoundland, or when we impose upon any public utility an action, which similar utilities do not have to encounter in other parts of Canada and United States, when we come to such a clause as that, or when we come to any clause that is Communistic, let us hear about them.

Section 4 read and passed.

Section 5 read and passed.

Section 6 read and passed.

Section 7 read and passed.

Section 8 read and passed.

Section 9 read and passed.

Section 10 read and passed.

Section 11 read and passed.

Section 12 read and passed.

Section 13 read and passed.

Section 14 read and passed.

Section 15 read and passed.

Section 16 read and passed.

MR. SMALLWOOD: Mr. Chairman, before that is put, may I say this, and I am sure that my honourable and learned friend will be glad to hear it: our hope and intention, so far as we are capable of carrying out that intention is con-

cerned, are that we will get as chairman of this Public Utilities Commission a man outstanding in his ability and integrity and character. We are hoping; indeed, some tentative negotiations have already been commenced, with a view to securing the services as chairman of the Board a man who will meet these qualifications, these tests, a man of outstanding ability and character and integrity. If you have a Board with such a chairman, he is not going to be biased, he is not going to be unreasonable, he is not going to be unfair, and certainly he is not going to try to cripple public utilities. We have got to have public utilities.

MR. HIGGINS: This Act is not made for today, or tomorrow; it is made for generations.

MR. SMALLWOOD: True, but we have a legislature which will go on for generations, please God, and the legislature can amend the Act every year, and it can repeal the Act, and remember that the Board has to report to the Legislature within fifteen days of the legislature's meeting, and the legislature will be fully informed of what the Board does; in fact, the whole public will be; and if there should be, what is unlikely, unreasonable or arbitrary or unduly arbitrary — in some things they have to be arbitrary; you have to give them arbitrary power—but if they use their arbitrary power unreasonably or unfairly or dishonestly or anything of that character, No. 1, the Lieutenant Governor in Council, being responsible in the first place for it, would be very ready to take action; and No. 2, the legislature itself; and the fact that we are now under responsible

government, with an elected legislature, meeting in public sessions, with the press and radio representatives present, is surely a pretty good safeguard against the wrongful use of any arbitrary power the Board may have. And if I could now name the gentleman that I am trying to get to be chairman of this Board, I feel sure that my honourable and learned friend would lose any uneasiness he may have in his mind about the powers that we seek in this Act for the Public Utilities Board. I do not think he can say that that man may die or may resign, but at least it is an augury of the type of Board we have in mind, and the type and manner in which we picture that Board as operating, and if such a man did die or resign we can always try to replace him with a man of the same qualifications.

MR. HIGGINS: The honourable the Premier knows, as well as I do, that Government appointees are not always the best men. He knows that as well as I do. Sometimes by chance we do get the best man. It is quite possible that you may get for this Public Utilities Board a man who would be the best possible, but that is only a chance, and as I said again, and I will repeat it, there are three or four sections in this Act where the Board is given dictatorial powers. I do not care whether Nova Scotia or New Brunswick or anywhere else there are given these powers; they are no more than we are; the men are no better than we are; and I can give you, when we come to them, three or four paragraphs here which I would say are absolutely dangerous, purely dictatorial powers given them, and if these are not changed I say what I said

before I would not advise anybody to come in here, because it is giving the Board the right to run a business. That is the danger. If we get three good men on this, or four, who would be permanent there, then nobody would have any objections, but you have to take into account the possibility that you will not get these men.

MR. FOGWILL: Is it the intention of the Government to constitute the Board at an early date?

MR. SMALLWOOD: Well, I do not know. We are in rather the same position with regard to this Board as we are with regard to the three Loan Boards which are to be set up; that is, that we are trying to get just the right man for Chairman, and that man may not be available immediately, as we do not want to make any move until we get the right man. He is an outstanding man, not a politician, never was in politics; I do not know if he ever voted, an outstanding man of character, whose name, as soon as it is announced, if we do get him, will be acceptable to the whole population. I can assure you of that, though I am afraid there will not be an immediate appointment.

Section 16 read and passed.

Section 17 read and passed.

Section 18 read and passed.

Section 19 read and passed.

Section 20 read and passed.

Section 21 read and passed.

Section 22 read and passed.

Section 23 read and passed.

Committee rose, reported progress, and asked leave to sit again on to-morrow.

MR. SMALLWOOD: Mr. Speaker, might we pass over—we have done everything up to Public Utilities, have we?

May I ask for the Second Reading of Bill "An Act Respecting Trade Unions" to be deferred?

Carried.

MR. SPEAKER: Second reading of the Bill "Education (Amendment) Act Number 3, 1949."

MR. HEFFERTON: Mr. Speaker, I move the second reading of this Bill, Education (Amendment) Act Number 3, 1949, or an Act to amend the Education Act, 1927. Other members of the House may find it extremely difficult to follow the changes which are set forth in this Act. The last Education Act was passed in 1927, and since then there have been quite a number of amendments, brought about by changing conditions.

In order to understand clearly, what is involved here, it is necessary to have a copy of the 1927 Act, and each amendment which has been made since then, and it is very difficult; we have not been able to get as a matter of fact, sufficient copies of the 1927 Act. The changes have been necessitated largely by the salary scales which were put into effect in September of this year. Under the 1927 Act, and amendments the salary of teachers came largely from two sources, the Board allocations, by which a portion of salary was paid to teachers, and then augmentation paid directly to the teachers by the Department of Education, and that augmentation was in conformity with schedules annexed to the 1927 Act. Under

a legislative Act a few months ago, we consolidated Board salaries, augmentation, and cost of living bonuses, so that teachers are now paid a consolidated salary, and are paid too on a twelve-monthly basis rather than a ten-monthly basis which existed prior to September 1st, 1949. All the changes, which are specified under this particular Act now, are the changes made necessary by these new procedures which came into force as from September 1st. As I say, it is very very difficult for the honourable members of the House to follow the changes which are proposed, but our Department spent considerable time during the past two or three months, and with the aid of Justice, in carrying us carefully through the old 1927 Act and amendments, and making the necessary alterations and changes wherever possible, and I might add that these changes were done, I mean the change in payment, particularly the changes in payment of teachers, in colleges were done with the knowledge of the authorities, with their permission, and their approval was given to us in letters from the different authorities, showing that they approve of what is being done. Mr. Speaker, I move the Second Reading of this Bill.

Bill read a second time and ordered to be deferred to a Committee of the Whole on to-morrow.

On motion of the Premier the House adjourned until to-morrow, Friday, at three of the clock.

House adjourned accordingly.

Friday, December 2nd, 1949.

The House opened at three of the clock.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, before we go into the Orders of the Day I have a brief statement of public interest to make.

Responsible trade union leaders came to me last night to report that they had good reason to fear that certain employers are trying to use the relief labor rate of pay of 55c an hour as a means of an excuse for reducing regular wage rates of their employees.

One trade union group, negotiating on wage rates with an employers' group, were told by the employers: "Look what the Government are paying for labor".

There is not in all Newfoundland today even one employer who is ignorant of the nature and circumstances of the Government's relief work program. All employers are quite well aware that this program of relief of destitution is work in place of dole. No employer would dream of mentioning the dole as a reason or excuse for lowering regular wages of his employee. Any employer who mentions relief work as justification for depressing regular wage rates is insincere and is using relief work rates as an excuse for something else.

We are watching the situation closely, and at the first sign of danger we will take prompt and effective action. The great majority of employers are reasonable men, and we invite them, in their own and the general interest, to ex-

ert their influence upon those who might be tempted unwisely to use the relief work as an excuse to depress regular wages.

While I am at it, I am also informed a few—a very small few. I am glad to say—of the destitute men in St. John's are saying openly that they do not intend to do any work in the relief work program. "The Government has to feed us anyway", these few men say, "so why should we work?" I am happy to say that such men constitute an extremely low proportion of the men employed in the relief work program, and this Government wishes them to know that they never made a greater mistake in their lives. Dole for able-bodied men is a thing in the past, and the sooner they make up their minds to this fact the better for them. The vast majority are satisfied to work; and when through no fault of their own they are not able to find regular employment, and have to seek assistance from the Government, they are pleased when the Government finds them a chance to work instead of taking dole.

MR. CASHIN: Mr. Speaker, I am glad the Premier brought this matter up. I quite appreciate what he said with respect to individuals trying to use this thing to reduce wages, and I feel that they are very negligible in number anyway, whoever they may be. But I will say this, that when the Premier made his announcement at the beginning that we should not make politics out of starvation, or words to that effect, I am going to tell him now that politics are being made out of starvation. I had that from the horse's mouth.

MR. SMALLWOOD: Mr. Speaker I would be very grateful to my honourable and gallant friend if he would inform me of any details, give me any information of that nature, so that I can stop it at once. I should be very glad to stop it, wherever it is.

MR. CASHIN: It is happening in Ferryland district; it is happening in Placentia and St. Mary's district. I know these two districts, but I represent only one of them, but it has been widespread in Ferryland. I have not gone up there. I washed my hands clean of it. We were asked to write letters. We did that, at least I did, to the best of my knowledge. I was never consulted as a member for that District about what should or should not be done. That work was taken entirely out of our hands—at least out of mine as representing the district. True, the district did not support the Government, and neither did it support the Conservative Party but I am saying now that politics are being made out of it in Ferryland, right now. There are three hundred and some odd men working up there, I think, altogether, and any preference that is given is given to those men who were specially picked, who were opposed to me politically; that does not worry me one bit; it does not even bother me. At Renew's the Relieving Officer there refused to give a man work, even though he was hard-up; he refused to put his son or his son-in-law to work, and this Relieving Officer has been using his position politically in Renew's.

MR. SPEAKER: It will not be correct to discuss this matter at

this point unless there is a motion to that effect.

MR. SMALLWOOD: Mr. Speaker, as the honourable and gallant member for Ferryland asked for the information, but I think he perhaps asks for information arising out of the statement, I think I could say this to him that if he will give me any details whatever so that I can put my finger on it, with regard to his own or any district, I will see that it is stopped. With regard to my own district that did support the Government Bonavista North. I do not know who was appointed there as Supervisors foremen—I never heard at all. I have no knowledge. I do not know now. I did not recommend anyone. They were just appointed. I left it entirely to the Relief Works Administrator. Who got the work I do not know, any more than I know any other district. I do not know of any of them, but if I get some evidence a stop will be put to it. I promise that.

Notice of Motion:

HON. S. J. HEFFERTON (Minister of Education): Mr. Speaker I give notice that I will on tomorrow ask leave to introduce a Bill "An Act Respecting Teachers Pensions."

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill "An Act to Provide for the Satisfactory or Enforcement of Judgments and Orders of the Central District Court."

MR. SPEAKER: Notice of Motion standing in the name of the Honourable the Minister of Finance.

MR. SMALLWOOD: Mr. Speaker, may I ask, in the absence of the Minister of Finance, to have that notice deferred.

Orders of the Day:

Committee of the whole on Supply.

Speaker leaves the chair. Mr. Courage takes the chair of the committee.

601.

MR. CASHIN: Mr. Chairman yesterday afternoon when we concluded, we concluded by voting away the sum of about six million dollars. That included the Consolidated Fund Services, which amounts to \$3,409,000; Legislative, \$186,000; The Executive Council \$152,000; and the Finance Department \$1,700,000, and Provincial Affairs, \$339,900. Now, as I mentioned yesterday afternoon, in the few remarks that I made at the outset, that there were things cropping up every day in the Estimates which astonished us. When we became a part of Canada, we lost—we gave away—or rather the Canadian Federal Government took over the administration of Customs, took over Post Office, took over Lighthouse Department, took over the Assessors' Department, and probably one or two more, which, right offhand, I cannot remember. However, we now find that even with these department included—it has just been drawn to my attention, it just goes to show that none of us know it all

and I do not know whether many of the members of the House are aware of it, that in the days of Commission of Government we had 2940 individuals on the payroll; now, after giving up Customs, I imagine that would be about 400; after giving up the Post Office, which would have many hundreds, after giving up the Light houses, which had probably a couple of hundred; and the Assessors' Department, we find that under the Provincial Government we have 3164 as against 2940 under Commission of Government. In other words, we increased the public service in that respect by 224 individuals, and whose wages would be around half a million dollars.

I thought that was a point worth bringing up, because—well, I am not here to try and advocate the slashing down and laying off people in this particular period in our history, particularly when we are practically in a depression, I think that there is some explanation due the House as to why there are two or three hundred more on now than there was when we had all these other departments as well and why it is costing us more money. Now, that does not include the teachers, neither in the Commission of Government's time nor in the Provincial Government's time, and I imagine there are teachers up to a couple of thousand which would be added to that and which also would have been added to the Commission of Government and before we go on I would like to get some idea of why that increase.

MR. SMALLWOOD: I did not know while listening to my hon-

ourable friend whether he had a point he was going to make or whether he was out of order or not, so I did not rise to a point of order, but the debate at the moment is confined, very strictly, to one item, number 601.

MR. CASHIN: I know.

MR. SMALLWOOD: And according to the rules we are allowed to debate at this moment, until another item comes up, item 601, not anything that came before that or what comes after it, just 601, but perhaps, Mr. Chairman, you would bear with my honourable and gallant friend and me, if we do break the rule for a moment. That point might well be made in the Debate on the Budget.

MR. CHAIRMAN: I might make the point now that members in Committee should stick to the item or resolution under consideration; at this time it is 601, which is relating to the Minister's office in the Department of Education, but probably since the honourable member did speak, perhaps the honourable Minister would reply to it, but I think we should remember that in future.

MR. SMALLWOOD: If the Committee would turn to page 87, appendix 1, which shows the salaries of the whole public service, they will see at the bottom of the page on the left side two grand totals, number of civil servants, not including teachers, because of course they are not civil servants. There are two columns there, two totals. One is the original and the other is the amended estimates. The two totals represent first the Commission of Government's Estimates, and the other one, the amended one, represents our estimates.

Now, in the Commission of Government's Estimates, if any member of the Committee would care to examine them, it will be seen that Commission of Government anticipated Confederation; they were preparing these Estimates just before, they were prepared just a matter of a few weeks before Confederation came in, and they anticipated it was pretty general knowledge at that time, that under Confederation our Customs officials would become Federal so **they did not provide for Customs officials, and these Customs officials do not appear in that figure of 290.** Similarly for Posts and Telegraphs, they could not appear there either. Similarly, with Light-house keepers, and with all, who had in fact, become Federal Civil Servants. So that the figure of 2940, bears close comparison with the figure of 3164, because they both refer to virtually the same things.

Now there is going to be an increase of approximately two hundred in these amended estimates over the Commission of Government's original Estimates. That, however, is explained chiefly by the fact that some public servants who in the view of the Commission would at once become Federal, did not become Federal, but remained with the Provincial Service.

I could give an example that occurs to me at the moment. The Demonstration Farm; it was anticipated that the Demonstration Farm would become Federal almost at once, because it was noted that the Federal Government establishes Demonstration farms, experimental farms, and it was imagined that they, instead of starting a new one, would take over the one

we have already. That will probably happen, but it has not happened, and it stayed; instead of becoming Federal it remained Provincial, and so on. That is the explanation.

And again the Rangers, 126 Rangers, who will become Federal, but have not yet become Federal, and therefore appear in the figure of 3-164, and do not appear, remember, in the figure of 2,940, the Commission's figure. That alone accounts for 126 of them. And we have not appointed two hundred and twenty-four persons, I can assure you. We have not increased the public service by as many as a dozen. I think I am safe in saying that—a dozen, maybe fifteen; some have retired and we have replaced them, but we have not added a dozen to the public service, I think, since we came in.

MR. CASHIN: Now the first vote, here is the Minister's Office, \$9,557. Do I take it that the Minister was without a Secretary for a month. The Minister does not get the Cost of Living Bonus, but I take it the Secretary gets the Cost of Living bonus, and I do not know whether the lady or gentleman is married or single, but if you divide it by 11 there you get \$24.50 a month. What is the proper cost of living bonus?

MR. HEFFERTON: \$22.50 a month.

MR. CASHIN: Well a man who earns \$1,400 per annum and over, he gets \$30.00 a month and a woman \$1,000 or over gets \$270.00 per annum. That is \$22.50 per month; the other party gets \$30.00. Now, why the difference?

MR. FAHEY: It is the intention of the Government to continue the

Cost of Living bonus? As I understand it, that was established beyond six years ago. If this cost of living bonus is going to continue, should it not be incorporated in the salaries? It is being done generally all over the world. It makes things more complicated. I do not refer to this particular Department; it appears everywhere, in every Department.

THE CHAIRMAN: It seems to me, Mr. Fahey, that this is a question which would more probably be addressed to the Premier or to the Minister of Finance, and he should be given notice of the question.

MR. CURTIS: I do not know, Mr. Chairman. The honourable gentleman has asked a question concerning the cost of living bonus, and I would say, for the benefit of the honourable member, that we just continued the practice of our predecessors; in fact, we did better than continue the practice. Just before they went out of office, they reduced the cost of living bonuses, as honourable member should know, from \$30.00 to \$20.00. One of our first steps upon taking office, was to restore that, but we have had no chance since, Mr. Chairman, to frame our policy with regard to that. Presumably, we are waiting to see what the cost of living is. We had hoped it would be down quite a bit from what it is now.

MR. FOGWILL: Mr. Chairman, I think the honorable the Minister of Education yesterday said, that, in regard to teachers, the salaries would be consolidated, the augmentation and the cost of living bonus, from September. I was wondering, following the opinion

of the honourable member for Harbour Main-Bell Island, whether the same thing would apply right through in these departments, and that the salaries would be consolidated in the Departments. You have done it in one case, and you have not done it in another.

HON. DR. H. L. POTTLE (Minister of Public Welfare): The question raised, Mr. Chairman, is with regard to general policy, and honourable members will know that when the cost of living bonus is added to the salary, the whole salary become pensionable, and when that happens it becomes a very considerable concern of Government. As long as the cost of living bonus is detached from the salary, the cost of living bonus is not pensionable, but if it is added, then the whole becomes a consolidated salary for pension purposes, and before the Government could undertake to enter into a scheme of adding the cost of living bonus to the basic salary, and therefore make it all pensionable, the whole question becomes vast; it is a question of vast financial concern.

MR. FOGWILL: In other words, then, Mr. Chairman, it appears that the cost-of-living will be reduced, but the outlook is very bleak I can assure you.

MR. J. G. HIGGINS (Leader of the Opposition): Did not some of the departments add on the cost of living to the salaries? I understand that was done in the Police Force, was it not?

MR. CURTIS: I think at one stage, Mr. Chairman, after a certain number of years, the cost of living bonus was consolidated in

the salaries, and then a new cost of living bonus was given.

MR. CASHIN: Do I take it that if the cost of living goes down, you are going to take away this cost of living bonus.

MR. CURTIS: That is a matter for consideration.

MR. CASHIN: It may not be in the public interest at the present time.

MR. CURTIS: It does not matter, Mr. Chairman, whether it is in the public interest or not. The position is that we had to make a decision how we were going to handle it. We decided in the case of teachers to add the cost of living bonus to their salaries. With regard to the next Estimates, it will be plenty of time in February or March to decide that point. Anything we say on the matter now will be anticipating next year's Estimates.

MR. CASHIN: Well, to begin with, we are not discussing teachers' salaries at the present time. We were discussing one small item of \$245.00 a year, and it got around to a general discussion on cost of living. Now it appears that the Commission of Government reduced it, and the present government stepped it up again. All right. My question was, in a general way—I did not refer to teachers particularly any more than anyone else—if the cost of living goes down, as everyone hopes it will—some of us think it will not, more of us think it will—then will the cost of living bonus be brought down accordingly, or if it goes up, will the cost of living bonus go up accordingly? That is the question I put.

MR. CURTIS: That is a matter which we will have to consider, Mr. Chairman.

MR. CASHIN: I knew that was the answer you would give me.

MR. CURTIS: It is the only answer anyone can give.

MR. CASHIN: I know. But here is the position. If the cost of living goes up then—you at the present time consider if the cost of living went up, then, for argument's sake, you have \$30.00 per month per man, but if it went up five per cent or something next month, then would you put up the cost of living bonus in proportion; if it went down five per cent would you reduce your cost of living amount proportionately. I do not think it is a very difficult question to answer.

DR. POTTLE: Mr. Chairman, I think if any such question of general policy comes up, it should be discussed at the proper time. The immediate point is discussing payment of specific items.

MR. CASHIN: Yes, and we were discussing the cost of living bonus for an individual, and I am quite in order when I ask that question. As a matter of fact, I would be quite in order to make a talk on this educational vote of four millions of dollars in a general way. I could do that if I wanted to. I am not trying to hang up the House; I am trying to get information which we are entitled to, and we have not got anyone in here coaching to tell us what we have to say and what we have not got to say.

MR. CHAIRMAN: I do not quite understand the last remark of the

honourable the member for Ferryland.

MR. CASHIN: I will put it this way, Mr. Chairman. As a member of the House I have no objection to the Deputy Ministers coming in here and advising the Minister None whatever. But, on the other hand, fair play is fair play and supposing, for argument's sake, that other members of the House are just as desirous as we are of getting information, and they wanted someone to come in and give them a little advice as to what they should ask the Ministers, are they not entitled to the same consideration? For instance, I know there are lots of questions I am not going to ask that we will probably be told about later on when the Estimates are passed.

HON. JAMES J. SPRAT (Minister for Provincial Affairs): I would like to ask, Mr. Chairman, the honourable member for Ferryland, if the principle the Government is now pursuing with regard to the cost of living bonus, is it in his opinion proper or improper, or has he any suggestions to make on the matter.

MR. CASHIN: It is not my position to make suggestions; it is the Government who is to do these things, not for me, because my suggestion of doing anything would probably have the reverse effect. I made certain suggestions, as I said this afternoon, on other matters, and no notice was taken. Consequently, I am not going to come out and advocate a certain thing when I know perfectly well that it will not be carried out. I am only wasting my time and wasting yours.

HON. EDWARD RUSSELL (Minister of Natural Resources): Mr. Chairman, when any honourable member asks for information, we try and give it to him; but when he asks what we would do under certain circumstances which have not come, and we have not had a chance to decide on it yet, he is not asking a question; he is asking for policy.

MR. CHAIRMAN: I think that a question of this sort should be asked after due notice.

Item carried.

602, \$70,874.00.

MR. FAHEY: Mr. Chairman, with respect to 602, \$70,874, an increase of \$6,500 on the amount for staff, would I be permitted to ask the honourable Minister to explain the necessity for increase of staff in this case.

MR. HEFFERTON: Mr. Chairman, there is one important distinction between this and what was presented by the Commission of Government, and that is that under the old, the C.H.E. examinations was an autonomous body and got a block vote. Here we have a new appointment, a Registrar of public examinations, who in some measure fulfils the functions of the old Registrar and there is a specific vote for his salary. Another new appointment is School Attendance Officer. When the system of Family Allowance came here; whether these allowances were paid for the children concerned or not depended to a large extent upon the records of their school attendance. This involved a tremendous amount of work in our department, and it was found necessary here to follow the prac-

tice pursued elsewhere in all the provinces, and that was to appoint an attendance officer to check on these things and certify whether excuses from school were reasonable or not so that the family allowance cheques could go out or be taken away, as the case might be; that would amount for the difference.

MR. FOGWILL: Mr. Chairman, under the heading 602, I notice too that the cost of living bonus is raised from the original estimates of \$3,985 to \$5,965, approximately \$2,000. Would that be due to two extra employees being employed?

MR. HEFFERTON: No, it is due to the fact that the cost of living bonus was raised from \$20 a month which was the estimate on which the Commission worked to \$30 to which the Attorney General has already referred.

MR. FOGWILL: In other words, that extra amount is distributed between the 23 employees?

MR. HEFFERTON: Yes, that is right.

MR. CASHIN: In other words, that amounts to roughly \$10 a month each. 23 people now getting \$5,964, and there were 21 people \$3,985, and 23 divided into 5964 is of course—you people are more accurate educationalists than I am—it means, that for 23 people it went up at the rate of seven or eight dollars a month—eight or ten dollars a month.

MR. HEFFERTON: Yes, from \$20 to \$30.

MR. CASHIN: Yes; in other words, I think the honourable the Attorney General told us a little

while ago that the \$20 a month went to \$22.50, now I am commencing to drag out that it has gone from \$20 to pretty nearly \$30. There were 21 people getting \$3,985, divide 21 into 39—gives you an average—the only way to work it out is to give an average—then divided 23 into 59 and you will see the increase.

MR. CURTIS: You will find throughout the estimates where ever the cost of living bonus is, that it is 50% higher than the Commission of Government estimate.

MR. CASHIN: Well, then, when the Attorney General told me it went from \$20 to \$22.50 he was not correct.

MR. HEFFERTON: \$20 to \$30.

MR. CASHIN: Well, he said \$22.50 for women. I still have not found out why it is cheaper to be a woman than a man.

Subhead 602 carried.

Subhead 603 \$10,453.

MR. CASHIN: And there the cost of living bonus went up 50%.

Carried.

Subhead 604, \$209,130.

MR. CASHIN: Just a minute now. Their salaries \$8,930—originally \$8,420. Supervisory service went up to \$65,750.

MR. HEFFERTON: We are on 604—the only difference there is the increase of cost of living bonus of \$150.

MR. CASHIN: But 604 on page 20 makes a total here as I read it of \$209,130, and here, school supplies is \$8,930.

MR. HEFFERTON: Yes, but that is just the salaries.

MR. CASHIN: Yes, that is correct. Expenses of the office are \$2,000—now what is that?

MR. HEFFERTON: That is only expenses. A great deal of that is taken up by postage. We have to pay all postage on all books that we send out to the different schools now.

MR. CASHIN: Yes, well, it is the same vote as last year. Is this a new vote, \$2,000?

MR. HEFFERTON: Yes, it is a new vote.

MR. CASHIN: New vote. Provision and distribution of School Supplies—

MR. CHAIRMAN: Excuse me, Mr. Fogwill, I think the honourable member for Ferryland has the floor. I might say at this point, that it is very difficult for me to know just who has the floor unless the honourable member rises. Were you speaking at that time, Mr. Cashin?

MR. CASHIN: We were speaking in Committee, Mr. Chairman, on these things and I was just asking the Minister—I don't have to jump up and down every moment, I hope, because I am not physically able to do it, if you don't mind; and I was asking the Minister a question, not making any speeches or anything like that at all, what was this or what is that. Am I allowed to do that or am I not?

MR. CHAIRMAN: Oh yes, you are allowed to do that, but I was not sure whether you were finished when the honourable member for St. John's East—

MR. CASHIN: We were not involved in a critical or heated de-

bate. We were just trying to get some information which I think would be of benefit to members on both sides, because I am certain that there are some members on the other side do not know what half of this is about any more than I do.

AN HON. MEMBER: Hear. Hear.

MR. CHAIRMAN: I am merely speaking on a matter of procedure. It is difficult to know just who has the floor unless members rise. I give this as my ruling.

MR. CASHIN: In other words, every time I want to ask a question, I have to stand up.

MR. CHAIRMAN: Yes.

MR. FOGWILL: Under 604 Mr. Chairman, under Salaries, on page 59, Allowance to Executive Officer. What exactly does that mean, that Allowance, what could that be used for?

MR. HEFFERTON: The Executive Officer who looks after a particular work and arranges for the distribution of all school supplies gets an allowance of \$500 a year in addition to his salary as an executive officer.

MR. HIGGINS: I presume, Mr. Chairman, that that is the Executive Officer who makes a smaller salary than the others, is that right?

MR. HEFFERTON: That is correct.

MR. CASHIN: Then I take it, Mr. Chairman, that he gets two cheques. Every month he gets one for his regular salary and he gets another for his allowance. Well, now, does that not seem ridiculous?

MR. HEFFERTON: Well, Mr. Chairman, if one cheque covered both amounts then it is irregular, because the one amount would have to come out—let us look at the supervisory service—there are 22 of them here—supervisors—or take the executives officers and one executive officer. One executive officer goes up to \$3300, I take it that is the one that gets the extra \$500. Now, when the accountant is making out their cheques, if I am correct, under vote 602 he makes out one cheque and under vote 604 he marks out an other one. It is immaterial to me if he gets \$3300 or whatever it might be. It seems to me he gets it in two cheques.

Carried.

Subhead 605, \$109,320.

MR. FOGWILL: This is a good one all right. Under 605 on page 59 number 605, 22 Supervising Inspectors, we have the same number of inspectors but their salaries are reduced just about \$5,000. Can the Minister explain that? That is a saving all right.

MR. HEFFERTON: 22 supervisors is correct, but since the estimates were compiled, in two or three instances, we have lost, transferred elsewhere or something of that kind, and there is a drop balance, as it were; new appointments were made where a vacancy occurred.

MR. FOGWILL: In other words, you have lost these during the year, although you have the total number of employees under the heading.

MR. HEFFERTON: Where new ones have come in, I might point

out, Mr. Chairman, they come in under a lower scale.

MR. CASHIN: And there is \$25,000 for travelling expenses, the same as last year. Now, who incurs that? These supervisors? In other words, they incur another \$1,000 each yearly for travelling expenses.

MR. HEFFERTON: I think the honourable gentleman will appreciate this, that when we say there are 2,000 classrooms, 1,200 schools, scattered around 6,000 miles of coastline, then 22 people in the course of the year must do a nice amount of travelling.

MR. CASHIN: Yes, I quite appreciate that. What is the total number of teachers in the country?

MR. HEFFERTON: Roughly 2,350 at the present time.

MR. CASHIN: I remember when we had three supervisors, and we were possibly better off then.

MR. FOGWILL: Mr. Chairman, in relation to the point just made by the honourable member for Ferryland, \$25,000 for travelling. I would assume that it is possible there would be a saving; the mileage might be the same this year as last year, but nevertheless perhaps the vote might have a drop balance due to the fact that the rates are so much lower.

MR. CASHIN: "Vehicles, \$17,000." What is that?

MR. HEFFERTON: Boats and cars used by the supervisors in their travels around the country.

MR. CASHIN: Is that what it costs to operate them? Or is that

what it costs to buy them, or what? Or are they paid so much per mile for the use of their own car? I met one last year up on the Portugal Cove road, and he owned his own car. I presume he was paid so much a mile for being chauffeur. It would probably be cheaper on the Department than if he had to hire a taxi.

MR. HEFFERTON: Most of these are operational expenses. We have somewhere around five boats at the present time and some four cars.

Carried.

606, \$99,206.

MR. CASHIN: Could the Minister give us some idea of these travelling libraries? Where do they go?

MR. HEFFERTON: Mr. Chairman, the travelling library service in Newfoundland distributes parcels of books on steamers, different hotels and different places and there are quite a number of schools, for instance which send in applications and get a box of books once or twice a year. It is an extension of lending services from the Regional branch libraries. These account in a large measure for that vote for Travelling Libraries. I am unable to give the honourable member the exact number of books in circulation at the present time; it varies from year to year, but a box would contain anywhere from fifty to sixty books.

Carried.

607, \$1,820.

MR. CASHIN: What is that?

MR. HEFFERTON: Mr. Chairman, at the present time we have some thirty eight pupils scattered throughout the country who, because they cannot attend school being situated at a lighthouse and such places, and unable to carry on their education in a normal way, carry on their education by means of a correspondence course conducted from our Department.

MR. CASHIN: Do you give them the course? And do you give them a diploma when they have finished?

MR. HEFFERTON: I do not know about a diploma, but the young woman there sets the papers and marks them, and—yes. gives them a sort of diploma, according to the circumstances.

MR. CASHIN: We all know about correspondence courses. In the States particularly, and in the branch offices in Canada, people take them up; they can buy them here. By taking a course, they have to pass certain examinations, I understand, and these examinations are based on certain things, and provided they meet the qualifications set out in the examination papers, they are awarded a diploma from certain institutions. Now I take it that we have one of these things down in the Department of Education, and that a person would be awarded a diploma; for instance, he might become a civil engineer, or he might become a stenographer, or he might become anything. I do not know what it means.

MR. HEFFERTON: It deals, I am afraid, with people in a much lower than those who are qualify-

ing for an academic degree. You can understand that the people on Cabot Island, for instance, are not in a position to get very much education, and consequently if there is a child there, this enables him to get through correspondence some elementary education. I might say that this has been going on for at least thirty years.

MR. HIGGINS: How many are taking that? Are there many taking that?

MR. HEFFERTON: Thirty-eight this year.

Carried.
608, \$99,200.

MR. CASHIN: \$75,200, assistance to Pupil Teachers. That is people who are recommended to take it by competent and responsible individuals? I take it that these people who are being trained as teachers are recommended by clergymen in various places throughout the country and are brought in here to St. John's, and they are sent to the various colleges, or what?

MR. HEFFERTON: That is true. They are recommended very often by the clergymen of the various denominations, and if their recommendations are approved — we have to have academic qualifications up to certain standards, and there are other tests—then they come here, and \$75,220 is voted to help them get through their courses.

MR. CASHIN: Is that money paid to them direct, or is it paid to the schools to which they go?

MR. HEFFERTON: It is paid to them direct.

MR. CASHIN: And how, many pupil teachers are there now, attending the various schools?

MR. HEFFERTON: The number varies from year to year, and at the present time I think we have about one hundred and fifty at the present time. There are about one hundred and thirty attending the Normal Training School at the Memorial University, and about twenty attending at Littledale.

MR. CASHIN: Now the ones attending the Memorial College, do they get more than the ones attending the other schools?

MR. HEFFERTON: No, the payment is the same.

MR. CASHIN: Now, the \$24,000, I take it that is for teachers who are already teaching, and you have so many in here during the summer; you bring them in here and it costs \$24,000 to give them a refresher course?

MR. HEFFERTON: That is true, in part. The Summer School consists of teachers who come in to take refresher courses; also beginners, who come in to take a preliminary six weeks' course before they go out to take charge of a school. That \$24,000 is largely amounts paid for tuition fees for teachers and staff who teach the summer course.

MR. HIGGINS: In Assistance to Pupil Teachers, I presume you just pay their board and tuition fees. Is that all? They do not get any salaries, do they?

MR. HEFFERTON: Different conditions apply, Mr. Chairman, to different teachers. For instance, a general principle is that we pay all travelling expenses in excess

of five dollars. We also pay tuition the qualification or standing of the fees, but these vary according to teacher sometimes.

MR. HIGGINS: You pay board?

MR. HEFFERTON: We do not pay board.

MR. HIGGINS: They get on an average of \$500.00. How do you expend that if you do not pay their full board. I presume their board would be \$500.00 for the eight or nine months.

MR. HEFFERTON: The honorable member for St. John's East and I are merely talking at cross purposes. He asked me if we paid board and I said no. What I meant is that we do not pay directly the landlord or landlady board. We give the cheque to the teacher involved, and he makes his own arrangements.

MR. HIGGINS: That is what I mean. You give them just about enough to pay their tuition fees and board.

MR. CASHIN: And you get a report, I take it, from the various schools that these people are attending as to their progress.

MR. HEFFERTON: You have to do that in order to judge whether they qualify to receive the degree for which they are studying.

MR. CASHIN: I know that. I was just checking up on it.

Carried.

609, \$145,000.

MR. CASHIN: Mr. Chairman, this Teachers Pension Fund, I take it—and the honorable the Minister can correct me—that this year the Department of Education will

pay into the Teachers Pension Fund \$91,500. This is No. 1. Now that Teachers Pension Fund is implemented every year, and teachers are becoming pensioned every year, as they grow older and retire and become eligible at a certain age, I take it, for a pension, based on service, and they contribute something too if I am not mistaken.

MR. HEFFERTON: \$26,000.

MR. CASHIN: They contribute between them \$26,000, or roughly about eleven dollars an individual. The Government contributes \$91,000. Is there a separate account under a Board of Trustees set up under the supervision of the Auditor General for the Teachers Pension Fund.

MR. HEFFERTON:—Mr. Chairman, it is quite probable, if we go back to some time when the honorable gentleman from Ferryland had something to do with the finances of this country, there may have been a fund in existence for at least fourteen years. Though the teachers contribute, it is passed in to the Exchequer. There is no Board of Trustees in the ordinary sense of the word. The Auditor General has general supervision over the whole business. Now the \$91,500, that is the total outlay by Government. As against that, of course, if you look at the revenue side you will find that teachers contribute some \$26,000 during the current year.

MR. CASHIN: And that is included in the revenue for the Department of Education of \$101,000 and the teachers receive their pension from the Finance Department, not from any particular fund at all.

MR. SMALLWOOD: With regard to that, it is quite a commonplace thing for governments that administer funds of that character not to segregate the funds, but to consolidate them with ordinary revenue, and I give you two examples: the Unemployment Insurance Commission of Canada has an amount of over five hundred million dollars, which they have received from three sources; payments by employed men who are insured, by their employers, and from the Government of Canada. That half billion dollars is not segregated; it is not in a separate fund, has no trustees, but forms part of the second instance, and that is the Civil Service Pension fund administered separately from the other funds of the Canadian Government, but rather forms part of the Consolidated Revenue Fund.

And so it goes, in many instances, very similar to this. I should imagine that the dividing line would be made by the fact that the Government does or does not contribute to the fund. If a fund is made up of payments made into it merely by the employees and no contributions are made by the Government, then it could well be a separate fund administered by the Board of Trustees, but where the Government itself, as in this case, is paying more money on account of teachers' pensions than the teachers themselves are contributing by way of premiums, then there seems to be very good reason in the world why the total amount should form part of the Consolidated Revenue Fund.

MR. CASHIN: Thank you, Mr. Chairman. Therefore the Consolidated Revenue or the Exchequer

account, today, shows money to its credit that really is a part of the Teachers Fund in future. In other words, when this gentleman was making up these Estimates here, he showed a certain amount on hand as at April 1st, 1949, and a part of that money really should not belong there; it really belongs to the teachers who are going to be pensioned.

MR. SMALLWOOD: So would a certain amount apply to Civil Servants.

MR. CASHIN: I quite agree with you—

MR. SMALLWOOD: And the same would apply to ex-railway-men, ex-Government Railway employees.

MR. CASHIN: Yes. Well now, it is quite all right, it is in there. The point I am trying to get at is this:- That Canadian Government. I suppose, does no wrong; no government does any wrong; but if there were a Teachers Pension Fund set up under a Board of Trustees, then you would know where the teachers fund stood, if there were a separate account. Now you see nothing in the Auditor General's report, if my memory serves me correctly, telling how much of the Exchequer balance belong to the teachers fund this year, or how much does not. In other words, we do not know what it is. It may be overdrawn; it may be underdrawn. It is all in the Exchequer. But if there was a proper fund set up, the teachers paying so much and the Government paying so much, each year how much is taken out, well then you would know where you stand. and at the present time we

do not know. And the same applies to railway pension fund or any other pension fund. The one in Canada is just the same. There is five hundred million dollars in it, and when they get their balance on hand at the end of the fiscal year they are showing five hundred million dollars that really does not belong to the insurances.

MR. FOGWILL: Mr. Chairman, in other words, this \$91,500 that is voted this year for the payment of teachers' pensions for this year. When I was listening to the honorable member for Ferryland, the point arose in the case where the Government has not sufficient funds, if there is a deficit in any year, the pension payments for that year would amount to the same as we have here, but what would happen? The teachers' Pensions would have to be reduced? I agree entirely with the honorable member for Ferryland that, if it is at all possible, a fund should be set up. The very fact that the teachers make contributions themselves—it appears to me that the contributions are voluntary; it is not compulsory because I see some are withdrawn, — but nevertheless by setting up a regular fund the pensions of teachers would be assured, and it would mean that the pensions would be reduced. Now that has happened in the history of this country. Veterans pensions were reduced, and teachers pensions were reduced.

MR. SMALLWOOD: Let us just take a look at that for a moment. It costs the Government a quarter of a million dollars a year for civil service pensions. It costs the Government another quarter

of a million dollars a year for railroaders pensions, and it costs the Government ninety thousand dollars a year for teachers pensions, gross; net, an amount represented by that less roughly \$26,000. There are three obligations on the Government but only obligations to pay the salaries of civil servants who are not retired and who are not pensioned, is an obligation which is an obligation only so long as the Government has the money to pay them. Why then should pensioners be in a preferred position? Why should the teachers of Newfoundland who pay annually into a fund \$26,000 or \$70,000, and that fund then becomes segregated from all public funds and, whatever happens and whatever could happen, five years, ten years, twenty years, hence, that money is like the laws of the Medes and Persians, cannot be changed and cannot be touched. That would definitely put the pensioners in a preferred position over all others. Similarly, if the railroad, who have a quarter of a million this year,—that will finally disappear in the course of time, as all living railwaymen die, all who are now living and have pensions right accrued finally receive them and die, some day there will be no payment under that heading—but in the meantime it is a quarter of a million dollars. At what point should the Government have begun paying into a fund in their behalf, and that fund become segregated from Consolidated Revenue and be independent? At what point should the quarter of a million a year which we shall pay this year to civil servants who are pensioned become separated from Consolidated Revenue?

At what point? When? What year? This very year we will pay a quarter of a million dollars pensions to retired civil servants. At what point ought that quarter of a million dollars to have become detached from Consolidated Revenue Fund, gone into a separate fund, so as to be available this year for payment this year to civil servants who are entitled to receive it this year. At what time ought it to have been detached? I mean, you have not got a leg to stand on. Now if the teachers had a pension fund which was self-supporting; that is, that the only payments out of it that could be made would be not in excess of the amount that had been paid into it by the teachers, and it was therefore a self-supporting fund, the Government need have nothing to do with it; the teachers' organization might very well conduct their own pension fund. But here is a fund, here is a payment of \$90,000, over \$70,000 of which comes out of the public funds. Why segregate? There is no point to it. There is no answer for it as far as I can see.

MR. FOGWILL: Mr. Chairman, I do not see any reason why the honourable Premier has to be on the defensive, because I don't see what he is defending; just a suggestion by the honourable member for Ferryland and myself in inquiring into this here and the suggestion was raised that it should go into a public fund for pensioners. That is a common thing. I understand the Government is, at least they claim themselves, it is one of those modern Governments; they are going to see to it that the people of this country are secure and get all the

social security and welfare benefits possible in this modern world under the modern methods of doing things; the modern methods of doing things by all the business people of St. John's and all over Newfoundland, and all over Canada, and the great United States, and all these places where the employees in many cases in the years gone past, they all got pensions when they were seventy-five or eighty, or ninety or a hundred. but by the plan they have now a man is old at sixty-five. Generally through the years the people in the employ of any person of any consequence, the men get together and they set up a committee to take up the question of self-security when they got too old to work, and the result is in all those places they have set out agreements with the employee and the employer where the employee has paid contributions into a fund, and the employer has done the same thing, and then the social security benefit coming to a person when he comes to the age of sixty-five is put in a fund to make it secure for him. I don't see why the honourable Premier has to get up and defend everything. For instance, I have plenty of pension plans home; in fact I've got sixty. I've got thirty or forty which are now applying to the city of St. John's in many of the big firms down there, agreed to by the employees and employers, and I pay into a pension fund myself each month because I believe in it, and I believe that in social security, the employee himself has got to pay something into it. This is my point; teachers make contributions; probably they do not make enough contribution in respect to Govern-

ment contribution; I don't know; that is something for the Government and the teachers to consider, *not for me. But the honourable member for Ferryland made a suggestion, which I supported, a pension fund which is to secure any person in his old age, would be set aside. That is the point.*

MR. SMALLWOOD: Mr. Chairman, if the honourable gentleman can point to one Government in this world, in the whole world, which segregates civil service or teachers' pensions from ordinary consolidated revenue, and prove it to the House I would use all the influence I may happen to have in this Government to have the same thing done in Newfoundland.

It is not enough to quote 10,000 or, as he might do, quote 100,000 cases of commercial firms with pensions funds for their private employees segregating the funds from the ordinary accounts of the firms; it is not enough to quote private firms. A private firm is here today and gone tomorrow, but a government is not; a government goes on for ever. As long as Newfoundland may last there will be a Government, but a private firm may go broke tomorrow. If it disappears, if it winds up, it closes its door. A government may go broke, but it does not end. When Newfoundland did go broke, the government did not end; the personnel changed, the form of government changed, but Newfoundland was not without a government for even as much as one minute. A government is a continuing permanent institution, a commercial firm is here today and gone tomorrow; and it is no analogy and give it as a reason why a government should do the same thing.

Now, I ask my honourable friend to name one government in this world, just one, that does it.

MR. CASHIN: I am sorry, Mr. Chairman, that I caused all this rumpus, but the point is this. I understand from the Minister that teachers do contribute to a fund. That is correct, isn't it? And the reason that the Government adds to that amount is because they realize that teachers are not adequately paid at the present time, and they voted \$140,000 or \$150,000 a year which is to be set aside *in the exchequer account*, and I presume there are books down there to show them that this account is in credit or in debt, although it never is tabled, and the point I was trying to make was the one made by my honourable friend of St. John's East. When an individual contributes to a fund, he is entitled to be protected. If the treasury goes broke, or the firm goes broke—we will take the private firm going broke, there has been many of them gone broke, but if they had a pension fund which was separate and apart from the ordinary operation of business, if it was under the control of two or three individuals who might have been named by the employees as trustees of that fund, then that pension fund would be intact; but in this case I don't know how much the teachers contribute annually. For instance, there is \$145,500 here for pensions funds, altogether, cost of living withdrawals, so on, \$145,500 it is costing the Government. There is 2300 teachers; that is so much a teacher to make up that amount. Now, how much does a teacher put up, and how many teachers are putting it up?

MR. HEFFERTON: I just want to make two or three comments. First of all I want to say that for several years up to 1909, we, the teachers of Newfoundland, did have a separate pension fund, and in 1909, during the Morris Government or whatever Government it was, an arrangement was made whereby certain changes were made—we need not go into these changes now—it was found, as the years went by, impracticable to continue the pension fund as an entity, and consequently for 20 years we have just been paying into the exchequer, and as teachers became entitled to a pension they were paid out of the exchequer account. Now, there is a Board of Trustees representing the teachers, which has been in continuity as long as I can recall, some thirty-add years in the teaching profession. They judge all applications that come in for pension purposes; and these applications, of course, are subject to a free audit. Now, to go into it a little further there are cases that I know where a trust fund by teachers was given up in favor of this exchequer account. The teachers of Alberta, definitely surrendered their pension fund as an entity in order that they may take in the wider obligations as carried out by us the last number of years.

To answer the honorable member for Ferryland we have some 2350 teachers in the country. The ungraded teachers and religious teachers do not come under the pension plan so that roughly in a year, during the last few years we have anywhere from 1600 to 1700 teachers in the pension regulations, because they automatically become eligible for the pension

rights as soon as they enter the profession. During the first year they enter the teaching ranks the premium for that year is based entirely upon what is known as an age premium, and that amounts roughly from anywhere from \$4.50 to \$6.00 or \$7.00, depending upon the age 17 to 21, at which the candidate enters. That is the amount collected from that teacher during the first year. Normally a teacher's contribution to the pension fund is based upon a certain premium which is the same, plus one per cent of his salary for the current year, so that the average premium for the teacher would be somewhere in the neighbourhood of \$10.00 to \$15.00. Now this current year they are contributing \$26,000, roughly. During this year they are expected to withdraw some \$12,000, so that the Government really receives from the teachers this year for pension purposes \$14,000. Now the rest is made up by Government contributions, and in a normal year it runs up to \$30,000, plus, during the past four or five years, with the cost of living bonus, another \$40,000.

MR. CASHIN: That is paid out of Exchequer account?

MR. HEFFERTON: That is right.

MR. HIGGINS: Are teachers in the same position as civil servants?

MR. HEFFERTON: Their pension rights and privileges are entirely different from civil servants.

MR. HIGGINS: How much do they get?

MR. HEFFERTON: A Teacher gets two-thirds of his average salary for the three highest years he

has been teaching. He is different from a civil servant, in that a civil servant is a non-contributory.

MR. HIGGINS: What is this "Withdrawals \$12,000?" Is that all in one year? How many retire?

MR. HEFFERTON: Our annual retirement from the teaching profession is in the neighbourhood of between three and four hundred. That does not mean they all get a pension, because if you retire within five years of beginning to teach you cannot withdraw, but if you teach over five years you can withdraw, your premiums that you have paid in during that time at three per cent interest.

MR. CASHIN: Just what you paid in?

MR. HEFFERTON: Yes.

Carried.
610, \$4,300.

MR. CASHIN: Some of these have been in existence I think, for a long while. "Queen Victoria Jubilee." Is that what we call the old Jubilee Scholarship?

MR. HEFFERTON: Yes.

MR. CASHIN: And the "King George the Fifth" is that a new one? And the "Jubilee Collegiate" \$300.00, that is a new one, is it?

MR. HEFFERTON: They have been there for several years, I might say, Mr. Chairman.

Carried.
611, \$53,500.

MR. HEFFERTON: In the Estimates as originally prepared provision was made to carry on for a part of the year only, and we first of all decided to carry on until

the end of December, and then finally to the end of the fiscal year, March 31st. Consequently the vote was increased.

MR. FOGWILL: The same thing would apply to the increase of \$4800 for United Kingdom Instructors, I presume? Could I ask how many United Kingdom instructors you have?

MR. HEFFERTON: We have three, including Mr. Hart.

MR. CASHIN: We pay *them* here. We pay for 14 instructors \$23,850. I know that they are not permanent civil servants in any way, but some must get more than others; some of these are Newfoundlanders, are they? And some are from the Old Country, and they get \$12,000, and there are three. Is that correct?

MR. HEFFERTON: Yes.

MR. CASHIN: Well, they get allowances. Do we pay the Old Country instructors? Or does the British Government pay them?

MR. HEFFERTON: The instructors were paid by the Imperial Government.

MR. CASHIN: And we give them an allowance of \$4,000 a year each? Three of them get \$12,000 allowances, and fourteen of our own people get \$23,000. It seems to me that that is out of all proportion. They get their cost of living bonus, which makes \$27,000 between fourteen, less than \$2,000 a year. The others are paid by the British Government, and in addition to that they draw down \$4,000 a year living allowances.

MR. HEFFERTON: The salary of the man in charge of Vocational

training is paid by the Imperial Government. Allowances cover travelling expenses and moving etc. When this Government took office the first of April the staff had decreased somewhat; two of the English instructors had gone home; we had to pay their travelling expenses to and from. That was the condition upon which they came.

MR. CASHIN: The point I am raising, Mr. Chairman, is this: Our people are getting \$3,150 a year cost of living between fourteen of them, but the British Government has been so generously giving these instructors to us for nothing, and we say to them, "We are going to give you \$4,000 a year cost of living, each, and we can give our own people only roughly a little over \$200.00 each cost of living.

MR. SMALLWOOD: Suppose they were paid not on the basis of their nationality, but of their qualifications?

MR. CASHIN: Well, on their qualifications. They are getting a salary paid by the British Government, or from some one, and then in addition to that we pay their living expenses. Now the other people have to live, too. Are they not entitled to living expenses, the same as the other people?

MR. SMALLWOOD: Office Staff.

MR. CASHIN: They cannot be getting very much. The whole lot of them are averaging less than \$2,000 a year each.

MR. HEFFERTON: Cost of living bonus.

MR. CASHIN: Yes, they get \$3,150; that is a little over \$200.00 each cost of living bonus a year.

MR. HEFFERTON: I would like to make one other remark, that these conditions are the same as we found when we came in; the whole thing is under serious consideration and probably in the next Estimates it will be changed.

MR. CASHIN: A very good political reply.

MR. SMALLWOOD: That is the truth.

Carried.

612, \$62,051. (Handicraft)

MR. CASHIN: Mr. Chairman, could the Minister give us some idea of what is happening down at that place? I have heard an awful lot of funny things about it. I do not know whether it is paying off or whether it is not. It is not my specialty to know much about weaving and so on. What is the object of this handicraft?

MR. HEFFERTON: I am not going to answer the honourable member fully, but in one respect only at the present. This must have some effect upon the economy of the country, of course within three or four years. We have about forty day students taking courses there and about 180 taking night courses. These forty are people drawn from the outports.

MR. CASHIN: What courses, Mr. Chairman?

MR. HEFFERTON: Courses in various handicrafts — woodwork-ing, carpentry, weaving, cooking, pottery, Labradorite.

MR. CASHIN: Yes, I have seen some of that Labradorite; it is very good.

MR. SMALLWOOD: I am glad we have the honourable gentle-

man's approval of something we are doing.

MR. CASHIN: The honourable gentleman—just remember we are fifteen years without a House of Assembly and a lot of things have happened since then. The Estimates have changed. The last Estimates that were in here, well, they were about nine or ten million dollars. Today it is 34,000,000. So there are a lot of things have changed since then. I am sorry if I have been somewhat interested, that I ask such foolish questions, particularly when we are discussing the Estimates on Education.

MR. HEFFERTON: I am not objecting, Mr. Chairman.

MR. CASHIN: I suppose I can comment.

Carried.

613, \$77,535.

MR. CASHIN: This is Adult and Visual Education. Are they divided into two now, because the Estimates here seem to me to be somewhat confusing?

MR. HEFFERTON: It is rather difficult to answer the question of the honourable member for Ferrisland. Nominally, they are one, but for some considerable time the Department has had under consideration the splitting of the two, and when the Acting Director of Adult Education was appointed *some months ago*, it was *definitely* with the view in mind that the two services would be segregated as far as possible, confining the Visual Education primarily to Day Schools to which it is closely allied, and leaving the Adult Education to carry on separately.

MR. CASHIN: Well, we have no Director of Adult Education at the present time.

MR. HEFFERTON: The Acting Director of Adult Education exercises some control over the Visual branch.

MR. CASHIN: Are you going to appoint a Director?

MR. HEFFERTON: That is something which I cannot answer at the present time.

MR. CASHIN: We are voting money here for a Director of Adult Education. While we know that that gentleman went out of that Department and became a Federal member, and for being Director of Adult he received \$1,022, as I make it, for the period he acted as Director of Adult and Visual Education. Now the next thing is Assistant Director of Adult Education; the original estimate was \$2,900; now it is down to \$1,062.

MR. HEFFERTON: The explanation is fairly simple there, Mr. Chairman. The Director went out as the honourable member has just said; the assistant director simply acted in that capacity. The salary is there which she received in one capacity, and then the salary which she received in the other capacity.

MR. CASHIN: This vote to Director of Adult Education, \$1,917, that is for how long?

MR. HEFFERTON: That vote is in two parts. The director at the time, was there for a month or two in the current year, and then of course there was a new appointment.

MR. CASHIN: Well now \$1,917—the vote for the Director of Adult Education for the fiscal year 1949-50, \$3,939; and the Assistant Director \$1,062.

MR. HEFFERTON: Yes, but in order to get that correctly you have to add 1 and 3 together \$1,917 and \$1,062.

MR. CASHIN: \$2,979 is being paid at the present time?

MR. HEFFERTON: The rate of salary at the present time is \$2,900-100 to \$3,600.

MR. CASHIN: In other words the rate you pay now is \$3,600 plus cost of living bonus, I take it? Last year the amount was \$2,900. So that there has been no promotion; the estimates for 1949 50 show a salary of \$2,900. And the job is only Acting.

MR. HEFFERTON: She is now in an Acting capacity.

MR. CASHIN: Well, if another person is appointed she is out of a job.

MR. HEFFERTON: I did not say that.

MR. CASHIN: Well, what does it mean? Someone is going to be appointed.

MR. HEFFERTON: That is an unfair question to ask, because it is asking about something which has not actually been taken into consideration at the present time. I mean the question whether it will be a permanent appointment or whether there will be a new appointment, whether there will be an abolition of the Department as it at present exists, is some-

thing which we are not prepared to state at the present time.

MR. CASHIN: Mr. Chairman in reply to the honourable the Minister, these Estimates here are, in a sense, a confirmation, because there is no such thing down here as Acting Director. "Director." Now the next vote "Adult Education—Teachers." I notice down below it states that there is inability to recruit to full strength.

MR. HEFFERTON: We have not been able to get the teachers.

MR. CASHIN: Why? Is it because you do not pay enough, or something like that?

MR. HEFFERTON: Most of those that would be eligible for the work prefer to take day school work rather than carry on adult work.

MR. CASHIN: Now "Audio-Visual Education Officer" I note that is a new appointment.

MR. HEFFERTON: That appointment has not been made yet.

MR. CASHIN: But we are voting the money for the next four months, \$1,517 for four months is nearly \$400 a month. And there is no appointment made. I know that no one is going to get the money, but the Government could tomorrow on these Estimates appoint some individual and pay his \$1,517 for four months.

MR. HEFFERTON: How can we when the salary scale is here \$2,600 a year.

MR. CASHIN: The salary scale, yes; the salary scale is there, but

the total amount of \$1,517 is for three months, or four months, as the case may be, and that party could be paid \$1,517.

MR. HEFFERTON: That was here in case we made a new appointment at that time, for six or seven months as the case might be.

MR. CASHIN: Now "Supervisor," supervisor of what?

MR. HEFFERTON: Supervisor of visual aids, the Film Board.

MR. CASHIN: I thought that was under Federal Government.

MR. HEFFERTON: No, not the Film Board; that is a separate thing altogether.

Carried.

614, \$3,535,800.

MR. CASHIN: \$3,535,800, that is to be paid to teachers and so on. "Erection and Equipment of School Buildings;" "Erection and Equipment of School Buildings Special Grant." Has that amount been expended, or is it supposed to be spent now, that \$421,000?

MR. HEFFERTON: It is in course of being spent.

MR. CASHIN: By the 31st of March it will be spent. "Provision for Adjustment of Teachers Remuneration," that is \$217,000. What does that mean? Are you going to raise the salaries or what?

MR. HEFFERTON: A few days ago I made some explanation of what had been done. The amount is required in order that there may be re-adjustment in teachers' salaries.

MR. CASHIN: That is to be added to the teachers' salaries vote?

MR. HEFFERTON: That is right. I would like to make some explanation on the first three items of 614, Salaries of Teachers, Augmentation of Salaries, and Cost of Living Bonus to Teachers. These figures to the uninitiated present some difficulties. It must be remembered that I pointed out the other day that up to the end of June, 1949, our teachers were paid from three different sources—all coming from the Government, it is true—augmentation cost of living bonus, and a salary from the Board. Then when consolidation came as from September 1, 1949, the whole funds were consolidated, and that is why there are apparent differences which you see in Number 1, 2 and 3 in 614.

MR. FOGWILL: The total salaries now consolidated are just a little over half the vote.

MR. HEFFERTON: Yes.

MR. FAHEY: Mr. Chairman, I would like to ask about number 15, Dalhousie University.

MR. HEFFERTON: For a number of years, Mr. Chairman, the Government has been giving a grant to Dalhousie University on the understanding that it takes a quota of medical and dental students from Newfoundland in its medical and dental faculties.

MR. FAHEY: Does the honourable Minister know what the quota is in the various categories?

MR. HEFFERTON: Five and two.

MR. FAHEY: What is the quota in the various other faculties?

MR. HEFFERTON: Well, it only applies to just these two. There are five medical students and two dental students. Our total number at Dalhousie and that is conditioned partly by the fact that we give a grant to it, our present enrolment of Newfoundland students at Dalhousie this year is thirty.

MR. CASHIN: You mean you have seven enrolled for whom the Government pays and the other 23 pay themselves? In order to go to Dalhousie a student should have I know, at least eight or nine hundred dollars a year to pay the cost of tuition and board and stuff.

MR. CURTIS: This \$10,000 grant is not tuition. The tuition is extra.

MR. CASHIN: Then what is this a donation?

MR. CURTIS: Just a grant, yes a donation.

MR. CASHIN: A donation; you pay the university a donation, and yet anyone who goes there has got to pay his own way. In other words you have got an option on seven places up in Dalhousie and you pay \$10,000 a year for it.

MR. FAHEY: Mr. Chairman, I would like to ask the honourable Minister while we are on that subject, how are the seven selected? Why I ask that question is, it strikes me that some of our pupils who want professions have even to go over to England and Ireland and cannot get in at Dalhousie.

Now, you say there are five in one case and two in another. On what basis are they selected? Is it due to certain qualifications which they acquired while they were at the Memorial University? On what basis do those boys be admitted to Dalhousie University?

MR. HEFFERTON: In answering the honourable member, I will answer in part by saying that their selection will be based largely upon their academic qualifications when they come out of Memorial University College and want to pursue their studies at Dalhousie. There is an affiliation between the two and the selectivity of the candidates depends largely upon just how well they have done in their respective studies.

MR. HIGGINS: That is in the form of a scholarship, is it not?

MR. SMALLWOOD: No it is a straight donation.

MR. CASHIN: A free gift.

MR. SMALLWOOD: A gift. I may say, if my honourable friend the Minister of Education will allow me, that the three Maritime provinces contribute, rather substantially, to that one university at Halifax, as does Newfoundland, on the understanding that since it is the nearest university to these four provinces where study can be made in medicine and dentistry, it ought to be encouraged for that reason. I am told that they operate more economically than any other university in Canada, and above all in the faculties of medicine and dentistry; that their costs are way below, for example, McGill.

MR. HIGGINS: You mean that Dalhousie University undertakes to give free tuition to seven men?

SOME HON. MEMBER: Oh, no, oh, no. Where did you get that?

MR. HIGGINS: What is the seven you are talking about?

MR. SMALLWOOD: That is a quota. They guarantee that they will admit at least seven.

MR. CASHIN: We are paying then for the seven places that are in there?

MR. SMALLWOOD: Yes. The reason being that there is a great premium today on getting into a university. There are far more in Canada and in the United States trying to get into universities than the universities can possibly admit. It is a great advantage now even to get into one at all, and in return for our donation, Dalhousie say, "no matter who gets in, there will be seven Newfoundlanders get in anyhow."

MR. FOGWILL: In respect to totals; now, right through the whole heading, you will find that there is an amount of money in each case charged to current account and so much charged against surplus account. I understand that is correct, is it, Mr. Chairman? Against the pre-union surplus.

MR. SMALLWOOD: There is some.

MR. FOGWILL: Now, what I want to get my mind clear on is, we have a total of \$475,000 against surplus account. Of that \$475,000 there was \$421,000 to

erection and equipment of school buildings and special grants, and so on. Now, this amount charged against surplus account, say pre-union surplus, will this occur next year again, or will it be non-recurring, and the ordinary account will be more or less generally in the terms of what is charged on a current account?

MR. HEFFERTON: Mr. Chairman, if I may answer that question. It was pointed out a few days ago that that pre-union surplus account covers two things first of all, commitments carried over from the previous year or reconstruction — capital expenditure. Now, that \$456,000 represents the first three items on the page, and carried over from the previous year, some \$6,000. The \$421,000 represents a capital expenditure, but it is possible that if the reconstruction of schools is carried on next year, we may have to do the same thing we have done now.

MR. FOGWILL: Then this \$421,000, pardon, Mr. Honorable Minister, this \$421,000 is for the erection and equipment of school buildings, for this present fiscal year?

MR. HEFFERTON: Yes.

MR. FOGWILL: Well, I presume it is the intention of the honourable Minister and his department that during the next fiscal year that the erection of schools and repairs will continue — they will keep on repairing?

MR. SMALLWOOD: Not only Education, but any department.

MR. FOGWILL: Yes, but I am on this point of Education, that

schools, as I understand now—schools buildings in years before, in some cases, were built by the Public Works Department. Now in this case we have \$421,000 for the building and erection of schools in this present fiscal year. Now, next year the programme will continue to build new schools, renovate schools, as needed. Well, what I want to get at is: Next year you will not be charging that amount, if there is an amount next year in the vicinity of \$400,000, that will not be charged up to surplus account next year?

MR. SMALLWOOD: Yes, of course, certainly. Capital expenditures.

MR. CASHIN: The whole thing is capital expenditures, as I take it, all this pre-union surplus business.

MR. SMALLWOOD: No, not all of it.

MR. CASHIN: Practically all of it.

MR. SMALLWOOD: No, there is three quarters on a million dollars, for example, which was spent last year on relief, by the Commission of Government, but not paid for by them.

MR. CASHIN: I know; it was charged to your account next year.

MR. SMALLWOOD: No, we charged it up, not against our current account; we charged it up against the surplus account.

MR. CASHIN: Yes, but it is all coming out of our surplus.

MR. SMALLWOOD: Yes.

MR. CASHIN: Just the same as the ordinary expenditure has got to be met by ordinary revenue.

Well, you add the ordinary expenditures, plus what they call pre-surplus—they got a new name on it now—you add these two things together and you see your total expenditure for the twelve months.

MR. SMALLWOOD: Not pre-surplus. Pre-Union Surplus.

MR. CASHIN: The point is this. Here is this Educational vote. Your ordinary expenditure for education as I see it down here is \$4,013,000. The other is \$475,300. Now that comes under something. It does not come under revenue; it comes under your surplus, because to begin with the Education Department has no revenue, or practically no revenue, so therefore the total expenditure for the whole year in the Education Department is \$4,488,300. Very well. When we get down to the budget, we can talk on these figures. It does not matter where the money comes from, how it is made, whether you call it pre-union surplus, it is an amount of money which was spent by that Department for twelve months. It is \$4,488,300. You are spending principally on new buildings, \$456,000. Forgive me but I am wrong. \$421,000 for erection and equipment of school buildings—a special grant. That is a special grant for building new schools.

Well, these new schools do not have to be built next year, but they will probably have a program next year for building some other new schools in some other part of the country, and if we have not got the necessary revenue to build them and if you have something left in surplus, you are taking money out of it. You are not going

to get—any individual can see you are not going to get revenue enough to pay for these things on ordinary account; therefore it has got to come out of the surplus.

MR. SMALLWOOD: Does any government, commonly, ordinarily, go in for capital expenditure out of its ordinary current account?

MR. CASHIN: Yes, the Commission of Government had a wonderful time at it.

MR. SMALLWOOD: I said ordinarily, normally?

MR. CASHIN: No, but here is what an ordinary government does. If it were normal times, we might have a balance on a loan, and we could locate that money out of that particular loan for the erection of a school, at Joe Batts Arm, or somewhere like that. That did not appear as ordinary expenditure, but it had to come from somewhere and that money had to be repaid from somewhere and was created by revenue and surpluses, that were made, provided you had the revenue and you did not have to renew the loan.

In other words, if I had a note coming due tomorrow for \$100 and if I did not have the whole amount of money to pay it I would go down and make a deal at the bank for the balance of that loan and say, here I can pay ten dollars down and I give you a note for another thirty days for ninety. The same thing applies here. We are cheating ourselves, Mr. Chairman, when we talk of pre-union Surplus. It is coming out of that naturally, but the whole thing, the whole thing is in the Exchequer account in one lump sum at the present time. You have not got one bank account, for in-

stance, down at the Bank of Montreal, showing how much Surplus you have, and another bank account showing what expenditure you have. That would mean three bank accounts. But you have one with your whole amount of money in it, including your Surplus, and you are spending so much on schools and so much on ordinary expenditure, and the two of these together come out of that surplus. In addition to the revenue you get you add to that so-called surplus you have there. Now let us forget kidding one another about this surplus business.

MR. SMALLWOOD: But does not my honourable and gallant friend agree with showing, when the Government comes to the House and asks it to vote money to His Majesty, showing the House the headings under which the money is desired, the source from which the money is to come? Does he not agree with doing that? Does he agree with the fact that the ordinary current expenditure, the normal and current, formal, orthodox expenditures of the Government on current account, ought to be shown as such, and that the ordinary current revenues to the Government ought to be shown as such, and that extraordinary or capital or reconstruction or anything that is not ordinary and current ought to be shown as such.

MR. CASHIN: I agree with you.

MR. SMALLWOOD: Because the very person who has argued most for doing that is my honourable and gallant friend, and I can produce many quotations from his speeches to prove the fact. He argued for doing the very thing that

we have done in these Estimates. In fact, if he goes much further I create him the father of this new and modern improved, efficient method of presenting the Estimates. We will call him the father.

MR. CASHIN: My argument was this, and it has not been carried out, and this does not carry it out. When you closed off your books, for argument's sake, on the 31st March last year you had so much money to your credit, say \$31,000,000 or \$40,000,000. Fine! I take that account, and I call it Surplus Trust account or what it is—call it something. Now we come to ordinary revenue and expenditure, and we will operate on ordinary revenue and expenditure, and as I got short—as my revenue got short—I had to draw an amount out of that surplus account and credit it to my revenue in order to make it square. That is the position. That is what happens, Mr. Chairman, in all corporations; that is what happens.

MR. SMALLWOOD: Yes, unfortunately.

MR. CASHIN: Some of the largest companies in North America do it.

MR. SMALLWOOD: Not Governments.

MR. CASHIN: Well, the governments do it in sinking funds. At least you should be doing it in your sinking fund down here. You are not doing it because the sinking fund is a specific amount of money for a specific purpose; it should be set aside to meet that indebtedness when it becomes due. Now what happens is this, that you

have not got any surplus trust account, and consequently there is no such thing down there as a pre-union surplus account, it does not exist, in fact, in the Bank of Montreal.

MR. FOGWILL: Mr. Chairman, the reason I raised the point is this—I do not want to be out of order—but the very fact, as at March 31st, 1949, the total amount of our surplus was set aside for two purposes, one for deficit on ordinary account, and one for development and extension of public services. What I want to find out is, things like we are going through here now, erection of buildings and other items, an amount is being charged against Surplus account; if they recur next year they will be charged against the \$21,000,000 set aside for the development and extension of public services, not on ordinary account.

MR. SMALLWOOD: Except deficit.

MR. FOGWILL: Deficit on ordinary account.

MR. SMALLWOOD: Deficit on current account will be charged against the portion of the Surplus account which is earmarked for that very purpose.

MR. FOGWILL: Yes, well, what I want to find out is this, Mr. Chairman. We have here several columns, and we have here so much charged up to pre-Union Surplus. Does it follow that next year other items similar to this which we are charging up this year to pre-Union Surplus that we would take it that similar amounts next year would be charged up

against the \$21,000,000. That is what I want to get at.

MR. SMALLWOOD: Yes.
Carried.

MR. CURTIS: Mr. Chairman the next items 701 and 713 apply to my Department, the Department of the Attorney General and I might save time if I ran through them before they were read. 701 deals, as the House will see, with the salary of the Minister and the salary of a Secretary. Item 2 "Travelling, \$1,500". I might say that position with respect to travelling is that, when the Estimates were being prepared, travelling expenses were run together and split among all the Department. I notice the Premier's Department has \$2,500; I notice I have \$1,500. I hope I will not use it. "Office expenses \$300" covers stamps, etc.

702, General Office. The details of the officials are on page 65; they are exactly the same as when I went to the Department. I have made no changes. The only additional vote there is the cost of living bonus which was increased from \$3,180 to \$4,760. In fact, throughout the whole of the Department of the Attorney General Estimates those are the only increases, the increases in the cost-of-living bonus. That is generally; there may be a few exceptions to which I shall draw attention when we come to them. The other items in 702, Travelling, Office, Law Books, you will notice, they are normal expenses. "703, Supreme Court", the only difference in that vote from the normal vote—by the way, the salaries are set forth on page 61—and you will note there the increase in the cost

of living bonus from \$2,790 to \$4,185. The only other increase, Mr. Chairman, is in the Circuit Court. We found it necessary to have two Circuits instead of one; when the Commission of Government was passing these Estimates they allowed \$3,000 for one Circuit; we found it necessary to have a second Circuit, and that is the reason for that additional vote. "Central District Court", the salaries are set forth on page 61; the only increase is in the cost of living bonus. The expenses are just nominal, covering postage etc.

705 "Magistrates". The difference in the vote as originally estimated by the Commission of Government and as now estimated, is represented by the cost of living bonus. Expenses—are up a little bit, due to the fact that last year expenses were a bit light because for three months of the year the magistrates were conducting elections and consequently were not able to travel; and in addition to that, Mr. Chairman, we had to have a Magistrate's Convention in St. John's in connection with the new Criminal Code; all expenses of that had to come out of this vote. The office expenses are normal expenses.

In the same item No. 705 "Operation of Vessels". I did not know that the Attorney General was an Admiral, but apparently I have a ship called the "St. Barbe". This item represents the wages of the crew, messing of crew and passengers, fuel and oil, miscellaneous, etc. I might say that that ship is engaged in the summer time going to the Labrador, in the spring and fall on the south-west coast. The practice has been in the winter

time to hire her to the Fisheries Board. I do not know what arrangements will be made this winter.

Next item No. 706 "Deed and Companies". That is the same as last year, the same staff. The only addition is the cost of living bonus.

"Constabulary", 707. They are budgeted now on the actual strength of the Department, the increase from 571,000 to 588,000 is represented by the cost of living bonus. The Items "Travelling" and "Office" are the normal expenses. No. (3) "Equipment and Supplies", you will notice an increase there in 3. "Motor Vehicles Supplies and Gasolene", it is from \$9,000 up to \$15,000, with an addition of \$2,500 from the "Pre-Union Surplus."

MR. CASHIN: What is that for?

MR. CURTIS: We had to have a new car for the C.I.D.; we also had to have a motor-van for Corner Brook. It is possible that we may not put that extra van in Corner Brook, if we get the R.C.M.P. to take over that area, but we have provision. If, however, we do not use it for a van the amount will be available for an additional truck we need for the Fire Department. I might tell the House, Mr. Chairman, that that will be news to the Premier. There may be some delay in getting the R.C.M.P. here. These figures were all budgeted on the basis that the R.C.M.P. might be here as at the end of the year, but before they come housing, accommodation has to be prepared. They are not prepared to come here until they themselves erect the necessary dwelling for their men. That may involve a little delay, and in that respect these estimates may

be slightly under what was planned because their estimates were based upon part time constabulary and part time R.C.M.P. and anticipated a saving by having the R.C.M.P. here. If we do not get the R.C.M.P. by the end of the year there will be no saving; consequently we may have to over-spend this amount.

The Item 708 "Royal Canadian Mounted Police" "Services Rental Contract 26000". That amount is not sufficient to pay the rental; the rental of the R.C.M.P. will be about 1400 per man and that would amount up to about \$160,000 a year. But this \$26,000 is meant to take over the cost of the Ranger Force. Now the Ranger Force has been transferred to the Department of the Attorney General, but the Estimates for the Ranger Force are contained under Natural Resources, and if the honourable members, Mr. Chairman, will refer to the Natural Resources section they will see that the vote for the Ranger Force is for a short period only. See under Department of Natural Resources, No. 807 "Ranger Service, Salaries", etc., a note at the bottom "Provision for Ranger Service" is for nine months only. Now it is intended that this \$26,000 in the Department of the Attorney General for Royal Canadian Mounted Police would cover the Ranger Service for the remaining three months of the year. As I say, since the total cost of that department, the Ranger Service, is \$164,000 a year, it is not likely that we can operate for the balance of three months at \$26,000, which was the amount that it was estimated it would cost had the R.C.M.P. deal gone through by the end of the year, so the House will understand

this may be an under-estimate.

Section 709 "Fire Department," these are the normal salaries, the increase being represented by the cost of living bonus. The other items are the normal items, but there is an increase there in "Purchase and Maintenance of Apparatus". Since the original estimates were made up proposals were brought for an extension of the Fire Alarm system to the Housing Corporation area. This proposal is being examined by the Government. However, that is the only increase there.

710, "H.M. Penitentiary and Gaols". These, Mr. Chairman, are the same as last year except the cost of living bonus.

711, "Miscellaneous", you will notice that these items are generally the same as in other years; in fact; I do not know that there is any difference.

712, "Consolidation of Statutes". The Commission of Government made provision for \$20,000 for Consolidation of Statutes, and appointed a committee, but nothing has been done in connection with the matter, because of the present state of our laws. You will understand, Mr. Chairman, that under the Terms of Union the Federal Government has the right to repeal any of our Acts by Proclamation. We thought therefore that before the committee would get to work we might wait until the position clarified itself, because naturally the more laws that are repealed by the Federal Government, the less that remain to be consolidated. I think, however, that very shortly that position will be clarified and the

committee will be able to proceed to work, but in the meantime we have transferred from that \$20,000—we are still voting \$15,000—we have transferred \$5,000 to the Royal Commission on Transportation. I informed the House, Mr. Chairman, that we had retained Counsel in connection with the Transport matter, and we had given \$6,500 to cover expenses. I note there is \$5,000 here, but where the other \$1,500 came from I do not know. It may have come from some other Department of the Government. However, I would move these items, Mr. Chairman.

MR. FOGWILL: Mr. Chairman, of the total, under Pre-Union Surplus, \$24,200 would that recur the next fiscal year.

MR. CURTIS: No, that would not be recurring. Those were amounts that were incurred before we came in.

701, \$11,190. Carried.

702, \$53,743. Carried.

703, \$40,295. Carried.

704, \$10,209. Carried.

MR. CASHIN: There is something before the House in connection with County Courts, and if that is passed, I take it that some Magistrates are going to be eliminated, and six or seven new ones appointed. That is what it looks to me like. I do not know if that is so or not. I understand there are going to be seven new individuals appointed who have to have ten years' experience in legal practice before the Bar, and these ordinary Magistrates that are around the country now, where are they going to fit?

MR. CURTIS: The position is this, Mr. Chairman, that when a

new Judge of a District Court comes in, a magistrate goes out, so that there will be a drop balance in each case, as and when these appointments are made.

MR. CASHIN: In other words, whenever you appoint, or whoever appoints, the Federal Government or the Provincial Government—I gather that it is the Federal Government who makes these appointments—they appoint seven judges or County Judges, or whatever you call them; when they are appointed they dismiss the Magistrates. Is that the idea?

MR. CURTIS: We save the salaries of the Magistrates, yes.

MR. CASHIN: Now, the Federal Government pays the seven County Court judges, and you will therefore have a drop balance under the "Magistrates" heading. That is what I gathered from you the other day when we were discussing it here. It is not a matter with which I am familiar. There are seven Federal districts in the country, and I understand each one will have a judge. There will be one for a Ferryland district, although they are very law-abiding up there.

MR. SMALLWOOD: One for each Federal riding.

MR. CASHIN: For the Federal riding of St. John's West.

MR. CURTIS: It will not be only for Ferryland.

MR. SMALLWOOD: No, St. John's is older.

MR. CASHIN: Is it?

MR. SMALLWOOD: Yes, St. John's is two or three years older.

MR. CASHIN: Well now, I notice here with Magistrates, we did have 24, and now we have 23. Where are we short of a magistrate?

MR. CURTIS: As there are vacancies we are not filling them; we are having the senior magistrates mark time until the new—as the House knows, Mr. Short has come in from Corner Brook, and he is in the Department of Industrial Development. Magistrate Howell has come in; he is connected with the Department of Supply, and there are others—

MR. CASHIN: The position is that what the Government is trying to do is this. When you appoint these seven people, or the Federal Government appoints them, the Magistrates will be reduced down to fifteen; some of them, I take it, will be under the new judges, and then you are going to come in and make jobs for these other six that you are going to lay off.

MR. CURTIS: Well, Magistrate Scott is already in. Another magistrate is very ill and will shortly be retiring.

MR. CASHIN: You do not appoint these judges? You recommend them to the Federal Government?

MR. SMALLWOOD: The Prime Minister of Canada appoints them;—The Governor General in Council.

MR. CASHIN: The Governor General has about as much to do with it as I have. It is a political appointment, and the six people that are going to be laid off will be poked into some hole by the Provincial Government until such time as they will be eligible for

pension. Why cannot we be honest about it? Because that is what is going to happen. You have got two of them poked away already.

MR. SMALLWOOD: Not poked away; three of them are Deputy Ministers. They have useful jobs.

MR. CASHIN: Not Deputy Minister of Justice, no.

MR. HIGGINS: The District Court judges will take up the whole jurisdiction of Newfoundland, will they not? Now the Magistrates do other work, now, relief work and so on.

MR. CURTIS: Oh, yes, Mr. Chairman. I do not think that the District Judges will be able to do all that work. We shall have to have Magistrates besides, but Magistrates, where they reside, will also be judges in certain matters.

Carried.

705, \$108,833. Carried.

706, \$8,979. Carried.

707, \$661,886. Carried.

MR. CASHIN: Mr. Chairman, that total vote there under the Police heading, \$661,886. Now I gathered when the honorable the Attorney General was going through these Estimates, that this thing was going to be decreased, and the R.C.M.P. would be coming in here later and consequently you will decrease in that. That means that some of these fellows who have been on the job ten or fifteen years are going to be out of a job.

MR. CURTIS: No.

MR. CASHIN: You are going to make Mounties out of all of them?

MR. CURTIS: Most of them, I hope.

MR. CASHIN: Well, I do not know whether they want to or not, but the qualifications, as you know, for the R. C. M. P. are somewhat different I think, from those necessary for policemen. Many policemen who have done good jobs here—we had one of the most competent police force on the North American Continent. I can visualize them being out of a job within twelve months. Now the R.C. M.P. are in here; I see them every day on the street. I do not know what they are doing.

MR. CURTIS: The are Federal.

MR. CASHIN: I know they are Federal, but the others would be Federal, too. They will not be under your Justice Department; they will take their orders from Ottawa.

MR. CURTIS: They will be under the Attorney General.

MR. CASHIN: They will be under the Attorney General. And we will pay them?

MR. CURTIS: No, we will not pay them; we will pay the Federal Government for them.

MR. CASHIN: You will pay the Federal Government and they will send R.C.M.P. down here, but they will belong to the Federal Government; they will pay them, and you will refund the money, is not that the idea?

MR. CURTIS: Well, we pay a fraction.

MR. CASHIN: You pay a fraction. But you see my point. Ultimately you are going to have

some of your policemen now in the Police Force—

MR. CURTIS: Every one of them will be looked after.

MR. CASHIN: These policemen have done a good job, particularly any one of them who was in St. John's during the war. Anyone who knows anything about St. John's during the war knows that our policemen did a good job in spite of frightful obstacles, and we had American men in here, and Canadian, and Canadian Military Police here, but our men did the real job, and it would be scandalous to see any of them suffer now. I am glad to have that announcement by the Attorney General this afternoon that there are none of our policemen going to be out of a job.

Carried.

708—\$ 26,000—Carried.

709—\$222,740—Carried.

710—\$154,775—Carried.

711—\$ 27,050—Carried.

712—\$ 15,000—Carried.

713—\$ 5,000—Carried.

MR. CASHIN: Where did that \$1,500 come from, Mr. Chairman? This account is evidently over drawn.

MR. CURTIS: It must have come from Finance.

MR. FOGWILL: Mr. Chairman in connection with these Estimates, the total shown is \$1,352,000 in round figures. Now there is \$24,200 which is likely to recur again next year. Now the total charged against Current account is \$1,328,300. I understand from the Attorney General there is go-

ing to be considerable saving because of the fact that the R. C. M. P. is coming here. I wonder could he advise us, roughly, let us say the estimated savings which will accrue here on account of the change-over.

MR. CURTIS: I think it is too early, Mr. Chairman, to say that. I hope the savings will be considerable. When the R.C.M.P. comes here we will pay \$1,400 a man, but they supply the man; they supply the house; they supply their own motor cars, their own methods of conveyance; they supply uniforms; they supply a lot of items that we have to supply now. It is rather difficult at this moment for me to give an estimate.

MR. CASHIN: You are going to save a few dollars somewhere, but where does it come from?

MR. CURTIS: It will come off this total here.

MR. CASHIN: Well, supposing you save \$25,000, for argument's sake, what definite vote will that come off?

MR. SMALLWOOD: The police vote. If a policeman is in this vote, and he ceases to be a policeman and becomes something else, his pay will appear in another vote, perhaps in another department.

MR. CASHIN: But that will not make a saving in the over-all picture.

MR. SMALLWOOD: Well, possibly not.

MR. CURTIS: Well, 100 policemen now cost \$3,000 a man; that is \$3,000. Next year we will have

to pay the Federal Government only \$1,400 a man, and we are going to ask for less money, obviously.

MR. CASHIN: In order to save that money you have got to pay off policemen.

MR. CURTIS: Oh, no, we will transfer them.

MR. CASHIN: Transfer them to what?

MR. CURTIS: The R. C. M. P. They will still get paid. They will be paid by the R.C.M.P., towards which we will give only a contribution, really.

MR. CASHIN: But where will you save?

MR. SMALLWOOD: Our police force today costs us \$3,000 a year per man. Now the policeman does not get \$3,000, but that is what he costs us. That is easy to get. Take your total vote for uniforms, accoutrements, horses, feed fine horses, arms, travelling, salaries cost of living bonuses, comes to a certain amount of money. Divide that by the number of policemen we have and it is \$3,000 per man. All right. Let us say that every last policeman was taken over by the R.C.M.P. It will cost us \$1,400 a man. There the saving will be. And what happens if they took all of the police, which probably they will not? To begin with, we will still have some policemen. But in addition to those we will hold as police, and those police who are taken over by the R.C.M.P., there is a third lot that will not be taken over by the R.C.M.P., probably will not be held by us, but will be transferred to some other De-

partment without any loss to them. There can be a very important saving.

MR. FOGWILL: In that case Mr. Chairman, according to the honourable the Premier's figure under this heading you are going to save \$397,000.

MR. SMALLWOOD: If all were taken over.

MR. FOGWILL: Well, now, all the police will not be taken over. Two hundred policemen may be taken over. I think this is with the exception of the municipality of St. John's. This is a statement I am referring to which the honourable the Attorney General said before whereby the R.C.M.P. will take over the policing of all the Island with the exception of St. John's. I believe that is what the Attorney General said. And I also believe I heard him say that the savings in the R.C.M.P. taking over the Island would be fifty per cent of what it is today.

MR. CURTIS: But the House must remember, Mr. Chairman, that in addition to having to pay for the police that the R.C.M.P. take over, they are going to have to pay for the Rangers they take over, and at the moment that vote does not come in my Department. The Rangers are in the Department of Natural Resources, and therefore the savings do not show as fully as they would here as if they were all in my Department, but at the moment, you see, there is a vote in the Department of Natural Resources for Rangers.

MR. FOGWILL: Well, you would say roughly on the number

of policemen they take over, with the exception of St. John's, we will save roughly \$300,000 on the Estimates.

MR. CURTIS: It is only an estimate.

MR. FOGWILL: That is the reason why I asked you.

MR. SMALLWOOD: I move that the committee rise--could we rise to meet again or could we recess till eight o'clock.

MR. CHAIRMAN: Strictly speaking, the Chairman of the Committee must report to the House.

MR. SMALLWOOD: Well, I move that the committee rise, report progress and beg to sit again presently.

Committee rose, reported progress and asked leave to sit again presently.

House recessed until eight o'clock.

NIGHT SESSION

The House resumed at eight o'clock.

MR. SMALLWOOD: Mr. Speaker, I move the House into Committee of the Whole on Supply.

Speaker leaves the chair. Mr. Courage takes the chair of the committee.

801, \$11,390. Carried.

802, \$41,186. Carried.

MR. CASHIN: Mr. Chairman, we have two new people in here, and I notice wages are lower. They are \$36,386; the original was \$39,566. I see a reduction there in one party, and a note (a) "Part

year financial provision for two officers." What is that? Page 63.

MR. RUSSELL: One of them is being transferred to another Department. There is another Department coming into the same building, and we believe it is unnecessary to have too many messengers, especially when they are in the same building and can be readily available for whichever Department wants one. So one of these messengers for a part of the year will be transferred to another Department. You will probably find that in the Estimates for the other Department.

Carried.

803, \$35,030.

MR. RUSSELL: 803 is exactly the same, except for the cost of living bonus.

Carried.

804, \$17,149.

MR. CASHIN: Salaries, \$229,549. I notice the Director of Forestry is abolished, is it?

MR. RUSSELL: \$1.00 is the total vote. The position is vacant ever since the death of Captain Turner, over a year ago. The vote of \$1.00 is kept there.

MR. CASHIN: There are several total votes in other departments but this is the first one I have seen.

MR. CURTIS: That is a survival of the dollar a year men, you know.

MR. SMALLWOOD: Might I draw this to the attention of the committee: all these Estimates are numbered, the departments are numbered, and within each num-

ber, they are numbered serially—this department is No. 800; well then it is always 800. This Department will always be 800, and the various votes in it will start with 801 and go on through. Well, then, if a post is not filled, if the vote itself is dropped, that number is consequently dropped, and then when it is filled, the number would be re-established, but as the years go by and people wish to compare the cost of one year with another, if the vote is dropped a number of years it will give rise to doubt as to whether it cost anything of what happened to it. So that is one reason why it is numbered.

MR. RUSSELL: Mr. Chairman, there are two or three things which may require some explanation. The fact that \$817,000 comes here under the heading of "Forestry" seems a rather unusually large figure, but I would like honorable members to notice that there are two divisions in the Department of Natural Resources, and there are two things under this one heading. One is forestry and the other is Game and Inland fisheries. And so, both in the Estimates of salaries in the Appendix I, and on page 28 and especially on page 29, you will note there that some of them refer to Game and Inland Fisheries and some to Forestry. Actually there are two divisions in one. Another point that helps to explain large amount of \$817,000 is on page 29, in 804, "Beaver Pelts \$280,000." Now later on, when we come to deal with Ways and Means, you will notice, Sir, that there is a revenue offsetting that of \$300,000. It is impossible to predict at the beginning

of the year just what value beaver pelts would be caught by our licensed trappers and exported, and the \$280,000 is not going to reach that amount, not as we see it at present, but whether it does or not there is still the offsetting revenue of slightly more. So that \$280,000 makes the appearance of the estimate out of all proportion, because it is offset by a slightly larger amount of revenue.

MR. CASHIN: Providing we get the beaver pelts.

MR. RUSSELL: Oh, well, if we do not get them, there will be a lower expenditure corresponding with the revenue, but we are getting some, or the trappers are getting some, and it will be of interest to the House to know that the price of fur has been down almost to rock bottom and that it is advancing during the past few days.

There is a possibility that there are several of these items that honorable members might be curious about.

MR. HIGGINS: "Bird Life of Newfoundland." What is that. Who is publishing that?

MR. RUSSELL: Two or three years ago the Commission of Government arranged with the United States Fish and Bird Life Services to have a book published "Bird Life of Newfoundland, with coloured illustrations of the Newfoundland birds. A man by the name of Peters is editing it, a United States scientist, and you will notice that there was an estimate of \$10,000 for that particular item this year, because they did not figure on its being finished. That \$10,000 was just to pay

a part that was likely to be expended this year, but we have included \$21,800, with the expectation that it will be finished. It is going to be, they tell me, those who are interested in that sort of thing, a very, very fine book. I hope it will be and the envy probably of other provinces who have not had a similar service done.

MR. HIGGINS: I saw Peters at work on that last year. Now, on page 64 there, 15 District Inspectors and 45 District Wardens. Are you giving a warden a bigger space now to do?

MR. RUSSELL: I would call the attention of the honourable the Leader of the Opposition to "Extra Assistance", the second last item. And "Extra Assistance", that is for about 50 temporary men that we get just for part time, perhaps four or five months of the year. The last few years we have been putting men on rivers which were not protected at all before. These men are just on for the summer months.

MR. HIGGINS: Yes, I see. Now the item at the bottom of the page, "Four Inspectors \$2,000 Personal". What is the means of "Personal". At the bottom of page 64.

MR. RUSSELL: That is rather an unusual thing. It means people who were appointed and getting a salary but not in accordance with either one of the scales on the last page of this book. That happens quite frequently, especially where probably they were at some other work and were transferred to this, and if they had been set on one of those scales it

would have meant a reduction in their pay, so they were kept on a sort of special scale, to prevent them from having to move into a scale where they would get a decrease and to save the expense of having to move them up into another one which would mean an increase that it was not felt they were entitled to.

Carried.

805, \$223,810.

Carried.

806, \$187,345.

MR. RUSSELL: Mr. Chairman, on page 30, 806, there are just one or two things upon which I was going to comment, but apparently honourable members understand them, and perhaps it is unnecessary to comment. But at the top of page 30, "Establishment of and Bonuses to ex-Servicemen Land Settlers". A few days ago, when I had the honour of introducing a Bill in connection with the Veterans Land Act, I pointed out that the Newfoundland Government had for years been giving amounts of five, six and seven hundred dollars to help establish veterans. These are balances, this \$15,000 — \$25,000 was estimated—is a balance that it was felt was still due and that veterans may be calling for. I might say that there is likely to be a drop balance there after the Agreement is signed that was authorized by that Bill a few days ago. "Construction", item 4 there, that is finished. That is the commitments that were made to ex-Servicemen who settled on Land Settlements. There will not be any other expenditures on that account.

Carried.

807, \$164,505.

MR. CASHIN: I notice there is a reduction here, for nine months, I think it says.

MR. RUSSELL: I might draw the attention of the committee to 708 which we passed this afternoon. If you turn back to 708 you will find that for the other three months there is just \$26,000 estimated. All this is assuming that the Newfoundland Ranger Force will become part of the R.C.M.P. on the 1st of January. If that happens, you will see where there is a saving of about \$60,000 estimated in the Natural Resources. There is an additional expenditure of \$26,000 estimated in the Attorney General's Department, and that saves about \$34,000 for three months. Now that may not be correct. The Estimates were drafted on the assumption that—you will see there were the actual transfer of the Newfoundland Ranger Force to the R.C.M.P. will mean that we will save about \$34,000 for three months, it is a saving of about \$100,000 a year—more than that.

Carried.

809, \$49,369.

MR. CASHIN: "Field Survey \$4,800", that is from pre-Union surplus. That is on capital account.

MR. RUSSELL: That are some bills which were not paid and were passed over. It always happens that some of those surveys take place in the winter time, and expenses run up by the field parties in February and March, and the bills do not come in until

April or May, so there was \$4,800 worth of outstanding bills and chargeable properly to the surplus.

Carried.

810, \$37,300.

MR. FOGWILL: Sub-section 3 "Labrador Relief, \$15,000", what does that constitute?

MR. RUSSELL: Labrador Relief, Mr. Chairman. There may well be a refund to us on that account from the Federal Government. Labrador Relief means Northern Labrador, the extreme northern point. Some of it was spent on relief to Indians, some on relief to Eskimos. I can assure the House now that the part spent on relief to the Indians will be refunded, and it is likely that the part spent on Eskimos, depending upon the interpretation of some Act or other, what "Eskimo" means within a certain Act,—it is too involved to go into now—but some if not all, of that will be refunded. "Meteorological", you will note \$7,300 there, but when we come to Ways and Means we will find there is a corresponding credit. We have received \$7,000 back on that account.

MR. HIGGINS: What is that \$120,000?

MR. RUSSELL: The \$120,000, the original estimate, also made provision for \$120,000 income, so it is not expense either way.

MR. HORWOOD: Mr. Chairman, may I ask the honourable Minister if there is provision made for Northern Labrador Trading operation?

MR. RUSSELL: You will find that, I expect, under Fisheries.

MR. HORWOOD: It belongs to Natural Resources, does it not?

MR. RUSSELL: A great deal belonged to Natural Resources, Mr. Chairman, up to a few months ago, but the accounts were taken and transferred to Co-operatives and Fisheries. I am pretty sure it is here in Fisheries. You will see it when we come to it, but it would be out of order now. I believe there is \$14,000 in connection with it. The trading operations come under the control of the Auditor General. As a matter of fact, I do know that last year there was \$7,000 surplus, and I think that goes back into the business for expansion or educating some of their children down there, or some childrens' fund in that area; they were doing very well at the Mission School at St. Anthony. There are some here in St. John's training, taking professional training, all coming from that operation.

AN HON. MEMBER: \$7,000 surplus.

MR. HORWOOD: I take it, Mr. Chairman, that that means that the income from the operation is not shown anywhere in revenue, and that expenses down there are not shown anywhere in expenditure.

MR. RUSSELL: That is right. It would be shown, of course, in the statement of Public Accounts by the Auditor General.

Carried.

MR. FOGWILL: Could I ask a question, Mr. Chairman? The amount charged to the Pre-Union Surplus, \$76,100, will these items recur?

MR. RUSSELL: These items, Mr Chairman, are made up of Field Survey on page 31, which definitely will not recur; they are some unpaid bills left over on March 31st—just the ordinary procedure, not that the Commission of Government would not pay them; they did not come in. That will not recur. On page 30, almost up on top, by far the biggest item there, \$49,500, for the settling of all outstanding commitments to Upper Humber Land settlers, that will never recur again, and the other \$21,800 is for the finishing of that book on Bird Life. None of these will recur.

Department of Public Works:

HON. E. S. SPENCER (Minister of Public Works): Mr. Chairman, I would like to point out for the benefit of the members of the House that if they have had an opportunity to look through the Estimates for the Public Works Department from beginning to end, they will find that there is little, if any, change in the votes in the Estimates as originally voted. Practically the only changes that occur are the increase in the cost of living bonus. I do not think it is necessary for me to review them in detail; they are so plain, and if honourable members wish to enquire I will do what I can to explain them. In the meantime my deputy was to have been here, and will be later in the evening. I do not anticipate very much difficulty and if there is anything about which honourable members desire information I will do my best to explain it.

Carried.

902, \$31,458. Carried.

903, \$25,205. Carried.

904, \$22,755. Carried

905, \$13,968. Carried

MR. SPENCER: In that connection, Mr. Chairman, the Chief Engineer's salary, which is shown there in full, the first item in 905, on page 66. The Chief Engineer has been retired as from December 1st. His salary is voted until the end of the fiscal year, the 31st March. There will be a slight drop balance there; for the time being at least do not plan to appoint a chief engineer and an assistant engineer. In that regard, for the coming year, unless we find it very necessary, it may be that in the estimates for the coming year we will probably have a token vote so that the position will be held if it is required later on, but I thought I would mention that the Chief Engineer has resigned as from November 30th of this year, a few days ago.

906, \$3,653,820.

MR. CASHIN: That is on page 33. There is where the big expenditure is taking place in public buildings, I take it,—the Mental Hospital, Corner Brook, and so on. Now the original estimates called for \$2,287,000, according to this, and there is nothing down in the "Current"; all this is being done in Capital Account, Pre-Union Surplus account. There is none of it in current, and I take it that it is a capital expenditure. Now in the case of hospitals I am particularly interested in the hospital, in Ferryland District, and I understand from a question I put on the Order Paper the other day, and I imagine when we come to Public Health Estimates I might be able to elicit some information from the

Minister in charge of that Department whether or not this place is going to be built. It appears to me that this money has not been spent; there is a certain amount of this money not spent yet, for this Construction and Extension of Public Buildings, whether the Government figures that by the end of March that money will have been expended.

MR. SPENCER: That is correct.

MR. CASHIN: Now "Rentals", that I take it is that you now have to pay the Federal Government for buildings or private individuals.

MR. SPENCER: Private individuals and also the Federal Government.

MR. CASHIN: Every year, Mr. Chairman,—I do not care what Government is in or what Government is out—at the end of the year when you balance your accounts there are accounts left unpaid. Well now assuming you had no capital, you have to charge them up to revenue that you are going to get in the coming year, and it really belongs to ordinary operational expenditure; it is not a capital expenditure, and it is silly to think that fuel is a capital expenditure. It is gone. Capital expenditure is an amount like building a House of Assembly. That is capital, unless it falls down or something the next day and then you have to rebuild again, another capital expenditure. But fuel, you burn fuel, the oil or the coal, whatever it is, and it is not a capital expenditure; anything but. What else is here now? "Light and Power," there is another thing, \$8,000.

Now that has been consumed. It is something which has been consumed, money owed by the Commission of Government when they went out, and you will find if you go back to the accounts of the Commission of Government last year, for 1948-1949, that they paid something out of their 1948-49 accounts that should have been charged to '47-48, and that will be going on, mind you, when you and I are passed out. It is no use kidding ourselves about it, \$300,00 Pre-Union Surplus, a couple of desks or something; they are charging that to Pre-Union Surplus.

MR. SMALLWOOD: It might have been a typewriter.

MR. CASHIN: It might be a typewriter or an adding machine. Incidentally we have not added these figures yet, to see if they are correct. I tell you, Mr. Chairman, we might laugh about it—I was a Minister for Finance, and we used to check the additions, because in those days politicians were checking one another, and you might check the total amount and it would be more than that if you figured up the salaries; a man might get a raise and he would not know anything about it until he got his next cheque. I know it would be easy to put it over here because none of us checked any of these amounts, these salaries.

MR. FOGWILL: Mr. Chairman, No. 2 under 906, "Government House, Repairs, Maintenance, Furniture, etc.," there is a note at the bottom that it is exceptional repair programme, \$11,000, ordinary maintenance, furniture, etc., \$20,000. That is a lot for maintenance and furniture.

MR. SPENCER: Is there any question there?

MR. CASHIN: Mr. Fogwill is asking a question on 2 of sub-section (3) under Buildings. Exceptional repair programme of \$11,000 down at Government House, and ordinary maintenance, furniture, etc., \$20,000. There is \$300 of that pre-Union, and the other balance has it been incurred since the present Government took over, or is it to be expended within the next two or three months? It is a lot of money.

MR. SPENCER: In that connection, Mr. Chairman, I do not know that I can throw very much light on it except to point out that the exceptional repair programme, as members will readily appreciate, no doubt is due to the fact that we are now taking over Government House and operating it as such, and there were certain repairs that had to be effected. In fact, there were some considerable repairs to the basement, the installation of a furnace, as I understand it. I have not got details of it. I know there was considerable efforts made to renew the heating system, and the electrical system had broken down pretty badly, and that too has undergone extension repairs. The actual item regarding furniture that is referred to and the ordinary maintenance that is referred to as \$20,000, at this moment I must confess frankly that I am not able to give you any details on that, but if the House desires it I can assure you that there is an account in the Public Works office for every dollar.

MR. CASHIN: There is no one doubts that.

MR. SPENCER: I think the honourable and gallant member for St. John's East, Mr. Fogwill, questioned it. Does that information answer your question?

MR. FOGWILL: It seems such a large amount.

MR. SMALLWOOD: Mr. Chairman, the honourable and gallant member for Ferryland is quite clearly hazy—let us put it that way—about these amounts that show against the Pre-Union Surplus. Let us see if we can clear it up.

MR. CASHIN: I can clear it up.

MR. SMALLWOOD: If when before this House closes, this present session, the Government failed to bring in here what the honourable and gallant member himself began, almost from the first day of the session to demand, namely, what we stand financially. How does she shape financially. If we fail before this House closes to bring in such a rounded amount of our financial standing as a province, we would, quite justly, have merited and received a lot of pretty trenchant criticism. So we decided, for that and other reasons, to avoid that criticism, we would bring in a complete picture, the only complete picture perhaps ever brought before this House, of the financial position of Newfoundland.

Now on the 31st of March, just a few moments before midnight, we ceased to be a separate country and became a province of Canada. Now that was turning over a new leaf, whether members agree that it was a good one or not is beside the point at the moment; it was turning over a new leaf. We

were launching upon an entirely new era, and we began Confederation; we began as a province, with a certain total amount of assets, or surplus, to arrive at which it was necessary to do two things only, first add it all up, and second, to subtract from it the things that had to be subtracted from it to get the net figure, which came to \$40,000,000.

Now it would have been dishonest, and certainly unrealistic, if we had failed to deduct from that \$47,000,000 the \$7,000,000 we did deduct. So you start at the stroke of midnight, March 31st, with \$40,000,000, but did we? Did we, in fact? The answer is no, we did not. Because if all bills had been paid, Governmental bills — bills that had been incurred, remember —

MR. CASHIN: Both of us are going to be out of order right here, I can see that.

MR. SMALLWOOD: No. Bills that had been incurred before the stroke of midnight on March 31st —if they had been in fact paid we would not have \$40,000,000. Therefore, what should we do? What kind of accounting would be the proper accounting if this is not proper? The bills were incurred last year, but not paid; they fall due and we pay them. What will we pay them out of? We have two choices. We could show a surplus of more than \$40,000,000 which would be dishonest and unrealistic, and pay these amounts which we have deducted from the surplus, paid them out of current account, which again would have been wrong. So we have done what we have done. Now next year—my

honourable friend the junior member for St. John's East has shown considerable interest in this very point; he wants to know repeatedly about next year. Now if any amounts incurred—remember incurred—before the stroke of midnight on March 31st, 1949, turn up five years hence, two years, three years, one year hence, if it is discovered; if it is not paid; it was incurred remember before the stroke of midnight on March 31st, that, too, will have to come out of the surplus to show the true position of the surplus at the date of Union.

Now if in this year we incur expenses, ordinary expenses, which we do not pay, we overspend what do we do in regard to these expenses? There are two things we could do—one of two things. One is to charge them against the surplus, a certain portion of the surplus, namely, the one-third earmarked for deficits. The other is to come into the House for Supplementary Supply, come back to the House here when it meets in February, and say—or maybe the February after next February, and say "With regard to the financial year 1949-50 we overspent by \$50,000, by \$100,000," bring in Supplementary Supply. Now we can do it in one of these two ways.

If that is not reasonable will somebody show me—if that is not sound financial practice, what is? What would be sound?

MR. FOGWILL: Mr. Chairman, what I have been trying to find out about this whole thing,—and I realize what the honourable the Premier has said that any debts incurred prior to April 1st, they

would be charged up to the surplus; there is no doubt about that. But also they have things charged up to the revenue which were acquired before that date; there are other amounts charged up because of the fact that two-thirds of the surplus is set aside for the development of industry and the extension of public services. I am trying to segregate the two, those that were owed prior to April 1st and those that we will carry forward generally from year to year as extension of services and development and so on. That is what I am trying to find out, and it is a very difficult job to do it, but while I am speaking on this subject—I am not going to say anything more about it now, but through this thing here I do notice that Government House this year will cost us \$61,000 for this year, according to the Estimates. If you look back over the items, of operation of Government House and maintenance and furniture and so on, the total is \$61,000, quite a sum of money.

MR. SMALLWOOD: Yes. Well, are you referring to the upkeep of the House itself? The fabric?

MR. FOGWILL: The whole thing. The whole amount is \$61,000. It is a lot of money, you see.

MR. SMALLWOOD: You mean the building?

MR. FOGWILL: The repairs of the building; that is the ordinary repairs, and the exceptional repair programme that is laid down, and then the ordinary maintenance, furniture, etc., and also the operation of the House inside—we have a total in these Estimates of \$61,-

000; it is in two headings—two different Departments, you see, but that is a lot of money. You look at one side and you find you are spending in one place, from one department, and in another heading, it is a separate thing altogether, and you bring the totals together. Now is that going to be a recurring expenditure, with the exception of the \$11,000 which would probably bring it down to \$49,000 is that going to be a normal expenditure every year \$49,000, for Government House?

MR. SMALLWOOD: No, it is not, because, to start with—I do not know what the honourable member means by Operating inside. Would he put his question clearly, so that I can give a clear answer. Does he mean the maintenance of staff?

MR. FOGWILL: Yes.

MR. SMALLWOOD: Uniforms?

MR. FOGWILL: Yes, the whole thing.

MR. SMALLWOOD: In other words, he does not refer to the building itself, outside and inside? He refers to the building, its occupancy, and the operation of the functions of Government House? He means all that, put together?

MR. FOGWILL: Everything. Yes, everything. Now the totals for everything for this year, the maintenance, the operation, and the extraordinary work, exceptional repairs it is called, the total is \$61,000. What would be the ordinary expense?

MR. SMALLWOOD: Well now, on that question, it is clear that

there are not going to be exceptional and extraordinary repairs year after year.

MR. FOGWILL: Now ordinary maintenance and furniture?

MR. SMALLWOOD: Now we come to the ordinary operation of Government House, the functioning of Government House; at the moment there are, I believe, four policeman—I do not know if they are included in that vote or whether they are included—They are included in the Department of the Attorney General, and would add still further to the amount my honourable friend just mentioned, the cost of maintaining four policemen. But what I want to tell you honourable friend is this: that that whole position with regard to staffing, which accounts for a considerable proportion of that total vote, is under review; the whole position is now under review, with the purpose of effecting economies in the functioning of Government House; so far as light, heat, coal, repairs, painting, furniture, and the like, are concerned it is an expensive building to operate, and it will continue to be an expensive building to operate except that it will not always cost as much as the Estimates show this year because there will not always be a new furnace put in there; there will not always be the job of renewing all the electric wiring; there will not always be these exceptional things. But just the normal cost of keeping the building as such in repair and in good condition will be a very expensive proposition, but the cost of functioning of Government House as distinct from the mere building it

self will come down; that will come down.

MR. FOGWILL: Mr. Chairman, I did not raise the point on this particular subject just to cause an argument. I am endeavouring and I am trying to find out through the whole thing, to try to get some idea of what our expenditure will be next year and the next year and the next year. That is what I am trying to find out, and it is very difficult to get some information.

MR. SMALLWOOD: There is nobody that knows.

MR. FOGWILL: But at least we know what our expenditures are this year, the first year of Confederation. Unless we can get some rough idea of what it is going to be the year after; we know we have got to build roads next year; we know that there is going to be a main highroad right through Canada, and we have got to do our part here; we know that is going to cost some money, and we know we have hospitals to build and maintain, and we know we have other public services, that we have relief, and all the rest of it. We can get some idea of that fairly clear, but there are lots of other expenses which are charged to surplus which will not recur next year; there is other money charged to surplus which will recur again next year, and whether that is charged to surplus next year or charged to ordinary account, that does not matter; it is a total expenditure no matter where you put it next year, you are going to have a total expenditure, whether ordinary or capital, it is going to be somewhere against some account. Now I am trying to

find out where we are going to put this.

MR. SMALLWOOD: It does not matter where you put it. It matters that if you put it under current account you have got to raise taxation in order to get it.

MR. FOGWILL: Well, I expect you will have to raise it.

MR. SMALLWOOD: Yes. But with all the capital expenditure under current account you will have some pretty heavy taxation.

MR. FOGWILL: Well, Mr. Premier, I expect you will have to shunt a lot of the taxation over on the Town Councils.

MR. HIGGINS: Mr. Chairman, "Approaches and Entrances, \$4,000," what does that mean?

MR. SPENCER: I am afraid I could not give the details for that. I take it it is to put the roads in repair and the gates and so on.

MR. FOGWILL: You mean Government House?

MR. SPENCER: I am really not able to give detailed information at this moment, about that item. Mr. Manning will undoubtedly be here in a very few minutes, and if the House would like to refer back to it I will be very glad to do so.

MR. HIGGINS: Well now, No. 9, "Fuel, \$380,000." Does the Department of Public Works look after the fuel for all the Government Departments? That is, for every Government Department here, and Hospitals? The outports, and Magistrates' houses, and so on?

MR. SPENCER: Yes.

MR. HIGGINS: That is for the whole Island, for fuel?

MR. FAHEY: Mr. Chairman, I would like to ask the honourable Minister about No. 5, "Construction and Extension of Public Buildings, Hospitals, etc. \$2,238,000." It is quite an item to pass over without knowing just where the \$2,238,000 is going to be spent.

MR. SPENCER: All the details are in the Appendix.

MR. SMALLWOOD: Page 91, Appendix 4. All the details of that is in there.

MR. SPENCER: I take it, Mr. Chairman, now that we have located where that expenditure is that the honourable members can look it over without me giving any further notes on it. It is all listed there. To be perfectly honest with you, I did not notice it there. I am glad to see that it is. It answers the honourable members' questions; it gives the expenditures on the various hospitals and other buildings.

MR. FAHEY: Mr. Chairman, I would like to ask about No. 7, "Cleaning \$29,650."

MR. CASHIN: Now in connection with these figures, there is an amount here from Pre-Union Surplus, \$2,238,000 for construction and extension of public buildings, Hospitals, etc. Some of that money has been spent, I take it?

MR. SPENCER: That is in Appendix 4 on page 91.

MR. CASHIN: Yes. And it is also shown on page 98, Appendix 11, Financial Surplus Account, and it

comes under charges in Section 24 (2) (b) I take it therefore that that was authorized by Minute of Council and we are just voting now corroborating an action of the Government; that they passed this amount by Minute of Council, and we are merely corroborating it, or legalizing it—we can put it that way. Because I have been told that they could not spend any money under Minute of Council, and I find here on page 98 this \$2,238,000 is by, and I read it, Minute of Council.

MR. SMALLWOOD: It was decreased from the original Estimates; it is all decreased. It was nearly all voted by the Commission of Government.

MR. CASHIN: I know. One minute now. Don't get excited. Now the Commission of Government voted expenditure for the Department of Public Works; they voted \$6,448,000, but you are voting \$8,088,000. Therefore there is a million and a half dollars more.

MR. SMALLWOOD: This House is asked to vote it.

MR. CASHIN: This House is voting it, yes.

MR. SMALLWOOD: That is not by Minute of Council.

MR. CASHIN: Well now, what are the charges under Section 24 (2) (b), the extension of public services? What is that?

MR. SMALLWOOD: Page 93, you mean.

MR. CASHIN: 98 is the one I am talking about. For instance. Department of Natural Resources has an amount of \$49,500 there. The Hon-

ourable the Minister of Natural Resources explained it. Now there is construction of Roads and Bridges, \$800,000. In all \$6,091,000 under Section 24 (2) (b) for public services. Now what is Section 24 (2) (b)? What does that mean? Just explain that to me. I think we are entitled to an explanation of that.

MR. SMALLWOOD: The Terms Union, it may be.

MR. CASHIN: Well now let us find out. After all, if you people do not know, and I do not know, we might as well get someone that does know.

MR. SMALLWOOD: It is Term 24 of the Terms of Union, sub-section (2) (b). It says:

“The remaining two-thirds of the Surplus shall be available to the Government of the Province of Newfoundland for the development of resources and for the establishment or extension of public services within the Province of Newfoundland.

MR. CASHIN: Now we are getting some place. This means that six million and odd dollars is spent or about to be spent monthly by the Department of Public Works, \$6,091,700, capital expenditure, under this section 24 (2) (b). Now was that voted in the Estimates and how was it voted? I mean, the Commission of Government when they made up their estimates—

MR. SMALLWOOD: The big bulk of it was.

MR. CASHIN: The big bulk of it was.

MR. SMALLWOOD: Yes, and it is these amended Estimates which we are asking the House to pass.

MR. CASHIN: I know. You are asking the House to pass a total of \$8,088,000 as against \$6,448,000 which they put under Public Works. In other words, you are proposing to spend a million and a half, roughly, more than they did, and it will be spent under Section 24 (2) (b), most of it at any rate, of the Terms of Union. Now let us get these Commission of Government Estimates and see what they had down here for buildings, etc., for this year. “Public Buildings,” the Commission of Government in their Estimates of expenditure voted \$3,440,000 for 1949-50. Now according to the figures we have here now and according to 24 (2) (b), your public buildings, we have \$2,238,000.

MR. SPENCER: Mr. Chairman, if the honourable member will look at those two columns on page 33, as he has just quoted the original Estimates by the Commission of Government \$3,440,000; the immediate column to the left of it shows the actual total estimates as now set forth in these Estimates, so that actually it is sixty plus twentyone, possibly \$81,000, difference.

MR. CASHIN: What page is that?

MR. SPENCER: Page 33, item 906. That includes not only the buildings, but it includes the figure that the honourable member has just quoted, of \$3,440,000, and the actual Estimates that we are now asking to have approved are \$3,521,000, or a difference of \$81,-

000. They are shown as you come down the list from one to the other you will see slight differences. For instance, in Item 4, "Alterations, etc., of existing Public Buildings and Hospitals," there is a difference of \$8,000 there; and Item 6 "Rentals" there is an additional \$7,600 there. The changes over and above the Estimates are all listed there, and that makes a total difference of \$81,000.

MR. SMALLWOOD: For example, Item 9, the Commission's estimate was \$380,000; our estimate is the same, exactly the same, except \$60,000 carried over from last year's Commission accounts which we have to pay.

MR. CASHIN: In other words, the Commission of Government went out of office and left unpaid bills of eleven and a half million dollars.

MR. SMALLWOOD: Well, every Government—

MR. CASHIN: I know. Well, that is what I am trying to tell you, and that is going to reduce your surplus, and it is going to continue reducing it.

MR. RUSSELL: On page 97, 98 and 99 there is a list of all the unpaid bills that the Commission of Government left.

MR. CASHIN: Yes, that is the one I am looking at, \$11,588,700.

MR. RUSSELL: No. See the first item there on page 99, "Accounts Payable" \$2,452,400.

MR. CASHIN: "Accounts Payable \$2,452,400. Debt Service, \$3,044,000." That is \$5,497,000, and then there is \$6,091,700; that is

\$11,588,700 that we are voting in these Estimates now.

MR. RUSSELL: \$6,000,000 is for extension of public services.

MR. CASHIN: I know, but \$6,000,000 is on capital account. The Commission of Government owed \$5,497,000.

MR. RUSSELL: Well, if you count interest on the debt.

MR. CASHIN: Yes, they never made any provision, according to your people, for the interest on the debt.

MR. SPENCER: The honourable the Leader of the Opposition asked a question, just before my deputy arrived, concerning "Approaches and Entrances," the main proportion of that has been spent for the entrances and approaches to the hospitals, keeping, and improving the entrances. I think possibly if the honourable member has visited the General Hospital, which I have no doubt he has, he has seen a very considerable improvement there in the past year, and that applies to other public buildings.

MR. HIGGINS: You have there under (3) Repairs and Maintenance of Buildings and Grounds, and then you have Approaches and Entrances, which is practically the same.

MR. SPENCER: Except that that is a special vote for a particular purpose.

Carried.

907, \$4,001,204.

MR. CASHIN: Mr. Chairman, with respect to this \$4,000,000, approximately, can the honourable

Minister—I asked a question some time ago asking him to tell me where the bulk of that money was spent. What part of the country? Or about to be spent? Some of it is probably not spent yet.

MR. SPENCER: Well, Mr. Chairman, I appreciate the necessity for explaining these amounts; it is a large expenditure. This Department over which I have the honour to preside is one of the heaviest departments of expenditure of the Government, and, like my colleagues who have preceded me, I feel that it should be made clear, and we appreciate the questions as long as they are fair and reasonable and we are here to give the explanation. Now the honourable the member for Ferryland has asked where the great part, or the bulk, of the expenditure which is referred to in 907, of \$4,001,204 is going. On page 67 we see only the salaries for that amount, which is \$336,000. On page 93 it shows in the various districts; as the honourable members will appreciate and understand, the whole of the Island has been divided into four particular districts, No. 1 being St. John's known as District of St. John's, the estimate there is \$510,000, of which—it is all listed; I do not know whether I would just weary the House with reading it, but the maintenance of the highroads in the Avalon Peninsula to Chapel Arm Bridge is \$400,000; maintenance of secondary roads \$110,000, and all the way down you find that listed, and at the foot of the page, \$1,404,400. Now if there be any specific item there that honourable members wish to question we will endeavour to get the explanation for you.

MR. CASHIN: "Improvement and Reconstruction of Roads and Bridge \$800,000," page 94. Why I bring this matter up, Mr. Chairman, is this: In the district which I have the honour to represent very little of this money has been spent; there are millions of dollars spent on the Avalon Peninsula, and we form part of the Avalon Peninsula, and two patrol men working on the road, that is about all that is being spent out there in the last twelve or fifteen years. We have a disgraceful road. Two or three years ago the Commission of Government made an effort, started in at any rate, to waste some money on the Goulds Road, and if they tried to waste it they could not have done a better job. They spent an awful lot of money pretending they were going to pave this particular part of the road, and they did a lot of preliminary work on it, and they have not done any paving yet. It would be interesting, Mr. Chairman,—I do not want to put the Minister to any trouble—to know what amount of money was thrown away, absolutely thrown out the window, on that Goulds Road, for a portion of about six or seven miles to Doyle's Bridge. Now from there upwards, in the last fourteen or fifteen years, there was not a dollar of capital expenditure spent. The result is that at the present time the place is practically impassible. I brought it up various times, and this year, when we had the poorest fishery on record, I approached the Government on many occasions asking them if they could not start some work up there which would be more constructive than what we are doing at the present time, and

we would get something for our money. At the present time you are spending money up there on relief that you are getting very little, if any, value for, whereas if we had had it started in September after the trap time was over, we would have had some construction work done. But, no, we did not do that. The result is, I suppose, we have got to wait until the new Estimates come down next year; that is for 1950-51, which would include an amount for Ferryland if they decide to think that we are still civilized in the community, because we certainly have been treated in an uncivilized manner by the Government for the past fifteen years, and I think my honourable friend, the member for St. John's West, would be prepared to back me up when I say that the money that the Commission of Government spent between here and Doyle's Bridge on the Goulds Road was thrown away and wasted, and it is one of the finest roads in the country, if I do say so, the best road-bed you have got, as good as you have got anywhere in Newfoundland. But they go out on the Topsail Road—and I think I can hear my friend the Premier in his oratorical moments during the National Convention pointing out how they spent \$60,000 a mile on the Topsail Road to accommodate a few St. John's Millionaires who live out there, in leisure, but I can assure him and the Government also, that there was nothing like \$60,000 for the whole community spent in that Ferryland District.

MR. SMALLWOOD: You have not got the millionaires.

MR. CASHIN: We have not got the millionaires. We have not got them, unfortunately, because this year the poor people have had a tough fishery. If we had a fishery I would not be in here talking to you at all about roads; if the fish had to strike in a normal way—but you are wasting money up there now and it could have been done from September onwards; you could have got real value out of it.

MR. SPENCER: I rise to a point of order, Mr. Chairman, in that particular connection. The honorable member for Ferryland charges that we are wasting money there now and getting no returns. He knows better than I do, and this House knows, and every individual in it knows, that the work that is being done in the various districts at the present time under the Relief Works Administration are being done definitely for the purpose of endeavouring to avoid the most unpleasant word "dole". Now it may be incumbent on me to make the real explanation for that; I might be incapable of doing it to the satisfaction of this honorable House, but if a hundred per cent efficiency is not being obtained, either in the district which the honorable member has the honor to represent or in any other district, at least an effort is being made, which is being much appreciated I am very happy to say in many places and by many people around the country, that an honest effort is being made to give people work rather than relief or dole; and I feel that we are accomplishing something in that regard. I am not going to attempt to make a thorough explanation regarding it;

I do not think it is necessary; but I must take exception to that statement with regard to wasting money. Now I might go back a little farther. The honorable member refers to October; he says that that money was spent in October. I venture to say that there are very few people in our Island who could have actually forecasted in October the situation with which we were faced, or prior to October anyway, the situation that the country is faced with, say, at the present time. We realize that unfortunately the fishery failed; not only in that District in particular that the honorable members refers to but in many other districts, and as one that is helping the allay what might be otherwise suffering and certainly keep the people off dole, and they are being honorably employed, even though we are not possibly obtaining one hundred per cent efficiency for the work.

MR. CASHIN: Well, now,—

MR. CHAIRMAN: The honorable member was merely stating an opinion. I cannot rule him out of order; he was stating an opinion.

MR. CASHIN: I have not said a word yet.

MR. CHAIRMAN: I said that the honorable member—I meant the honorable member for Ferryland, was stating an opinion; I could not rule him out of order.

MR. CASHIN: I was stating an opinion, and I still have that opinion, and in reply to the honorable Minister, certainly I drew it to their attention, of many members of the Government, way earlier than September, the urgency of

the unfortunate position in Ferryland District and I got no reaction, and I go further now and I state that at the present time the work that is being performed in Ferryland is political. I told the Premier this afternoon, and I am going to tell him privately later on, how it is being political. Now I do not want to discuss that.

Now "Construction of New Roads, \$1,125,000." That was spent—we have it here on page 94, Terenceville to Marystown, \$150,000; Halls Bay to Deer Lake, \$150,000; Corner Brook to Stephenville, \$325,000; Notre Dame Junction to Glenwood, ten or eleven miles, and we could not get \$20,000, let alone \$20,000, to do any in Ferryland.

MR. SMALLWOOD: It is part of the trans-Canada highway; we will get half of it back.

MR. CASHIN: You will get half of it back—

MR. SMALLWOOD: Yes.

MR. CASHIN: That is provided it is up to the specifications of the trans-Canada highway. Halls Bay to Deer Lake; is that a part of the trans-Canada highway?

MR. CASHIN: The Terrenceville to Marystown?

MR. SMALLWOOD: Yes.

MR. CASHIN: No; that is already voted on.

MR. CASHIN: It was voted on, \$150,000? One second now, we will see what the Commission of Government did vote. Roads, they voted for maintenance, \$1,100,000 and for construction of new roads, \$700,000. Now the amount in here

is a million and a quarter. The Commission of Government voted \$700,000, and we are voting an additional \$800,000.

MR. SMALLWOOD: For what?.

MR. CASHIN: For new roads, and some of it has already been spent before it was passed by the House. The point I am trying to get at, Mr. Chairman, is that there is such a thing in provincial governments, as well as other governments, as Minutes of Council.

MR. SMALLWOOD: Of course.

MR. CASHIN: Sure. But I was told you could not do it by Minute of Council.

MR. SMALLWOOD: Since we came into office we must have passed at least a thousand Minutes of Council.

MR. CASHIN: Covering expenditures?

MR. SMALLWOOD: Many of them yes. At least a thousand Orders in Council. That is what a Council is for, to pass Orders.

MR. CASHIN: I know. I know. But I was told, Mr. Chairman, that, "Oh, you cannot get any money for Ferryland, or for that, this or the other things, unless it is voted in the House," and I state there has been money spent that was not voted in the House.

MR. SMALLWOOD: Yes.

MR. CASHIN: Certainly there was. And will continue to be spent even though it is never voted in the House. And the best thing to tell people in those cases is, "No, we are not going to give it to you." That is all there is to it.

MR. SMALLWOOD: But that would not be true.

MR. CASHIN: Well, I hate to be pestering the Premier. I went to him on many occasions. I went to the Finance Minister. I talked with the Minister of Public Works in connection with this place of Ferryland, and I did not get to first base. I was told by the Premier, and I was told by others, "We cannot do anything up there until such time as the House meets and a vote is passed." Now I find it was not necessary to pass a vote; you could do it by Minute of Council. And you did it by Minute of Council to the tune of \$800,000.

MR. SPENCER: Mr. Chairman, I think it is only fair—I appreciate the honorable member's effort to point out that nothing has been done there in that particular district—but I think it is only fair that we should point out at this stage that there are many hundreds of places around the Island where exactly the same thing occurred. It is utterly impossible, I take it, for the Department, with the votes as they had them, or even with the ability or power to vote by Minute of Council, to undertake to do all the road work that was being demanded. We neither had the equipment nor the staff to undertake to do it. Plans are always made ahead of time in most cases, except where emergencies arise, and in that particular connection, with that district as well as others, plans are in hand; in fact, it is only fair to say that we even went as far as to obtain machinery this year to stretch our work farther, and many districts throughout the country will benefit if we are able to ob-

tain it in time; we have the necessary vote for it.

MR. FOGWILL: Mr. Chairman, the total amount spent on roads and bridges there under appendix 6, 7, and 8, is roughly three and a half million; about \$2,900,000 of that was spent outside of District 1, in the other three districts.

MR. SMALLWOOD: We are trying to catch up with the neglect of past governments toward that part of Newfoundland off the Avalon Peninsula. Most of our expenditure on roads from now on will be off the Avalon Peninsula.

MR. FOGWILL: Well, I wish the honorable the Premier would go to the Torbay Airport, and then from that go on the Torbay Road. There is no road there; it blew away seven years ago.

MR. SMALLWOOD: I have been in various parts of Newfoundland, and I found that the roads were not blown away because there never was one to blow away.

MR. FOGWILL: There was one there six or seven years ago; it is not there now. And there is nothing going to be done about it, not this year. There are holes big enough to sink a ship in.

MR. FAHEY: Mr. Chairman, I would like to ask the honorable Minister, on page 94, "Expenditure for new machinery, \$110,000," what type of machinery would that consist of?

MR. SPENCER: In reply to the honorable member for Harbor Main-Bell Island, that vote is to cover tractors, highroad machinery, shovels, etc., and I think a grader as well; definitely tractors and shovels were bought this

year. That is some of the machinery I referred to in replying to the honorable member for Ferryland a few moments ago. We were unable to undertake certain work, and every bit of equipment we had—in fact, we were even hiring equipment, quite a bit of it, from other people, other sources, and still have some equipment in use now that is under hire this year from other sources.

MR. FOGWILL: Mr. Chairman, we are pretty nearly at the end of this Department of Public Works. Now at the end of the totals are \$3,344,100 charged to current account, and \$4,744,000 charged to pre-Union surplus. Would the honorable the Minister give me a rough estimate of what portion of this \$4,744,000 charged to pre-Union surplus is debts incurred prior to the first of April?

MR. SPENCER: No, I am afraid I cannot exactly do that. If we had to get that question answered it might take some little time. I have already explained, and I am sure the honorable member understands how this is made up. The sum of \$4,744,000, pre-Union surplus, is largely taken from capital account on the additional work undertaken this year is largely in connection with the trans-Canada highway. The honorable the Premier has already explained that extra work has been undertaken on what is to be the trans-Canada highway, and we are fortunate in the position that we will be reimbursed to the extent of about fifty per cent for moneys spent on that job.

907 carried.

908 \$329,000.

MR. CASHIN: Now there is \$282,000, United Kingdom Government Refund. What is that? Overpayment, Gander Airport Definite? They paid us too much money, and we are giving it back to them again? Would it not be a good idea if they were told to credit it to the interest account of ours over there?

MR. FOGWILL: The honorable the Minister of Natural Resources pointed out—page 98 I think it was, with reference to a question I asked the honorable the Minister of Public Works, about the amount due by Commission of Government.

MR. RUSSELL: About the debts payable?

MR. FOGWILL: Yes.

MR. RUSSELL: The refund on overpayment on Gander was \$282,000; sundry accounts payable, that was what was spent on, public works before March 31st, \$174,000. Total \$456,000.

MR. CASHIN: There was General Hospital \$52,400; Fever Hospital \$4,000, St. John's Sanatorium \$32,800; Mental Hospital, \$33,000; Gander Hospital,—about \$700,000 altogether.

MR. FOGWILL: Well, in other words, in the Department of Public Works in accounts payable it is only roughly about \$450,000, debts due as at April 1st; the remainder of the \$4,000,000 is for work done this year.

MR. SMALLWOOD: Capital expenditure.

MR. FOGWILL: That is what I am trying to find out.

Carried.

1001, \$10,890.

MR. CHALKER: Mr. Chairman, I would like at this time to state that it is fifteen years since this House has been opened for Responsible Government. Fifteen years ago the Department of Health had a very moderate provision under the Colonial Secretary, I believe; it is now grown to one of the larger departments under the control of the Government. In fifteen years it has expanded to such an extent that we have fourteen Cottage Hospitals, a very large General Hospital, a large Sanatorium here in St. John's, with the new General Hospital and the new Sanatorium ready for completion next year. Previous to the election of this Government the Department of Health and Welfare was one. We have now separated the two Departments, the Department of Health and the Department of Public Welfare. You will note, when you run through those Estimates, the difference in the number of employees under certain headings. You will find some of these retained by Health; others have been retained by Welfare. It is the intention of this Government to continue with its control of tuberculosis, and hopes that within the next four or five years to bring it down to par with other provinces throughout Canada. It also intends to try to institute a control over cancer, as well as very many other services. We hope within the next year or so to have ample hospitalization for most of the people whom now we cannot accommodate, and you will notice in the Estimates here that

practically everything has been taken care of.

101, \$10,980. Carried

1002, \$39,228.

MR. CASHIN: There is an increase of five in the staff in the General Office.

MR. CHALKER: On page 68 you will notice there that there is an addition of two administrative officers, as this government intends to tighten up on the administrative controls in the various institutions, so that there will be the possibility of any large leakages occurring during our control. We also have an addition Grade I clerk, and one additional Grade II clerk.

1003, \$59,565. Carried.

1004, \$27,342.

MR. CASHIN: \$10,000. What is that? "Expenses, including fees payable, Registrar of Vital Statistics."

MR. CHALKER: It is usual, when a clergyman sends in to the Registrar necessary information concerning births and deaths, that he is paid so much per birth or so much per death. That is the amount outstanding to cover the fees for this period.

1005, \$4,185. Carried.

1006, \$76,563.

MR. CASHIN: The next session I suppose, Mr. Chairman, we will not have to be shooting from one to another to find out what is what.

MR. CHALKER: We may in this case, because it may be the intention of the Government to form

pools and each Department pay.

Carried.

1007, \$41,152.

MR. CASHIN: "Headquarters Medical Staff." I do not know, Mr. Chairman, that I need bring up the matter of which I have in mind to speak, but I have to go back again to Ferryland, and point out to the honourable Minister and to this House that forty years ago, or thirty-five years ago, we had three doctors in Ferryland, that is, from Trepassey, Ferryland proper, and Bay Bulls; that is, forty years ago, before the Department of Public Health was ever dreamt of in Newfoundland. Today there are two up there, but for years we have not had any.

I want to appeal to the Minister of Public Health and the Government, particularly during the winter time, concerning the absolute or otherwise, in the strategic section of that community to deal with sick people. In the past, particularly during the term of Commission of Government—and I have said it before and I say it again now—that it looked to me that they went out of their way to try and kill 'em off, because we have not had any medical assistance whatever; and in the winter time I can quite sympathize with other sections of the country where people cannot get over roads, and so on, but up there we have nothing, and even now it is somewhat confusing, because in the settlement of Ferryland itself we have an old gentleman, who is about seventy-six or seventy-seven years of age; he is getting, I understand, a stipend from the Government of \$2,600 or \$2,700 a year. I believe he should be replaced by a young-

er man; he cannot get around, particularly in winter time, and do his job.

Now in recent weeks, I understand, or during the last two months, another young Irish doctor is gone to Renew's; and I repeat again that there is a very poor chance of his making a living in that community, because our fishery is unusually bad this year. He is doing the best he can, and he gets a certain amount of help or subsidy for something which they call clinical work from the Government.

Now I want to point this out to the honourable Minister and the Government so that later if we have any unfortunate people who get sick, and we do get sick once in a while up there, that we are going to have proper care taken of them, and not be thrown to the dogs like they were during the period of Commission of Government, without any medical assistance whatever. And then some of the doctors that were sent there soaked them. I think it was during the course of the Convention that it was revealed—I believe the Premier at that time was identified with the Public Health report, probably wrote the most of it or had a good deal to do with it—it was revealed that medical men in this country were averaging at the rate of ten thousand dollars a year all over Newfoundland. I know that some of them made forty or fifty thousand dollars here in St. John's but there were people who were practising in the outports, subsidized by the Government to go to poor patients, and I know, Mr. Chairman, of instances where doctors refused to go to patients, and that is a very, very serious of-

fence, for any medical practitioner to refuse to go to a patient. I know the case of a young fellow about two years who was stricken one Sunday evening with an acute case of appendicitis; a certain doctor in the city was called up. "No, I cannot attend to you." He was fortunate later on to be able to get another doctor. Now under that doctors oath—and while we have not got any medical doctors in here, under his oath he is supposed to go; he cannot refuse to go. When he becomes a medical practitioner, he is sworn in, and if he is called to a sick bed, whether he gets paid or whether he does not get paid, he is supposed to go to that sick person, or otherwise he violates his solemn oath which he took the day he received his doctor's degree from whatever university he graduated. As a matter of fact, I am certain that is so, but regrettably, right here in this city, they are doing it day after day and night after night.

Coming back to Ferryland again, I want to ask the Minister to see—no party politics in this for me; this is humanity, and we are somewhat human—that he try and do his utmost to see that we get proper medical attention there, and I understand from a statement that he gave the other day that later on a hospital is going to be erected in some section of that district; as a matter of fact, before my honourable friend the Minister of Public Health took over that office, the Minister of Finance who is now came with me to Renew's and told the people of Renew's and announced in this House that there would be a cottage hospital built at Renew's.

MR. SMALLWOOD: No. In Ferryland District.

MR. CASHIN: No. You were not there the day he made this statement.

MR. QUINTON: I would remind the honourable member for Ferryland that the statement was tied in with examination of engineers.

MR. CASHIN: Yes, to be sent to the place to select a site in Ferryland—in Renew's. That was the statement. But I do know that efforts are being made to stick it somewhere else, and it is the strategic point in the District where it should go, and I am not taking second place to anyone as to knowing my own district. I know a good deal about it, and in closing I again appeal to the honourable the Minister to do something about the medical situation there, particularly through the winter months.

MR. CHALKER: In answer to the honourable member for Ferryland, I can assure him that we have Ferryland district under consideration; it has been for a considerable length of time. You asked me, honorable Sir, a question in the House the other day about where we were going to place the Cottage Hospitals. I said one would be placed in Ferryland district; I did not designate any specific place, and as far as I am aware personally there is no specific place allocated as yet.

MR. CASHIN: Is the money—excuse me, we may not be over to that yet—but I might not be out of order, Mr. Chairman, in asking the honourable minister if the necessary provisions have been made in the Estimates we are now dis-

cussing for the erection of these Cottage Hospitals.

MR. CHALKER: A token amount, Mr. Chairman; we could not spend it this year, as the Estimates go to the 31st of March and we can include it in our Estimates for next year.

Carried.

1008, \$181,431.

MR. CASHIN: "Nursing Services." What nurses now does that cover? Salaries, \$145,000. What does that cover?

MR. CHALKER: Appendix I, and Department now it is that and Departmental Nurses.

MR. CASHIN: Now these nurses, I take it, are stationed all over the country. We have not even got one of these nurses in Ferryland.

Carried.

1009, \$135,416. Carried.

1010, \$22,453. Carried.

1011, \$13,409. Carried.

1012, \$61,885. Carried.

MR. CASHIN: "Central Laundry." Is that a building to itself somewhere?

MR. CHALKER: It is a building to itself situate in the grounds of the Mental Hospital.

MR. CASHIN: And 49 people working there.

MR. CHALKER: That is right.

Carried.

1013, \$25,826.

MR. CASHIN: This drug store, where is that located?

MR. CASHIN: Down by the General Hospital, in one of those

buildings constructed by the Canadian forces during the War.

MR. CASHIN: You have twelve people working there.

MR. CHALKER: They look after all the drugs that are sent out to the various Cottage Hospitals, as well as the Hospitals here in the city.

Carried.

1014, \$12,018.

MR. CASHIN: "Central Stores." What is that?

MR. CHALKER: That is where we distribute all the necessary articles required by Cottage Hospital and institutions throughout the country.

Carried.

1015, \$500.00

MR. CASHIN: What is that, "Unallocated Equipment and Supplies? It is very small, only \$500.00.

Carried.

1016, \$14,445.

MR. CASHIN: What is this?

MR. CHALKER: Artificial Limb Department.

Carried.

1017, \$536,592.

MR. CASHIN: Now I was speaking on that matter a little while ago. This where the doctors, I take it, that are blanketed around the country in various places, the vote they get paid from. Now what do they pay an individual doctor? What is the salary? What subsidy does he get, in other words?

MR. CHALKER: The lowest is six and the highest twenty-four hundred.

MR. CASHIN: A year? And he is allowed to collect fees as well?

MR. CHALKER: That is correct, yes. A proportion of fees.

MR. CASHIN: Well now I wish you would carry that job into effect, because some of them will not go to people who cannot pay their fees. And I know what I am talking about. We have it in Ferryland. It is going on there day in and day out, and the people have been very quiet; they have not kicked up a rumpus about it. So I am generally the goat anyhow, and I am telling you now that that is what is happening.

MR. CHALKER: I may tell the honourable member that we are making investigation in regard to it.

MR. CASHIN: I would not pull any punches with these fellows. I would give them the works.

MR. FOGWILL: That Section "Nutrition in Schools" \$150,000. Are all schools allotted some of this, or only a certain type of school, or is it confined to areas, or how is it distributed?

MR. CHALKER: That is all schools throughout the Island that ask for it. They have to make application for it.

Carried.

1018, \$29,748. Carried.

1019, \$91,089.

MR. CASHIN: 1019, "Public Health Laboratory." That is down here in—

MR. SMALLWOOD: In Maggoty Cove.

MR. CASHIN: Down in Maggoty Cove, is it? I hope it is not maggoty.

Carried.

1020, \$952,378.

MR. CASHIN: Now that is the General Hospital. Let me have a look at this for a moment. "Provisions", I see 'Pre-Union Surplus, \$20,000.'" What are you going to call it next year?

MR. SMALLWOOD: Well if it is in reference to the year 1948-49, it would still be charged against Pre-Union Surplus, but if it is with regard to this year, it would have to be taken care of by something else, earmarked for deficit, or something like that.

MR. CASHIN: You are going to have a deficit, no question about that.

MR. SMALLWOOD: Yes.

MR. CASHIN: "Household and Cleaning Supplies." "Clothing for the General Hospital. That is, I take it for the maids, etc. "Furnishings and Equipment," there is \$10,000 there which the Commission went off and did not pay. That is \$52,900.

Carried.

1021, \$53,411. Carried.

1022, \$659,235.

MR. CASHIN: Mr. Chairman, I was about to ask, when we do this Department of Health, we will be adjourning, or do you figure on going on longer. I do not think you have had much interruption to-day.

MR. SMALLWOOD: Mr. Chairman, have Welfare, Liquor Control, Department of Supply, Fisheries and Co-operatives, Economic De-

velopment, and the Department of Labour. The quicker we get through the Estimates, the more time we are going to have to debate the Budget; after all, this is a "must" more or less, these Estimates, the expenditure side. It is always privilege of the committee and subsequently of the House, to suggest changes, to seek information, but ninety-nine per cent of it is expenditure that cannot very well be avoided this year; in next year's Estimates there may be quite a different picture in some respects; but the Budget is the interesting debate. Now to leave as much time as possible for the Budget and certain legislation which we still have, and at the same time do all that, and get adjournment, get prorogued until we meet again in the new session in February—it is only going to be a month and a half or so before we are back here again, and we do want some time as a Government to get ready for that session; we have entirely new Estimates to bring in, and that is quite a job. We ought to get prorogued as quickly as possible. So I suggest that the House meet to-morrow afternoon, not the evening, just the afternoon, Saturday; it is not the time of year when members wish to go out of town, and we could get through quite a bit of work; we might even finish the Estimates to-morrow afternoon. That would leave Monday clear for the debate on the Budget, and with that thought in mind, it being now ten o'clock, and I daresay members being a bit weary, we might only conclude the Department of Health. There is not much more is there?

MR. CASHIN: There are a couple of pages.

MR. SMALLWOOD: All right. Supposing we conclude, with the Department of Health, and then these gentlemen who are here need not come back, and we will have a clear field for the other Departments.

MR. CASHIN: Personally, tomorrow afternoon would not suit me, but I am only one member of the House; there are things I have to do. But I feel that Monday afternoon should clean up the Estimates altogether.

MR. SMALLWOOD: But we have to have the debate on the Budget.

MR. CASHIN: The Budget will not take long; there are only four or five or six speeches to be made. To make a proper speech on that Budget—

MR. SMALLWOOD: Some members on this side might like to debate the Budget.

MR. CASHIN: Well, you know what is going to happen over on that side. I am only saying what will probably happen over here, in this part of it. In order to make an intelligent speech on that Budget it would take, in my opinion, a week to prepare, and I have an idea, I think as much as anyone in here, about the Budget, and personally I can vouch for myself that I am not going to look for a week to prepare a speech on that Budget. Whatever speech I might make on it is going to be extemporaneous; I have not got time to write it, and I feel we can get through the Estimates on Monday afternoon, and we could go on with the debate on the Budget Monday night.

MR. SMALLWOOD: Well, if we take to-morrow, and finish the Estimates, then on Monday proceed with legislation and go on Tuesday maybe or Monday night with the Budget. I may say again that like the honourable and gallant member for Ferryland is, I am only one man, but I have some pretty urgent, and from a public standpoint very important appointments that take me out of the province, and I would like to see the prorogation in person, instead of reading it, and then my honourable and gallant friends from Ferryland might move a lack of confidence in the Government—

MR. CASHIN: I would not take advantage of that.

MR. SMALLWOOD: Not only that, but I would like to be here to keep a sharp eye on my honourable and gallant friend. You never know what he is going to say or do—

MR. CASHIN: I don't know myself.

MR. SMALLWOOD: That is perfectly true, and I would like to be here as his guardian angel, to keep him out of trouble, and have him keep me out of trouble, and so I would like to be here for the prorogation.

MR. CASHIN: I think it takes the whole outfit to keep us both out of trouble.

MR. CASHIN. All right. Let us open then to-morrow afternoon, and I will try to be here.

Carried.

1023, \$ 3,110. Carried.

1024, \$844,169. Carried.

1025, \$ 97,176. Carried.

1026, \$ 77,450. Carried.
 1027, \$ 45,451. Carried.
 1028, \$287,383. Carried.
 1029, \$581,400. Carried.
 1030, \$588,000. Carried.

Committee rose, reported progress, and asked leave to sit again on to-morrow.

On motion of the Premier the remaining Orders of the Day were deferred.

House adjourned accordingly.

Saturday, December 3, 1949.

The House opened at three of the clock.

Presenting Petitions:

None.

Reports of Standing and Select Committees:

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, I have a report from the Select Committee on the War Memorial Library at Bonavista.

"Mr. Speaker, the Select Committee appointed to consider the Petition of certain residents of Bonavista relative to the site for a War Memorial Library at Bonavista, begs to report as follows:

1. That the Rules of the House with respect to private Bills have been complied with.
2. Your Committee recommends that the prayer of this Petition be granted and that a Bill be introduced to give effect thereto.
3. That this Bill be put through without any cost to the Petitioners.

Dated at St. John's, this 3rd

day of December, 1949.

(Sgd.) JOHN G. HIGGINS,
 LESLIE R. CURTIS,
 E. RUSSELL'

The third member of the committee is not here this afternoon, Mr. Speaker, but I am authorized by him to say that he concurs in the report. I move that this report be received, and that the proposed Bill be read a first time.

Report received and adopted.

Bill "An Act to Vest Certain Land at Bonavista in the Bonavista Regional Library Board" was read a first time and ordered to be read a second time on to-morrow.

Notice of Motion:

HON. J. R. SMALLWOOD (Prime Minister): I move that on and after Monday, December 5th, until the end of the present session, the House shall meet at eleven o'clock in the morning of each day, except Sunday; that in addition to the usual intermission at six o'clock p.m. there shall also be an intermission every day from one to three o'clock.

MR. FOGWILL: Mr. Speaker, an amendment to the Rules of the House, I think, would be much better, if the House would consider the fact as we proceed, and I think it is the business before the House by the end of next week. I think we could adjourn and meet as we go along, in accordance with what business is on the Order Paper. If it is necessary to meet in the morning, we could decide that the evening before, and so on, but to make a rule, or make any attempt, I would say to change a rule—I think it is unnecessary at this mo-

ment; I think everybody is in accord with the fact that we are going to conclude the business as quickly as possible. I do not see the necessity at all of the motion. We can do it at the end of each meeting, and meet again at the next sitting at whatever time the House desires.

MR. SMALLWOOD: That would be quite satisfactory. The only thing we are trying is to avoid the necessity of suspending the Rules. The usual practice is in the last stages of a session to suspend the Rules and gallop through Bills in all stages in one day, and that sort of thing, and by meeting in the forenoon we might be able to avoid suspending the Rules. The hope is that we could prorogue on Wednesday afternoon. Now that would give us, besides to-day, not to-night, but give us a sitting this afternoon, a sitting Monday morning, Monday afternoon, Monday night, Tuesday morning, Tuesday afternoon, Tuesday night, Wednesday morning, Wednesday afternoon—nine sittings, which ought to be pretty apt to enable us to get through for prorogation by Wednesday afternoon.

MR. FOGWILL: Mr. Speaker, the honourable the Premier may make us believe that we can complete the work by Wednesday, but it does not seem possible to me, according to the Order Paper. We have the Act Respecting Trade Unions, if the intention is to have this Act passed; and there is the District Court Act, and the Act Respecting the Regulation of Public Utilities. Both these are pretty long Bills. I cannot see how we can do it. We have got the Estimates to finish, and then we have Ways and Means. I feel it is the

desire of the members on this side of the House to finish as quickly as possible, but nevertheless I cannot see how you can do it by Wednesday.

MR. SMALLWOOD: Mr. Speaker, I suppose it could be taken as Notice of Motion, to be put on Monday, and we would miss Monday morning's session.

MR. HIGGINS: We would like to expedite things as much as possible; I think the other is just as convenient; that when we adjourn to-day we could decide to meet on Monday at eleven, and if after Monday we find the time is not sufficient we can decide to meet at then the next morning instead of eleven. We could do that.

MR. SMALLWOOD: With the consent of the House, Mr. Speaker, I would withdraw my Notice of Motion.

MR. SPEAKER: Under standing orders the House shall meet Monday, Tuesday, and so on, at three in the afternoon.

MR. CASHIN: What about Saturday?

MR. SPEAKER: No; that has to be by special motion. The Opposition are asking really that the Premier withdraw his motion, and that we do it day by day as we did yesterday. The honourable the Premier has asked leave to withdraw his motion. Does the House give leave to the honourable member to withdraw his motion?

Carried.

MR. CURTIS: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill "An Act to Amend the St. John's

Municipal Act, 1921." I further give notice, Mr. Speaker, on behalf of the honourable the Minister of Natural Resources that I will on tomorrow ask leave to introduce a Bill "An Act Further to Amend the Crown Lands Act, 1930." I might say for the benefit of the House that these are very short Bills, and they can easily be explained to the honourable members; they do not present any issues at all.

MR. SPEAKER: Honourable the Minister of Finance to move this House into committee of the whole to consider Ways and Means.

On motion this Order was deferred.

MR. SPEAKER: Honourable the Minister of Education asks leave to introduce a Bill "An Act Respecting Teachers' Pensions." Does the House give leave to the honourable Minister to introduce this Bill?

Leave granted. Bill read a first time. To be read a second time on tomorrow.

Honourable the Attorney General to ask leave to introduce a Bill "An Act to Provide for the Satisfaction or Enforcement of Judgments and Orders of the Central District Court."

Leave granted. Bill read a first time. To be read a second time on tomorrow.

The Orders of the Day:

Committee of the whole on Supply.

1101, \$9,879. Carried.

1102, \$13,451. Carried.

1103, \$22,806. Carried.

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Chairman, may I mention the fact that under 1103, "Accounting Office" there is a fresh number of thirteen clerks and officers appointed there, as against zero in the preceding year. Reference should be made to a corresponding item in the Department of Health, namely 1103, page 68, where there are seventeen persons appointed now as against twenty-seven persons last year, when the Departments were combined, so that the picture now is, last year 27, this year 17 and 13, for the two Departments.

MR. FOGWILL: Mr. Chairman, while we are on the question of the increase of employees, in the total vote I notice the increase of employees, in the total vote I notice the increase in the number of employees totals 56.

Carried.

1104, \$8,370. Carried.

1105, \$8,130.

MR. CASHIN: "Proportions of total salaries, Joint Service." Are you working on joint account with the Public Health Department? Is that the idea?

MR. POTTLE: The Ambulance and Transport Service is a joint service of the two Departments of Public Health and Public Welfare, carried on under the auspices of Health.

MR. CASHIN: You contribute to the cost? Your Department is charged with a tenth of the cost?

MR. POTTLE: That is so.

MR. CASHIN: In other words, if we went back to Public Health we would find it \$42,300, and now

your Department has \$4,230. In the Department of Public Health it is \$38,063, and here it is \$4,200.

Carried.

1106, \$5,205.

DR. POTTLE: Mr. Chairman, the Estimates for the Department of Public Welfare envisaged the beginning of a Regional Welfare Service, which will in the course of time supplant the present Relieving Officer system; for a while then we shall have to have two systems operating side by side until the first is dissolved. The system anticipates that there will be, at large, instead of the present Relieving Officer system, various Regional Welfare services, which, situated in the populous areas of the country, and spreading exhaustively over the whole country, will be over the province; they will be cross-section or small-scale copies, if you will, of the Department of Public Welfare; in other words, they will do, in their own respective centres, what we are doing in the Department at large, in the main; they will be public welfare units out there who will be covering the whole field of service represented by the Department of Public Welfare, and this is a beginning. For instance, you will find that the number of relieving officers under 1109, if I may anticipate, has been reduced by three, and we have provided for beginning of the substituted regional welfare service in the item now under consideration, namely 1106.

MR. FOGWILL: Mr. Chairman, I would like to ask a question there about 1106 and 1107. Over on page 82, 1106 and 1107, it sets out the wages; I notice that there is

no cost of living bonus set out in the outside column. Do I take it that the cost of living bonus is included in those salaries, or are due salaries just for a period of this year?

DR. POTTLE: I ask that that question be repeated, Mr. Chairman?

MR. FOGWILL: On page 82, 1106 and 1107—we have not come to 1107 yet—but in both those cases—you will notice that in all the other cases here under Appendix I, Salaries, that the cost of living bonus is set out and has been increased right through, but in this case there is no cost of living bonus set out at all. Is the cost of living bonus included in the salaries here?

DR. POTTLE: A good many of these people will be taken from former Department of Public Health and Welfare, but we did not know who they would be, so we set this cost of living bonus down here as if they were all entirely new staff.

Carried.

DR. POTTLE: *The present staff of Public Health and Welfare, formerly Health and Welfare, will be divided as far as they will go, between the two Departments and the exact division has not yet been made.*

1107. \$106,290.

DR. POTTLE: Mr. Chairman, that is a vote which is an estimate, indeed. The Dependents' Allowance Act which came before the House as a Bill some weeks ago provides a monthly allowance for various classes of dependent adults and their families. In the main, widows without children, cripples

and other types of chornically unemployable persons. Now the scale has not been set out yet by the Government; we do not know what the scale will be, but provision is made here for, say three months' operation of the Act.

Carried.

DR. POTTLE: Mr. Chairman, before we pass 1107, it occurs to me to propose a textual amendment to 1107, which will not be substantial.

Motion to revert to 1107 carried.

DR. POTTLE: The amendment I move concerns 1107 and 1110; we will come to 1110 in a moment. The title should be "Mothers and Dependents' Allowances" in the bold-faced title there, the reason being that when the Estimates were first set up, we thought that Mothers' Allowances might come under the Old Age Pensions Board, and you will find it now in your present draft under 1110, but the possibility is that the Mothers' Allowances Act and Dependents' Allowances Act will be administered by one and the same Chairman, at least; possibly different personnel on the Boards. The title should be "Mothers' and Dependents' Allowances Board"; it does not matter where it goes, whether in the first line or the second line, with no salary attached. "Chairman Mothers' Allowances Board." There will be no extra salary, because the one person will administer both. On page 82 you have title "Mothers' and Dependents Allowances," then "Chairman Mothers' Allowances Board," in brackets the salary, \$3100-100-3400; that is the first line. Second line, "Chairman' without any "1", "Chairman Dependents' Allowances Board," no

salary. We have to put the title in the Estimates, Mr. Chairman, because there is a statutory provision for it.

Amendment carried.

1108, \$4,474.

MR. CASHIN: "Child Welfare and Juvenile Court." I take it that people who are appointed to these positions have got to have certain qualifications in order to suit. Director Child Welfare and Judge of the Juvenile Court, what qualifications are essential to become Director of Child Welfare and Judge of the Juvenile Court?

DR. POTTLE: This is not a new post. It has been there since 1944. In filling the post on two different occasions the qualifications that have been taken into consideration are mainly experience in child guidance, such as in teaching school and social work to take a post of this kind. We do the best we can under the circumstances.

Carried.

1109, \$3,166,070.

MR. CASHIN: The surplus is getting it again. There is \$750,000 owed by the Commission of Government when it went out of office, which makes the total vote this year \$3,000,000. It would have been interesting--it is too late now--to find out the total amount spent on Indigents for the previous year. We will not know for a year and a half to come how much the difference will be.

MR. SMALLWOOD: What previous year?

MR. CASHIN: The previous year, 1947-48. I know we cannot have it now--to show, for instance, how much we paid indigents in the

current year 1947-48, because we must have spent a nice pile of money, because there is \$750,000 they did not pay and handed it over to '49-50.

MR. SMALLWOOD: That \$750,000 is for the fiscal year which ended March 31st past.

MR. CASHIN: Yes, but you have it this year, because they went out of business and did not pay their bills. But the previous year how much was spent the previous year? This is '48-49. What was it '47-48?

DR. POTTLE: In 1946-47 the provision under this sub-head was \$700,000; in 1947-48 the provision was \$1,700,000.

MR. CASHIN: What was the amount expended? The provision might be that, but how much was spent?

DR. POTTLE: \$1,500,000.

MR. CASHIN: A million and a half dollars?

DR. POTTLE: And in 1948-49 the estimates was \$1,250,000, and it actually came to \$2,150,000. For the last year the actual expenditure was \$2,150,000. We had to have an overdraft for last year of three-quarters of a million dollars.

MR. CASHIN: Well that brings out my point, that every year there are always unpaid bills that have to be charged to the account of the Treasury, and if at the rate of going, that has been going on for the last two or three years, and expended \$2,250,000, you will have to bring in Supplementary Supply and charge to pre-Union Surplus next year another half a

million or a quarter of a million dollars.

DR. POTTLE: Those who have been receiving relief under this head will now receive assistance, beginning with the new year, under our legislation which we have recently referred to, namely, Mothers' Allowances and Dependents' Allowances. The commitments carried over for next year will be reduced.

MR. CASHIN: Well now, that is very interesting; consequently the amount should be down.

MR. HORWOOD: Mr. Chairman, in reference to the point raised by the honorable member for Ferryland, does it mean that every year from now on whatever unpaid bill are outstanding will be charged against the pre-Union Surplus? Now I want to know if that is correct?

MR. SMALLWOOD: Obviously not. The figures adduced by my honorable and gallant friend, the Minister of Finance, with regard to the Surplus are first, for the date immediately preceding Union, March 31st, 1949; second, for the date on which Newfoundland celebrated the first Anniversary of Confederation, namely—and I say advisedly “celebrate” — namely, March 31st, 1950. Two amounts. At the end of the financial year there will be an amount of surplus getting smaller each year as we draw upon it. The accounts under new legislation enacted here last week are to be kept open for one month after the conclusion of the financial year; the financial year concludes March 31st. It will be April 30th before the books are closed for that year preced-

ing. It is extremely likely, therefore, that bills incurred in any given fiscal year will be included in the accounts of that year by means of this improvement which we have made here recently in the House by way of extending for one month after the close of the year the period during which we may enter expenditures of that year and pay in that month in the accounts of that year. So that we will in fact if any expenditures occur in any year which will not be entered in the accounts of that year, due to the fact, as I say, that we have extended the accounting of the year by an additional month.

MR. CASHIN: Well I take it that before the Commission of Government went out of office that they did not extend the time. They went out of office March 31st, and there was no time extended, and the bills were not in, or they did not see fit to pay them, and they liked to show a surplus at the end of their time, March 31st, 1949, and they did show a surplus, whereas in actuality, if these bills that you have to pay now, this year, and have to come out of surplus, had been changed up in 1949, the Commission of Government would have had a deficit.

HON. H. W. QUINTON (Minister of Finance): There is also the point that some relief accounts have not been submitted until perhaps two months after.

MR. CASHIN: Well then you are going to have the same thing as this, now.

MR. QUINTON: Well, as the honorable the Premier has said,

we have extended the period a month.

MR. CASHIN: This number 3 this is a donation, I take it, to the Blind School, "Education, etc., Blind, Deaf and Dumb," \$51,000.

DR. POTTLE: At the present time there are sixty-five pupils there. They are trained at the institutions at Halifax, and Montreal.

MR. CHAIRMAN: I would like to again remind honorable members that the Chair does not feel bound to recognize members who do not rise and properly address the Chair. Furthermore, if a member wishes to interject, he merely has to say, "Mr. Chairman," he does not have to say "Hold on a minute" or "Wait a minute," or make any remarks of that nature. He will rise and say "Mr. Chairman;" the Chair will immediately recognize him. And this is the second time I have made this ruling in committee.

MR. CASHIN: Does that mean that we have to rise each time and say "Mr. Chairman." It is quite all right if that is the rule of the House.

MR. CHAIRMAN: That is the rule. It is not aimed at any particular member.

MR. CASHIN: I know you refer to me; I am not a dumbbell altogether. I might not be a school teacher or anything like that, but I am not a dumb-bell.

MR. CHAIRMAN: Are you appealing this ruling ?

MR. CASHIN: No, I am not appealing any ruling. I am just pointing out—I am sorry I did not stand

up, and I am standing up now, I merely want to ask the question again. I repeat it—in 1109, the one that I kind of casually asked across the floor of this House, is this \$50,000 or \$51,000 an amount voted for the Blind School, and the honourable Minister tells me, no, it is a donation for the training of some children in Halifax, and Montreal. That is what I wanted to know, and if I am not supposed to ask that, well, then, what am I supposed to be in here at all for. I was doing it in a casual way, and I think the Government—as far as I am concerned, on this side of the House, had any obstruction; none whatever; I express my own policy; I am my own boss in that respect. I have not obstructed this House since it has opened, at any time.

MR. CHAIRMAN: There is no question of obstruction at issue.

MR. CASHIN: The Minister was answering me capably and gentlemanly and I am entitled to ask the question.

MR. CHAIRMAN: There is no question of obstruction.

MR. CASHIN: So from now on we will stick to the rules.

DR. POTTLE: May I just extend the answer with regard to the item, Education of Blind, Deaf Mute children. The cost comes up to about \$1000 per child per year and when we take on to educate a child, we usually extend the period of training until the child becomes as near independent as possible. This is the Government's contribution; a voluntary society here, one of the service clubs, the Kinsmen's service club, looks after the education of four other children, I be-

lieve, but this is the Government's contribution.

Subhead 1110, \$2,795,455.

MR. CASHIN: In accordance with the rules of the House, laid down by the Chairman, I would like to ask the Minister now, how many old age pensioners we have under this Act in Newfoundland, how much the Government is putting up, or the Federal Government are putting up, approximately a million and three quarter million dollars, and the balance comes from our treasury. I know that there is a revenue showing in the Public Welfare Department to cover that amount. I quite understand that.

It would be quite unnecessary, therefore, to tell me that so much of this comes from Canada and so much from the other, but I want to know how many old age pensioners are being paid at the present time, and what are the potential number that are going to be paid in the very near future, because there will be more, undoubtedly, as time goes on; and at this juncture I want to express a personal word of thanks to the Deputy Minister of that Department—he is here this afternoon—for the courtesy he has extended to me at all times in matters relating to old people who were seeking this pension, and I take this opportunity of doing it publicly. I have had no trouble whatsoever, but now I want to know the total number of old age pensioners; at the present time, and what is the anticipated number in the very near future, both men and women?

DR. POTTLE: Mr. Chairman, first of all I should like to express

my thanks to the honourable member for his word of appreciation of the services of the Deputy Minister. I speak on his behalf and express that appreciation. Now, we expected that upwards probably of ten thousand people would apply for the old age and blind pensions, and on the basis of returns, including everybody, that is, the people who would normally become seventy now since we took over administering these pensions — upwards of ten thousand, probably ten thousand five hundred people — nine thousand of these will be in payment by the end of next week.

MR. CASHIN: Could you say how many men and how many women?

DR. POTTLE: There is that statistical proportion which applies to practically all the provinces, but I cannot say that I can—I can expect that there are possibly 55 to 45 women to men.

MR. FOGWILL: Mr. Chairman, the number ten thousand, the estimator number, would be applied to the Old Age Pensions—is that the estimated number of the total number of people over seventy, or just your explanation of the number who would apply?

DR. POTTLE: I expect we have received applications from practically everybody who would be eligible up to the present time. There is that given percentage—I am not sure what the percentage is, I believe it is about 4.7 of the population over seventy, who would be over seventy years of age, 4.7 of the population.

MR. FOGWILL: What population?

DR. POTTLE: Of any country.

MR. FOGWILL: I understand from figures that were produced before, that the estimated number of people over seventy in Newfoundland is 12,000. I mean, your estimation of the total, ten thousand would be eligible, but perhaps two thousand would not be eligible, because of income.

MR. CASHIN: Mr. Chairman, before a person is granted the old age pension, a man or woman, enquiries are made as to their financial or other standing, and an investigation is held in each case; in other words, they go through what is known as the means test. There was some talk at one time of that means test being wiped out, and before the person gets the old age pension, he or she, he has got to sign a certain form which in a way providing his property is worth \$2000 or something like that, is a kind of mortgage to the Government. I think that is correct, is it not, Mr. Chairman?

MR. CHAIRMAN: The other province operate under Federal statute. Our statute merely enables us to carry out an agreement with the Dominion Government and we operate according to the principles of that legislation. The Federal Government is, I understand, empowered to attach property, but the value of property attached, is proportionate to the value of the pensions, is negligible.

MR. FAHEY: Mr. Chairman, under Mothers' Allowances, \$250,000, can the honourable Minister tell us of how many mothers are receiving allowances under that heading?

DR. POTTLE: This Act has not yet been put in force. The scale of

allowances will be drawn for the consideration by Government within the next few days. It will probably come into operation in January. At the present time the people who qualify under this, a good many of them, are now receiving Widows' Allowances at a much reduced rate, as you very well know.

MR. FOGWILL: Mr. Chairman, is this a fact, that under the Dominion Pensions Act that when a person applies for a pension under the Act, which is paid by the Provincial Departments, that if they have property valued over \$2000, that by the Act the Provincial Government is required to take a lien on the property and if it is under \$2000 they may do so if they think it is just and right that they should do it. Is that so? I may have been misinformed.

DR. POTTLE: Mr. Chairman, I think the position is that they are not obliged, the province is not obliged to ;it may, and that is the position that I have discussed with regard to the Old Age Pensions, Mr. Chairman.

MR. FOGWILL: Mr. Chairman, I understand that the Provincial Government may take a lien if they should wish, but they are not required by the Dominion Act to take a lien; that is the correct interpretation of it, as I understand it correctly from the Minister?

DR. POTTLE: I have not a copy of the Federal Statute here Sir, I could enlighten the honourable member. It is not necessary for these estimates here, to ask this information. It does not interfere with the estimates. I should be glad to enlighten the honourable member at another time.

MR. FOGWILL: Mr. Chairman, it is on a point of information, because several people have asked me personally of the conditions whereby they were eligible and could apply for old age pensions. I am not in a position to tell them a correct answer, you see, and I should like to have it answered as a matter of information, not for a matter of involving the honourable Minister or anything like that.

DR. POTTLE: We shall have to have a copy of the Federal Statute and the regulations, which I have not with me now, Sir. I shall be glad to answer the honourable member, Mr. Chairman, when we have them.

MR. SMALLWOOD: Mr. Chairman, I would like to add a word there. It is a most important matter. I am informed by the Governments of Nova Scotia, New Brunswick and Prince Edward Island, that in the year during which they have paid the old age pension by agreement with the Federal Government, beginning, I think in 1927, they have in fact recovered from estates of old age pensioners the old age pension paid in a number of cases, amount in no instance, in the case of no province, to more than one half of 1% of the total amount paid since the old age pension began, and even that proportionation is made up almost entirely of cases of persons with rather sizeable estates; left behind sizeable estates by way of fixed property but no money, no cash, and that they receive the old age pension, and on their death, rather than have some relative who could have contributed to the support of the old people step in and seize or become owners of very valuable

property, the Government then exercises its lien and only then, and only in such cases.

MR. FOGWILL: Mr. Chairman, whether that happens in Nova Scotia, New Brunswick, or anywhere else, because—to come off the point for a moment—I noticed in a press item this morning, in the Province of New Brunswick, where there was a war-veteran of the first war, the First World War, and they gave him 16 days because he owed \$36 to the county council, and this gentleman also had two sons in the last world war, one was killed and one seriously injured. So that conveys nothing at all to me. I was just asking the question just for the purpose of getting information on this question of pensions to old people.

MR. SMALLWOOD: I notice, Mr. Chairman, a disposition on the part of my honorable friend to be rather peevish when the information he seeks is given but not given in exactly the way that he would like it to be given and in the degree that would please him. He must understand that when he asks a question in this House it is the privilege of those giving the information to couch it in their language and to give exactly the degree of information it pleases them to give. Now, it may not convey a thing to him, what is done in these three neighboring maritime provinces, but I can assure him that liberalism in Newfoundland is no less liberal than it is in the near-by maritime provinces, and that in this Government, mind, liberalism is Government; there would be no greater proportion, to say the least, of homes or estates recoverable from old age pensioners on their deaths.

MR. FOGWILL: Mr. Chairman, all this has come now from a simple question. This one of whether old age pensions is distributed under a Dominion Act and on a question of information which I directed through the Chairman to the honorable Minister I was more or less informed that I could get that information on any question under these estimates the Minister in question should have the information at his hand, whether it was a Dominion Act, Newfoundland Act, or no matter what it is, he should have had it there. If we come down to a technical point and we want to have all the information for members on this side of the House you people over there should have it and give it to us.

Subhead 1110 passed.

Subhead 1111, \$92,358.

MR. CASHIN: Mr. Chairman, this is the home down by the General Hospital is it not?

DR. POTTLE Institution for Infirm on Sudbury St.

MR. CASHIN: Formally called the Poor Asylum, now you call it the Home for the Aged and Infirm.

Carried.

Subhead 1112, \$21,506.

MR. CASHIN: Where is this Infants' Home?

DR. POTTLE: This Infants' Home, Mr. Chairman, is an institution on the Waterford Bridge Road. It accommodates 37 babies from two months to two years of age who are mainly the children of unmarried parents, or other ex-

tremely dependent people.

Carried.

1113, \$47,425.

MR. CASHIN: Where is this place? And the Girls' Home, 1114?

DR. POTTLE: I am speaking, directly regarding 1113, but the same would apply to 1114 in principle. These institutions are training schools set up under the Welfare of Children Act, 1944 and amendments. The Boys' Home and Training School was established in 1944, shortly after the Act was passed. It was formerly situated at Whitbourne in the quarters of the Rangers; it was destroyed by fire in 1945; we have since had accommodation for about 65 in number at Bell Island, but we have moved about fifteen of the older boys back to the original estate at Whitbourne, by the lakeside there. These are boys who are generally dependent, or they may be called delinquent or neglected who are committed by the Court to the Director of Child Welfare, and he, in his discretion, places the children either in a foster home, a substitute home, or they may remain in the training school. The same applies to the Girls' Home and Training School, which is situated on the Portugal Cove Road, an institution which we took over from the Department of Public Health, a very small place, with accommodation for sixteen girls, a home of the same broad character as that of the boys, but with a correspondingly small staff.

Carried.

1114, \$12,681. Carried.

1115, \$49,500. Carried.

1116, \$32,700. Carried.

MR. FOGWILL: Mr. Chairman, in the separation of the two Departments, the Health and Welfare Departments, I understand that now in the Department of Welfare there are 209 employees and in the Health Department 1,704. Last year the total in the Public Health and Welfare was 1,708; in other words by the separation of the Departments of Health and Welfare it means that there is an additional staff of 133 people taken on.

1201, \$6,600. Carried.

1202, \$46,728. Carried.

1203, \$112,772. Carried.

MR. CASHIN: Mr. Chairman, I notice in the Board of Liquor Control, the Board \$6,500 Salaries, and the members of the Board \$4,000. The Chairman is down here for \$2,500 and two members of the Board \$4,000, total \$6,500, according to page 84.

MR. SMALLWOOD: That is for three months.

MR. QUINTON: That is for three months only.

MR. CASHIN: I see, yes. That is what I was trying to find out yesterday; in other words, the Chairman of the Board is going to get \$10,000 a year.

MR. SMALLWOOD: Oh, no; \$5,000.

MR. CASHIN: You have not got a Chairman at the present time, but you are voting \$2,500 for that Chairman, and now I am informed that the Chairman is going to get \$5,000, and the others \$4,000, is that the idea? Because, according to that vote, if they were appointed say on the first of January and functioned on their job up to the

end of March, we are voting them \$2,500 for three months, which would mean at an annual rate of \$10,000; \$2,500 per quarter, or if we voted it from yesterday, the first of the month, it would mean at the rate of \$7,500 a year. But now at last we have extracted the information that the Chairman of the Liquor Board is going to get \$5,000 a year, and the other two gentlemen are going to get \$4,000 a year. That is the position.

MR. SMALLWOOD: \$4,000 each.

MR. CASHIN: Well, I think I brought the matter up yesterday, Mr. Chairman, and it was kind of deferred; they did not know when the appointments were going to be made, and so on, but it kind of slipped out just now—

MR. SMALLWOOD: Oh, no.

MR. CASHIN: Oh, yes, absolutely. Because, if my memory serves me correctly, I was told yesterday or the day before that, well, you did not know.

MR. SMALLWOOD: What, on Liquor Control?

MR. CASHIN: Yes.

MR. SMALLWOOD: When was that brought up?

MR. CASHIN: I brought it up before. Even in connection with the Auditor General, it was the same thing. There is a token vote, what you said was a token vote, in the Auditor General as voted, \$2,000. Well, is that for three months, or what? The same applies here. Now I am informed that the Chairman of the Liquor Board is going to get \$5,000, and his two

assistants, or the other two members of the Board, are going to get \$4,000 each. So, if I keep on, I might eventually find out what the Auditor General is ultimately going to get.

MR. SMALLWOOD: We told you.

MR. CASHIN: No; you said that that was a token vote.

MR. SMALLWOOD: \$8,000 a year, I said.

MR. CASHIN: I said—no, I inferred that, and you said it might be—it might be, inferred.

MR. SMALLWOOD: Not at all.

MR. CASHIN: Oh, yes; I beg your pardon, Mr. Chairman, and I do not know whether my voice records so well over this, but if you go down and check down her—

MR. SMALLWOOD: You ought to listen to it; it comes over beautifully.

MR. CASHIN: So I heard, and I am a beautiful looking boy.

Carried.

1901, \$10,340. Carried.

1302, \$35,123. Carried

1903, \$18,481. Carried

1304, \$28,131. Carried.

1905, \$158,300.

MR. FAHEY: Mr. Chairman, "Printing, Stationery and Office Supplies, \$92,500." Could we get an explanation of that?

HON. P. S. FORSEY: (Minister of Supply): That is stationery, etc., for all the the departments of the Government.

Carried.

1306, \$338,425. Carried.
 1307, \$30,000. Carried
 1401, \$9,624. Carried.
 1402, \$9,400. Carried.
 1403, \$52,390. Carried.
 1404, \$65,775.

MR. HORWOOD: Mr. Chairman, the salary of Fieldworker, page 86, \$1,100-50-1650. That does not correspond with any of the Civil Service salaries. The nearest I can see to it is Female Clerks, Grade II. It would seem to me that the salaries for the junior Co-operative fieldmen are extremely low, \$1,400—\$2,000; they are out on their own; they are their own bosses more or less, and I doubt frankly where the Government can get the men of the calibre that is needed for that job on those scales. I do not see actually how they are going to live on that scale unless they go fishing in their spare time or something, and I would like the Government to consider, not in these Estimates perhaps, but for the future, and I hope that in the Estimates at the next session that the salary scale for the Junior Co-operative fieldmen will be revised. That scale there does not correspond with any of the civil service scales.

SOME HON. MEMBERS: Hear. Hear.

HON. W. J. KEOUGH (Minister of Fisheries and Co-operatives): Mr. Chairman, in reply to the honourable member I would say that the matter is now under consideration; we will be revising them upwards in the new Estimates.

Carried.

1045, \$180,000.

MR. CASHIN: Mr. Chairman, this \$180,000 for Shipbuilding Bounty, I take it some of that is being paid this year.

MR. KEOUGH: In the vicinity of \$61,000.

MR. CASHIN: Was this due by Commission of Government? I notice it is under Pre-Union Surplus.

MR. KEOUGH: No, it is on capital account.

Carried.

1051, \$ 1,500. Carried.

1502, \$16,400. Carried.

1503, \$19,400.

MR. SMALLWOOD: With regard to that, Mr. Chairman, that is no more than a token amount, and if I had my way with my colleagues that amount is going to grow, very steeply, but for this current year that paltry total of \$19,000 will remain.

MR. CASHIN: We will have the trans-Canada highway, which we hear so much about, and consequently, indirectly, that affects the tourist traffic, or should affect it, in the near future.

MR. HIGGINS: I would like to ask if there is a Deputy Minister appointed?

MR. SMALLWOOD: Yes, the Deputy Minister is former Chief Magistrate Short.

MR. HIGGINS: There is a question which I should have asked before, but it slipped my mind. The Chairman and the two Commissioners in the Board of Liquor Control, are they permanent jobs? Are they full-time jobs?

MR. SMALLWOOD: They are full-time jobs, but not established or pensionable.

MR. HIGGINS: Did you say Mr. Greg Power is one of them?

MR. SMALLWOOD: I may have said so, but certainly not in this House. I hoped that he would accept the appointment, if it were offered.

MR. HIGGINS: But he is your secretary?

MR. SMALLWOOD: He is executive assistant to the Premier.

MR. HIGGINS: Could he hold both jobs?

MR. SMALLWOOD: He could not; no, indeed.

MR. HIGGINS: You mean there would have to be another secretary?

MR. SMALLWOOD: If by chance he becomes Chairman of the Liquor Commission he will have to vacate his present office.

MR. HIGGINS: And the other two commissioners, they are full-time jobs, too, are they?

MR. SMALLWOOD: Yes.

Carried.

1504, \$12,500.

MR. FAHEY: Mr. Chairman, that amount, I presume, is until the end of the year? The Newfoundland Industrial Development Board to continue to function at least to the end of the current financial year. There is a certain amount of duplication of purpose and effort between the Department of Economic Development, which is a newly established Department,

and the Industrial Development Board, which is semi-private activity conducted for a number of years past, but operating to some extent under a grant from the Government and the balance of its income it gets by donations from certain industrial corporations in Newfoundland. They were just a little uncertain as to their own future, and as to whether or not they ought to continue even from the time this Government took office, and it became known that there was to be this Department of Economic Development, but we asked them to continue to function, and we have in fact entrusted to them one or two rather important pieces of work, which they are now engaged in performing, since we came into office.

MR. FAHEY: I appreciate the explanation by the Premier. If this Board has been on the go for a number of years and private citizens have contributed \$12,500 a year, with the policy of the Commission of Government to match dollar for dollar with that, that is where this \$12,500 comes from. I wanted to know whether this Department, the Newfoundland Industrial Development Board—perhaps that is not the place to ask the question—would that be absorbed by the Department of Economic Development? I know it will continue to the end of March; the vote is here now, to the end of the fiscal year. But automatically after that, will the Newfoundland Industrial Development Board be absorbed through the Department of Economic Development?

MR. SMALLWOOD: That is the question which I understood my

honorable friend to address to me a moment ago, and to which I addressed my answer. We have asked them to continue, at least until the 31st of March, and there will be some further discussions between them and us with a view to determining what is the better thing to do; them to continue functioning side by side, so to speak, with this Government Department, or for them to wind up, or may be absorbed by the Department of Economic Development or what. But all that is a matter for firm decision between now and the end of March.

MR. FAHEY: Mr. Chairman, I appreciate the explanation. While this may not be the right place to ask this, but I understand—I happen to be a member of that Board and I got notice today of the annual meeting which is to take place next week. At the annual meeting the Board may not be in a position to know whether they will be able to carry on or just carry on until the end of March, that is why I was asking for the information, but perhaps it is not proper to ask it under this heading, but that is the information I was trying to get. As I understand it, the Board will be taken care of through the Department of Economic Development; whether that is true or not I do not know. That is the information I sought — perhaps there should be some other way to table the question or otherwise.

MR. SMALLWOOD: I may say that I am a little surprised to hear that their annual meeting is taking place so soon because I had not heard of the fact, and if their own decision, so far as they can decide whether they shall

continue or not, if their own decision is to be made at this annual meeting, it rather forces the Government to decide now, before that meeting, whether we will continue to issue the annual grant. I was hoping that we would have rather a little more time after the House closes and after Christmas when things settle down again, to discuss it with the Board. I hope they will not have to decide at this annual meeting next week.

Carried,

Subhead 1505, \$10,000. Carried.

Subhead 1601, \$10,014.

MR. CASHIN: Mr. Chairman, would Mr. Ballam, the honorable Minister of Labor, please give us an idea what the functions of this Department are.

HON. C. H. BALLAM (Minister of Labor): Do I understand the honourable member's question to be, to ask what the functions of the Department of Labor are?

MR. CASHIN: That is right.

MR. BALLAM: Well, I am sure that if he directed the question to me and the House in the ordinary course of our procedure, I could give you a list this long, but I do not know that it is relevant to this business that we are doing now. We are going over the estimates and there happens to be established a Department of Labor and these are the estimates submitted by the Department. I would be glad at any time to give the honorable member a list of the functions of the Department.

MR. CASHIN: Well as this is a new Department, Mr. Chairman, and there is an amount of \$48,600

being voted—it is not a very long list of estimates. I thought the Minister might be able to give the House an idea what the functions of this Department really are at the present time to warrant the House voting \$48,600 for its existence; what does it do? They have in here salaries, including the Minister's; then there is general office salaries \$15,000, Labor Boards, Committees and Enquiries \$15,000 more. Boiler Inspection—you do not have to explain that to me, I understand that already, that the boiler inspector charges certain fees which go in them probably over here in the revenue and shows the Labor Department collecting a certain amount of revenue a year. I know every boiler in this country has got to be inspected and given a certificate once a year by a certified engineer or boiler inspector. Now, that has been going on for a long long while, and whilst we are not on that vote, I am just making a summary of the votes, I do not think I am out of order. It has been the custom of the past—the past is gone I suppose and we should forget all about it—that every time estimates were introduced the Minister of Finance gave the opening explanation, and each Minister as it came round gave a resume of his Department and was there for question. Consequently I think I owe it to the House to get my friend the honorable Minister of Labor to let us have a few words at any rate in connection with the functions of his Department; what it does for labor; does it settle strikes? Does it act as intermediary between people who may go on strike, and employers and so on? That is

all I ask. I am not questioning any civil servant's salary at all; I never mentioned it; just in a general way I want to know what the country or what the laboring people, who, after all, are involved in this Department, are going to get for the \$48,600 a year they are going to pay out.

MR. BALLAM: Well, Mr. Chairman, my honorable and gallant friend the member for Ferryland almost answered all the questions, his own questions. The functions of the Department I may say is to legislate labor laws, to settle disputes, to set up arbitration boards in the case of disputes or differences, to be a sort of a go-between between the labor element of the country and the Government. We have a representative here in the Government and it is time we had something of that sort. They have been neglected for years, if you like, and have had nobody to do anything for them except these last few years when the Commission of Government established what they called The Labor Relations Office which is part of our establishment right at the moment. These are some of the functions. We set up boards to settle disputes and investigations. We have just recently had one if you recall, of which Sir Brian Dunfield was Chairman. We also had another one set up to present draft legislation to the Department for enactment. Some of these bills will be coming before you one of those days, and then my friend will know that we are doing something down there.

These are some of the functions of the Department Mr. Chairman, and as my friend mentioned just

now, there is a Boiler Inspection Department in our Department. Those who were functioning there were taken over by the Federal authorities, and we have to make a new set-up. That will be done and that and many other things will be part of the functions of the Department of Labor.

MR. CASHIN: Would the Department of Labor, for instance, also intervene in the Woods Labor Board, its meetings and so on?

MR. BALLAM: We always have an observer sitting in on the Woods Labor Board. This is the first time the Woods Labor Board has met since the Department has been established, though before, in the time of the Commission of Government they always had some representative from the Labor Relations Office, but we never had any occasion to settle any differences between the Woods Labor Unions and their employees.

MR. HIGGINS: There is a story of a lady being asked if her husband was working hard, and she said, "He is tidied away at a nice little job down in the Customs." Now, I do not think that the honorable and gallant member for Humber was tidied away, because he is very much in evidence here: he is very much in evidence in the newspapers. I know generally something of the work he does, but I really think he does an enormous amount of work, and it is the sort of work I would not like to have myself, to be mixed up in labor troubles and trying to conciliate the capitalists and the laborers. There is going to be a terrific job ahead of him in the future. I hope he will have

a lot of work to do and that he is staffed well.

MR. CASHIN: To keep him out of mischief.

MR. HIGGINS: To keep out of mischief, but certainly it is difficult for some of us to know just what the departments are doing now. We will learn in the long run. Now and then it is difficult to know to what department to write, I am not sure myself when I have to write letters to departments, but I think the honorable and gallant member for Humber is going to have a hard task ahead of him and I offer him my deepest compassion and sympathy.

MR. BALLAM: Thank you.

Carried.

Subhead 1603, \$15,000.

MR. FAHEY: Mr. Chairman, I would like to ask the honorable Minister, when the original estimates is \$1,000, then how it went up to \$15,000? I would like to ask the honorable Minister to explain how the increase of \$14,000 arises? I understand it is for Labour Boards, Committees and Enquiries. What is the function of that Board and the information brought back to the Department concerning the Board in so far as it warrants the increase of \$14,000?

MR. BALLAM: Well, I might say, Mr. Chairman, in reply to the honorable member, that in the original set-up before the establishment of this Department, moneys paid out for such Boards and so on came from different Departments, or it might come from a sort of block vote in the Depart-

ment of Public Works, and we never had a set vote except a token vote. We have had two Boards functioning so far since we have been in office, and when we introduce the new legislation here, there will be permanent Boards set up, and we had hoped to get that legislation through during this session; whether we will or not is questionable; but if so it may have been that we would have had the set-up before, and we would make provision in the Estimates for it. And it is anticipated that later on we will bring in a new Workmen's Compensation Act. There again there will be a Board set up, but that will come into next year's account. This amount is to pay for the Boards that we have. One as I mentioned was headed by Sir Brian Dunfield, going into the bus drivers' strike, and there will be a Labor Advisory Board set up to draft legislation.

Carried.

1604, \$5,240.

Carried.

MR. QUINTON: Mr. Chairman, we have now considered the several pages of expenditure and the Head 16, the Department of Labour, concludes the work of the committee in that respect. I now move the following resolutions:

MR. FAHEY: Mr. Chairman, I wonder if I could refer to page 14 before the honourable Minister moves the resolution.

Motion that page 14 be referred to, carried.

MR. FAHEY: Page 14, 201, I would like to ask the honourable

the travelling and expenses allowance for the 28 members, double the amount—\$56,000; that is for this session, I understand, and the next—this year and next year, it being for two sessions. I want to get the point clear—it has been stated in the paper, if I am not mistaken, that the members get a double amount. It was stated again today; I saw it. In other Departments, such as Ministers' salaries and so on, they are not voted for the next session, they are only voted for this session, up to the end of March. I think the same thing would apply to the members only in so far that the House may open before the end of the fiscal year and that is why it is put in there. But it means that a member will get part of his pay in 1949 and get the second part of that pay in 1950, so in as far as the members are concerned in the calendar year, and for purposes of income tax they do not get the amount of money shown here but I think the press and the public are under the impression that the members will be getting double that amount. I think the other members of the House understand it, but it is put in one fiscal year, the Government year, from July to the last of March, but in so far as the members are concerned, we get it in two separate years, '49 and '50.

MR. SMALLWOOD: The honourable gentleman is right. Due to the fact that the Terms of Union required that the House should meet within a certain period following the date of Confederation, the House had to meet, and did meet, in fact, on July 13th, and has been in session, virtually, ever

since. Now, normally, the House would meet in February, early February, or not later than the middle of February, so that it could complete its work by the end of the fiscal year, any financial year, the 31st of March, and there would be just that one session each year, and so it will be next year, next calendar year, that in 1950; but as it will meet, as my honourable friend says, while as yet the present, the current, financial year, is still current, we have therefore to provide in the estimates for this present or current financial year the payment to cover sessional indemnities and allowances for that second session, and we must do so in the present estimates for the present year. Now the thought that had not occurred to me until my honourable friend mentioned it is that inconvenient matter of income tax. By the accident that we are holding two sessions in the one financial year, payment for both of the two sessions comes in the same estimates. Two different calendar years happen to be one financial year.

MR. FAHEY: Mr. Chairman, under this heading the Government will have to lay out just about \$106,000 instead of \$180,000?

MR. SMALLWOOD: Right.

MR. QUINTON: Mr. Chairman, a brief word before I move the resolutions. Resolution 1, which I shall read presently, provides for Supply to be granted in the sum of \$5,594,500; so that may be understood when the Resolution is read I will just put this rider; \$25,569,800 of the total Supply was passed in legislation in Act. No.

17 of 1949 by our predecessors, so the Supply Bill when it is brought in, the Appropriation Bill, will simply show the balance, that is the amended portion, the additional portion of the new Estimates, and in this Resolution and also in the Bill there will be a schedule confirming the grand totals, of what was passed under Act. No. 17 of 1949, and what will also be called for in the Supply Bill that will be brought in later. I now, Sir, move the following Resolutions:

1. Resolved that Supply be granted to His Majesty in a sum of \$5,594,500.

2. Resolved that the following votes be passed:

Heads of Expenditure	
II Legislature	\$186,300
III Executive	152,100
IV Finance	1,700,700
V Provincial Affairs..	339,900
VI Education	4,488,300
VII Attorney General..	1,352,500
VIII Natural Resources	1,655,500
IX Public Works	8,088,300
X Health	5,552,900
XI Public Welfare	6,439,300
XII Board of Liquor Control	166,100
XIII Supply	616,800
XIV Fisheries and Co- operatives	317,200
XV Economic Develop- ment	59,800
XVI Labour	48,600
	\$31,164,300

3. Resolved that a Bill be introduced to give effect to these

Resolutions.

Committee rose and reported progress and asked leave to sit again tomorrow.

MR. SMALLWOOD: Mr. Speaker, I ask to have the next item deferred, "An Act to Transfer to the Memorial University of Newfoundland Certain Rights," and then the following order, "Committee of the Whole on Bill Respecting District Courts," and to come on to 'Committee of the Whole 'An Act to Provide for the Regulation of Public Utilities.'"

Items deferred, the House resolved itself into Committee of the Whole on Bill 'An Act to Provide for the Regulations of Public Utilities.'

Section 24 read and passed.

Section 25 read and passed.

Section 26 read and passed.

Section 27 read and passed.

Section 28 read and passed.

Section 29 read and passed.

MR. FAHEY: In number (3), page 14, "The straight line method". What is meant by that?

MR. SMALLWOOD: I think what that means—I am no accountant or auditor—but I think what that means is that a fixed and regular or fixed, or fixed and uniform, rate of depreciation is made off the original valuation by annual instalments. Whatever the rate is, it becomes a yearly rate and unvarying. It is a fixed amount. You write off your capital, your values, in a certain number of years, by equal annual depreciations.

Carried.

Section 30 read and passed.

Section 31 read and passed.

Section 32 read and passed.

Section 33 read and passed.

Section 34 read and passed.

Section 35 read and passed.

Section 36 read and passed.

Section 37 read and passed.

Section 38 read and passed.

Section 39 read and passed.

Section 40 read and passed.

Section 41 read and passed.

MR. HIGGINS: Here the Board can say you can only charge so much, whatever we say goes, and you have no say; you can only earn so much.

MR. SMALLWOOD: It is common all over the world.

MR. HIGGINS: There is no protection.

MR. SMALLWOOD: The purpose in setting up the Board is to protect the public, and at the same time to protect the utilities.

MR. HIGGINS: But there is no protection here for the utilities.

MR. SMALLWOOD: Well, the Board is protecting it.

MR. HIGGINS: But the Board, in one section, is going to charge so much and in the next section you are going to say that you can only earn so much, and whatever we say goes, and you have no say in it.

MR. SMALLWOOD: But that is commonplace; it is done all over the world.

MR. HIGGINS: But it does not strike me as just.

MR. SMALLWOOD: Well, the principle here, it is absolutely commonplace. It is absolutely commonplace for a Board to have absolute power to regulate utilities, and fix rates, determine their rates of profit, their capital structure, the service they should give to the public, whether or not they will operate at all. Their original concession or franchise all come by the Board.

MR. HIGGINS: I know, but they have no right to appeal at all.

MR. SMALLWOOD: A Board can always get men with technical knowledge and skill which is away ahead of any technician we have in Newfoundland.

MR. HIGGINS: It may not be; any public utility company of any standing is going to carry on its business in the best way possible, and that is by having the best men and the best experts that they can possibly get and these men are doing the work, and a Board comes in—we do not know who it is going to be—it might be anybody, we cannot tell. We may not be in power next year or the year after; there may be some change completely and that new Board will come into existence, perhaps, and they will tell this company, well, you are not carrying on business right, you had better get out; we are going to cancel your franchise. Now, that does not sound reasonable to me.

MR. SMALLWOOD: If we were asking the House to establish a new idea, the House would be justified in asking us if this had been done anywhere at all in the world; we would have to confess,

no, it had not been done, it is a new principle that had been born by us and we were the House to establish that new principle. That would be one situation. But that is not the situation of the moment. The situation at the moment is that there is before the House a request from us that the House should adopt here in Newfoundland the principle and the practice, a mode of procedure, which had all been established for decades throughout North America, and are commonplace, established, accepted; *not resented, not opposed*, but generally, and widely, and you might say universally, accepted. It is the ordinary accepted procedure in the Provinces of Canada and the States of the United States, identically that.

Instead of the Government, instead of the legislature, deciding that a utility should be entitled to charge this or that fee or rate to the public, to make this or that rate of profit on its service to the public; whether it should exist or not; all these things are put in the hands of a public board. Now, that is commonplace.

Frankly, I know that my honourable and learned friend is of a certain school which has a fierce love of personal freedom; ;I know that. I am familiar with my honourable friend's philosophy, and I share a great deal of it personally, but there come times when that same fierce love of individual liberty, which is sometimes carried to an extreme, I think of intellectual anarchism, a fierce resentment of authority, comes into conflict with another principle, the other principle being, the right of eminent domain — perhaps that is the

wrong term for it, maybe that is the term for something else—but the right to the public, the general public and in matters of conscience, of principle, in religious matters, in matters of conscience—that is the way to put it—the right of the individual to follow his conscience, I think personally is supreme, even above public life. But in matters of economics, dollars and cents, who is going to put property rights above the rights of the public, the general public? And here is a case where the rights of the general public, put into the hands of a Board, are to be unquestionably supreme over the property or profit rates of private enterprise.

Now, there is nothing new in that, as I have said before. I do not want to repeat it ad nauseum. It is not a new principle; we are not introducing the principle, we are merely emulating it, we are copying it, we are adopting it to ourselves, from the whole North American continent which is the home today of capitalism and private enterprise. It is the only place in the wide world today, Canada and the United States, where free and almost unfettered private enterprise this principle which we now ask the House to adopt is commonplace; commonplace.

MR. HIGGINS: The Premier speaks of private ownership, but if the public gets this, it does not matter what the private individual says, he must lose everything he got; that is what he said.

MR. SMALLWOOD: Oh, no.

MR. HIGGINS: Well, that is what it amounts to. You said that private ownership must give way

to public good in every case. That is what you said; and as you say, I am of the old standard, but at least I recognize this much, that a public utility company is composed of a large number of small shareholders. We heard a lot about banks making money, but there are thousands of small shareholders in banks, and these little people, they should not be jeopardized; there is too much of that going on nowadays; I can tell you now, for instance, how things were done for the public benefit. Rents that were ceiled in 1941, and there were a lot of small people in this country had two or three houses; they carried these houses for years; they got in debt because people could not pay their bad years' taxes, and in 1941 the rent was ceiled, but it went back to 1940, when the trade unions insisted on higher wages. A lot of these poor people lost their houses, that is all they had to live for, and probably some of the people who were getting old, and widows who were getting allowances from the Minister for Welfare, as well as men, lost their houses.

Now a lot of people have money in companies here. I do not know about the telephone company; I understand that the electric light company is mostly shareholders, small shareholders. Well now, they must be protected. I would feel like protecting those people rather than talk of the public good. There is too much talk of the public good. You will get nowhere unless you have private ownership; the only people nowadays who get on in the world are people who are private owners of things. They

will look after them and they will work hard. The man with the house here who has little salary, he may be having a little pension, he is the sort of man who pays his church dues and gives a little to charity and he is the backbone of the country. He has some solid hold on the country. Now, the same way here. This board? I do not say it will happen, they may be very reasonable, but it may not be reasonable and they might come in and say "You are going to do this and you are going to do that," and finally they may say, "Well, we are going to cancel the franchise" and forthwith all these people are going to be wiped out. When we talk of a public utility company you must remember it is not something that is; it is composed of a lot of shareholders and I do not like, particularly when—I do not care if it happens in other countries, I must say, and I do not know, I have not seen the Acts of other countries and I do not know if that is so; but if you have to take Section 96, "and appeal lies to the Supreme Court from any order of the Board upon any question as to its jurisdiction or upon any question of law." Now the question of fact as to whether it is reasonable for them to cancel the franchise, that cannot be brought into existence at all. Now, that, and the next one, are the two things that I object very strenuously to and also Sections 41 and 42. The other defects are just minor things.

MR. VARDY: Mr. Chairman, I would like to say for the benefit of the honourable Leader of the Opposition that I think that his fears are somewhat grounded from the viewpoint of the operating companies from this point of view;

that these Acts, as I understand from the Premier, are designed on the basis and taken from Acts now existing in Nova Scotia particularly. The Premier has stated that and I think that is so. Now, having had some negotiations with the light and power company recently whereby they were granted through the Municipal Council certain rights to Mobile Waters and one of the restrictions that the Municipal Council wanted to put on, the transferring of those rights to the Newfoundland Light and Power Co. of Mobile Waters, was, that there would be no increase in their rates and they said, no, we cannot give it to you under the terms of agreement but we would suggest to you that you request the Provincial Government, as one of their Acts in the coming into being, to introduce a public utilities commission the same as we operate under in the other provinces with which we are connected. Now, that was their safeguard; they wanted, as Mr. Thompson, from Montreal, Mr. Forbes Roberts from St. John's, both said that that is the protection we want; we want the protection of the public utilities commission. He is the head of the Newfoundland Light and Power Co., and a pretty smart hombre, too, I might say. But that was the point they impressed upon us, that they would be guided by the public utilities commission's findings, because they felt that it offered them protection, more protection than they could get by merely entering into an agreement with the Municipal Council whereby they agreed under that agreement not to increase their rates. So it seems to me that the objection to this and the fears

on the part of the public utilities is entirely unfounded because they themselves want it. I have no hesitation in saying that.

MR. SMALLWOOD: I may add this: That is one company. Now, the head of another company came to me the other day and had a conversation and expressed this viewpoint. One of his activities, or one of his company's units operating in a certain part of Newfoundland is losing money and they are scared to put up the rates. We will produce our costs, the cost of our plant, vouchers; we will show them our operating expenses; they will look at our books, look at our accounts, and satisfy themselves that we are losing money for the supply, the furnishing of a public service in that area of Newfoundland, and, having done so, they will allow us an increase in rates." And the Board would have no choice; the public utilities commission would have no choice. But they must have the absolute power to do it, and that will work both ways, in the interest of the public, in the interest of the utility.

One final point on that. There is always the legislature; there is the legislature where these things can be ventilated, where the report has to be tabled within fifteen days of the opening of the House, where debate can be had, where information can be sought, and the whole matter ventilated, where the interests of the utilities are protected as well as those of the public.

I think my honourable friend—I respect him if I may say so without sounding condescending—I respect his views; as a matter of fact,

he is one of a fast dying hombre in the world today—the Hilaire Bellocs, G. K. Chestertons, in England and the—I am not permitted to name my honourable friend—but the men of his name and type in Newfoundland—a certain fierce, unyielding, individualistic love of individual liberty, a fierce resentment at any interference by the State in his personal liberty. I respect it. I share a great deal of it personally, far more than my advocacy of certain State intervention might suggest, for more. I hold that in matters of conscience, a man's loyalty to his beliefs comes above everything else, State, Government, anything you like to mention, and that is about as extremist as my honourable and learned friend would care to be. But he must, on the other hand, concede, unwillingly, and grudgingly, the right of the public to be amply protected in a matter where utilities, above all other businesses, are concerned.

MR. HIGGINS: Mr. Chairman, I am glad to know that Newfoundland will suffer on my passing, and I shall take care that I do not die in the near future. The only thing I am sorry for is that I am put in the class of Chesterton and Belloc; Chesterton is dead, and Belloc is dying. I do not want to pass a fatuous remark such as, Shakespeare is dead and all the rest of them are dead, and he is not feeling very well himself. But I thank him very much and I am very glad that he has told me that because I my live longer now than I intended to live. I will cut down on my cigars.

MR. SMALLWOOD: Yes, I would advise that.

MR. HIGGINS: Now if in Section 96 there was an appeal on question of fact as well as of law, I would not care, but there is no comeback.

MR. SMALLWOOD: Let us wait until we come to that, shall we? Where is it?

MR. HIGGINS: Page 40. If the Board is as reasonable as is thought, then there would be no question of an appeal, but that would be a safeguard.

MR. SMALLWOOD: 96, sub-section (1) you mean?

MR. HIGGINS: Yes.

MR. SMALLWOOD: Mr. Chairman, would we have permission to move on to that thing a moment, to consider it in the light of 41 and 42 (1) ?

Committee consented to consider 96.

MR. SMALLWOOD: In 96, sub-section (1) says "An appeal lies to the Supreme Court from any order of the Board upon any question as to its jurisdiction or upon any question of law, but such appeal can be taken only on permission of a judge of the said Court, given upon a petition presented to him within fifteen days after the rendering of the decision and upon such terms as the judge may determine."

Section (2) "Notice of the petition shall be given. . . ." There is nothing wrong with that, is there? That is all right.

MR. HIGGINS: Yes, that is all right. Everything is all right except on a question of fact. They can apply to the Court and say

"the Board had no authority to deal with that matter at all," or on a question of law.

MR. SMALLWOOD: Well "Upon any question of jurisdiction of law," but not of fact. In other words, the board of public utility commissioners are the final court on the fact.

MR. HIGGINS: If they cancel a franchise there is no appeal against it.

MR. SMALLWOOD: Well, that is as it should be. Who should cancel a franchise? The Supreme Court?

MR. HIGGINS: No the Supreme Court may decide whether it is reasonable the action of the public utilities.

MR. SMALLWOOD: But, Mr. Chairman, the Supreme Court surely is not an instrument of public policy.

MR. HIGGINS: Sure it is. In every democratic country it is naturally.

MR. SMALLWOOD: What? An instrument of public policy?

MR. HIGGINS: Yes. It questions very often as to what is public policy, and the reasons of public policy. They will decide as to whether this is reasonable to be done, or whether that is reasonable to be done. Supposing an Act was passed giving authority here to take certain lands, and nothing more. Surely the Court will decide as to whether compensation should be given, when it is not mentioned in the Act at all. They will decide as to whether compensation should be paid.

MR. SMALLWOOD: If it is desirable to cancel the franchise of a public utility who shall say that it shall be cancelled? The Supreme Court?

MR. HIGGINS: The board.

MR. SMALLWOOD: All right. Now that is the fact. Now, what function can some one else have with regard to that decision of the Board? Who else ought to have any function, and what ought to be the function of that someone else? The public utilities board, the one public authority set up for that purpose, says it is not in the public interest that this franchise be given. That is the case of one that does not exist. Who shall say, other than the Board that this franchise shall be given?

MR. HIGGINS: Oh, no.

MR. SMALLWOOD: All right. Leave that. Take the case of a franchise already given.

MR. HIGGINS: Money spent.

MR. SMALLWOOD: Money spent; capital invested. And the Board, which is the only public body dealing in the matter, says, "This franchise shall be cancelled."

MR. HIGGINS: Yes.

MR. SMALLWOOD: Yes. Who then shall have authority greater than that and what authority shall that be?

MR. HIGGINS: Oh no, I do not say "greater." No. But the Court will decide as to whether it was reasonable. They are given reasonable discretion—if they deem it reasonable—to cancel the fran-

chise, they can do so. And the matter comes before the Court as to whether it was reasonable in view of the evidence produced by both sides; the Court will hear the evidence of both sides and say whether it was reasonable, and if it was reasonable that is the end of it. The Board's finding is upheld.

MR. SMALLWOOD: Well, then, they judge on the facts.

MR. HIGGINS: They judge on the facts, yes.

MR. SMALLWOOD: Well, now that is exactly what the clause of course aims they shall not do. The clause is that they shall judge as to the Board's jurisdiction and on matters of law, but it is the Board that determines on matters of fact. That is what we intend; that is the intention.

MR. HIGGINS: I do not agree with that at all. If the Board is going to be reasonable—as you were saying you were going to have reasonable men there—well then—

MR. SMALLWOOD: Then there will be no appeal.

MR. HIGGINS: No, then there will be no necessity for appeal. There is the only safeguard. Supposing some rather big question comes up, and there is rather a doubt. The public utility comes in and says it is not reasonable for it to be cancelled, and the Board says it is reasonable, there it is. Well then the Board is paramount, and it is cancelled.

MR. SMALLWOOD: Yes, that is what we intend.

MR. HIGGINS: What are the Courts there for?

MR. SMALLWOOD: The Courts are there for matters of law.

MR. HIGGINS: Oh, no.

MR. SMALLWOOD: That is with regard to public utilities, and that is all, matters of law and jurisdiction. That is all.

MR. HIGGINS: I do not know if the other Act—

MR. SMALLWOOD: Why have a utilities board at all, if the Supreme Court is to decide—

MR. HIGGINS: But the Board has very big powers—

MR. SMALLWOOD: The final test of its power is the right to cancel a franchise. That is the final test of what power it has, and if it has not got that power, what rights and power has it?

DR. POTTLE: You have other organizations set up with this kind of relationship to the Court. You take the Old Age Pension Board.

MR. HIGGINS: But all these payments are ex gratia. You cannot sue the Government. A soldier cannot sue for his pay. You cannot sue a Government under the Old Age Pensions and Widows Allowances. You cannot apply to the Court, because they would throw it out; it is ex gratia; it is a Government matter.

MR. SMALLWOOD: Well, the same thing applies in Ontario with regard to Workmen's Compensation. There is no recourse to any Court, and the law says so. The law makes the Workmen's Com-

pensation Board as this law would make our Public Utilities Board, the last court of appeal on the facts.

MR. HIGGINS: Well, of course, you know that most of the Workmen's Compensation Board have a judge at the head of them, a lawyer of many years' standing, I understand; that is a Court in itself.

MR. SMALLWOOD: Yes, and so is this Utilities Board.

MR. HIGGINS: No; I know, for instance, in some of the Workmen's Compensation Acts no lawyer is allowed to appear.

MR. SMALLWOOD: That is right.

MR. HIGGINS: That is rather a dangerous practice.

MR. SMALLWOOD: It is a good practice.

MR. HIGGINS: I have been on a number of cases of Workmen's Compensation; we have had to enquire very carefully into the case, and I have got double the amount of compensation offered.

MR. SMALLWOOD: Where was this?

MR. HIGGINS: Here in Newfoundland.

MR. SMALLWOOD: But not when our new Act comes in.

MR. HIGGINS: But how are you going to get your evidence?

MR. SMALLWOOD: That is done by members of the staff. In Ontario since they began they have handled literally, quite literally, millions of cases, and never

a lawyer hired and never a court case. Not one, since they began, 1917, I think. Not one Court case, and quite literally millions of cases handled, because it runs up to hundreds of thousands of cases per year, accidents and deaths and never a court case. And all we are doing in this Board is saying exactly the same thing. We do not go that far. We say that in matters of jurisdiction and in matters of law, the Supreme Court is the last authority, the last resort. But in Workmen's Compensation there is no last resort, except the Board itself.

MR. HIGGINS: The mere fact that lawyers were not engaged does not raise the presumption that every man got the most he was entitled to.

MR. SMALLWOOD: The Board makes sure that a man get his rights.

Section 41 passed.

Section 42 read and passed.

Section 43 read and passed.

Section 44 read and passed.

Section 45 read and passed.

Section 46 read and passed.

Section 47 read and passed.

Section 48 read and passed.

Section 49 read and passed.

Section 50 read and passed.

Section 51 read and passed.

Section 52 read and passed.

Section 53 read and passed.

Section 54 read and passed.

Section 55 read and passed.

Section 56 read and passed.

Section 57 read and passed.

Section 58 read and passed.

Section 59 read and passed.

Section 60 read and passed.

Section 61 read and passed.

Committee rose and reported progress and asked leave to sit again on tomorrow.

All remaining orders of the day were deferred.

MR. SMALLWOOD: Mr. Speaker, I move that the House do now adjourn until tomorrow, Monday at 11 a.m.

Adjourned accordingly.

Monday, December 5th, 1949.

The House opened at eleven of the clock.

HON J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I was very sorry to hear of the untimely passing of one of Newfoundland's representatives in the Senate of Canada.

I refer, of course, to the honourable Senator Penney of Ramea. Senator Penney was one of the leading and indeed one of the most Progressive of all Newfoundland businessmen. He was the principal of the great firm of John Penney and Sons, Ltd. of Ramea, who are one of the pioneers in the fresh fish industry of this province; a man greatly beloved and universally respected on the south west coast, where he so widely known and indeed throughout all of Newfoundland where he has been known. Senator Penney was himself a graduate of a university with a degree, I believe, of Bachelor of Arts. His brother is the very well known Professor John Penney of Harvard University, and he has another brother who is a priest in the Catholic church. Senator

Penney was quite a young man, being cut off at the young age of 51. Those of us who knew him well felt that in him Newfoundland had in the Senate of Canada a man admirably equipped to represent the people of this province generally, and, in particular, the forward-looking, progressive element of our fishing industry.

I personally had the distinct pleasure when the House met, when the Parliament of Canada met, for the fall session, of being present on the opening day and of seeing the three Newfoundland senators sitting together on the Senate benches. Senator Penney was accompanied in Ottawa at the time by his wife and daughter, and I happen to know that he was proud and happy to be a Senator and looking forward to a useful and interesting career in that great Chamber. I am quite sure that the House agrees, as does the province at large, that in the death of Senator George Penney, Newfoundland has lost one of its finest citizens and a representative in the Senate of Canada whom we could ill afford to lose.

I move the following resolution: "This House has been shocked and grieved to learn of the death at Ottawa of the honourable Senator George J. Penney, and desires to convey to Mrs. Penney and his family and other relatives of the late Senator Penney, an expression of our profound sorrow over the premature ending of what promised to be a distinguished career in the public life of Canada."

MR. J. G. HIGGINS (Leader of the Opposition): Mr. Speaker, it was with very great sorrow that I heard yesterday on the radio of

the death of Senator Penney, and it is with the deepest sorrow that I second this motion made by the Prime Minister.

I have known Senator Penney for many years. I met him only a short while ago at the opening of the House, just before the Senate was going in, and I had the pleasure of meeting him and his very charming wife, and I introduced him to the well-known Senator Farris. We had a talk there, and that was the last time I met him. I am very intimately connected with his family—I went to school with two of his brothers, one of whom died some years ago, and the other rose, as the Prime Minister said, to a great position in Harvard University. He was, like myself a Rhodes Scholar. My wife is a vrey great personal friend of Mrs. Penney and my daughter a great friend of her daughter; they go to school together in Halifax, so we are intimately connected with the family. The Penney family is an old family in this country; men who have done well in commerce, and who have carried out their duties of citizenship at all times. For that they are to be admired, Senator Penney carried on the business here in Newfoundland when the other brothers left it; one to the priesthood, another to Harvard University and a third to a branch of business in Halifax. He stayed on alone, and carried on the business here, and he carried it on in a successful way, and his appointment to the Senate is a culmination of that great career.

Now, just at a time when he was reaping the benefits of his hard work, when great happiness seemed to be ahead of him, and he and

his family could enjoy the pleasure of being in the capital city of Ottawa, holding a place in the Senate, and listening to all the big men of Canada speaking, and learning about the running of Canada, and enjoying the social occasions which are open to Senators in that great city, his career has been cut short. I feel it is a loss to the country, it is a loss to the business of the country, but above all, a loss more than any to his family, and it only right and proper that we should send a note of sympathy to the family who have lost a good father, a good husband, and we can say a good citizen. In passing this, all we can say is the last final prayer, "Requiescat in pace, May he Rest in Peace."

HON. H. W. QUINTON (Minister of Finance): Mr. Speaker, I would like to say a word at this time; it was with profound sorrow that I learned of the passing of a very dear and very old friend in the person of the late Senator George J. Penney. I had the privilege of knowing the late Senator Penney intimately for some twenty-five years. I recall the first time when he returned from College in Canada, on the Mainland—in Canada, as it was then—to take an interest of John Penney and Sons of Ramea, of which he later became the manager, and he was indeed a progressive leader in the modernization of the fishing industry on the southwest coast. I join with the words of condolence that have been expressed in this House and I am sure our hearts all re-echo the words which will shortly be associated with his interment, Grant him, Oh Lord, eternal rest, and that light perpetual shine upon him.

Mr. Speaker put the Resolution and all the members of the House stood for a moment with bowed heads.

Orders of the Day:

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, I rise to present the Report of the Select Committee on the petition of certain persons for the incorporating of the Certified Public Accountants of Newfoundland. I may say, Mr. Speaker, that the Committee is not unanimous in its report and that my honourable and learned friend the Leader of the Opposition may be filing a minority report. I would, however, read the Committee's report, which is as follows:

"The Select Committee appointed to consider this petition begs to report as follows:

1. That the Rules of this House with respect to Private Bills have been compiled with.
- 2 Your Committee recommends the introduction of a Bill as prayed by the petitioners.

Dated at St. John's the 3rd Day of December, 1949.

GORDON W. JANES

A. B. MORGAN

LESLIE R. CURTIS

WILLIAM J. KEOUGH

You will notice Mr. Speaker, that we recommend the introduction of the Bill, we do not recommend necessarily its passage.

MR. HIGGINS: As a member of the Select Committee, an ordinary member thereof, this is not a Party Bill and I speak personally.

**TO THE HONOURABLE HOUSE
OF ASSEMBLY:**

As a member of the Select Committee, appointed to inquire into a proposed Bill, an Act to incorporate the Certified Public Accountants Association of Newfoundland, and as one who did not sign the recommendation I beg leave to bring in a minority report.

I feel that some attempt should be made to regulate the practice of public accounting and auditing, and for that reason I agree that means should be provided for that purpose, and I presume an Act of the House gives the only means.

I am not, however, satisfied with the Bill as presented, nor with the means of bringing it before the House.

There was an objection by another body or association of Public Accountants and it is my opinion that evidence should have been heard on behalf of this body and of the petitioners.

There was nothing before the Select Committee to show what are the qualifications for public accountancy and auditing.

The petitioners are designated—some are certified Public Accountants, some as Public Accountants, and some as Accountants. The question arises: What is the difference between the three classes, what are the respective qualifications of each class?

Has the first class any better qualification than the second class? And in what way does the third class differ from the second class?

In what way did the first class get the right to be called certi-

fied? Where did the certificate come from and how was it obtained? Was it gained by examination or bestowed just on account of experience? Can an Accountant carry out the duties of a Public Accountant?

A number of petitioners apparently have spent many years in public accountancy and it may be held that they should be recognized as having been certified by experience. The question then arises: have all who spent many years in such work been put on the list of petitioners? If not, why should those of the same experience be asked to pass the scrutiny of a board when they had as much right to the consideration of the House as the Others.

It is the duty of the House to protect the public in matters of this kind. In this age of specialists, professional qualifications would not be dispensed with nor looked at lightly. We are asked by this Bill to declare that certain persons, who have been practising as Public Accountants and Accountants, be certified to be so.

The position of the Bill is this: The petitioners say "if the House by an Act, and not by any examinations, makes us Certified Public Accountants, we shall see that henceforth no one else can be called by that name or use that name unless we declare he is qualified. Declare us Certified and we shall be a Board to make such rules and regulations concerning public accountancy and auditing and about those who should practice it."

As I said I feel some Act should be passed concerning the matter.

There should be a period of apprenticeship in this country. A man should serve his articles in some public accountants office and means should be provided, by examinations, for him to show he is entitled to start on his profession.

I must say about my confreres, the other members of the Select Committee, that we had some meetings when the various matters I discussed were brought up and discussed in a very fair and impartial manner. I can find no fault personally! I cannot say my opinions were rudely turned down, or without argument. They were openly discussed and I can say no one expressed an arbitrary opinion. It was just that I disagreed. We all felt something should be done in some way to regulate the practice of public accountancy—in that we were unanimous—but we disagreed about whether the way of bringing it about was the proper one.

HON. DR. H. L. POTTLE (Minister of Public Welfare): Mr. Speaker, I rise to a question of privilege. I refer to the report of Proceedings of the House of Assembly as given in this morning's paper in referring to the proceedings relating to the passing of the estimates for the Department of Public Welfare. I refer specifically to three items where there is a notable mistake or misrepresentation of the staffing of the Department, namely that the Regional staff was to be centered in St. John's. It is an out-port organization as I tried to make clear during the passing of the estimates, of that item, but as we go along in this article we find

that it is quoted that the Minister stated that no person in Newfoundland had the proper qualifications. The recording will show that I said no such thing. I am quite sure that the press will appreciate that when comments are made like these and are read, let us say, by the person concerned, let us say by the person who now holds the present office, a person, by the way, who has to work with his Deputy Minister, and the Ministers, that these are human considerations, and are not at all unimportant in the good functioning of the Department. There is no deliberate misrepresentation of the actual situation. I did not say that no person in Newfoundland had had full-fledged training in school and social work. We did secure persons for these professional posts who had in this instance some successful experience in teaching school, and I said we did the best we could. It goes on to say, with regard to the Old Age Pensions. It is reported here that I said that I had not read the Federal Old Age Pension Act. I should not like to see that appearing in print. There are a lot of things I have not read, but I have read the Federal Old Age Pensions Act, and it is indirectly a reflection upon the Minister not knowing what was going on in his own Department. I did say, or at least I gave the impression as far as I was concerned, that I was not prepared to quote from an Act, or the regulations based on an Act, without having the text before me, and no Minister or no responsible member in the House, would wish to do any such thing. I had not the copy of the Act with me, or the regu-

lations, and I did not wish to quote from them. I say all these things in an amiable spirit. I know it is difficult in the text of the House, its conversations and its debates, to get the right meaning and to render a correct interpretation of what happens, but I do wish in consideration of my own Department to make these statements now, and I hope that they will be given the same publicity as was given the other. I say that in all amiability, and I know they will be accepted by the press concerned in the same manner.

MR. SPEAKER: The honorable Minister of Public Welfare complains of breach of privilege. I have not read the paper in question, but from what the honorable Minister has said it seems to be obvious that he has been misquoted. We have not a committee on privileges existing at the moment. What is the pleasure of the House with regard to this breach of privilege advanced by the honorable Minister of Public Welfare.

MR. SMALLWOOD Mr. Speaker, it is a very commonplace practice, I notice from Reading Hansard, and from having been present very often in the House of Commons in Ottawa and in the House of Commons in London, for members to rise in their place to a point of Privilege and draw attention to some particular way in which they have been misquoted in the newspapers, and that is considered in ninety-nine times out of a hundred to be ample, merely to draw attention to it, and the result is a little bit of further comment appears in the

paper subsequently correcting the misapprehension that was created by the appearance of the item in the first place. The newspaper man, especially in this Chamber, where the acoustics are not at all good, and where the conveniences provided for the representatives of the Press are not anything to boast of, in that situation it is all too easy for newspaper men and radio representatives to fail to hear clearly what is said, and I can imagine, from my own experience in the same place, straining to hear what is said, sometimes being forced to more or less to guess at what is being said, and in a genuine effort to report what has been said end up sometimes almost inevitably by mis-reporting through not hearing clearly what had been said. I think if occasionally any member of the House rises to a point of privilege, to draw attention to the way or degree to which he has been misquoted, the remedy will be provided by the newspaper men themselves who have, we all feel certain, the welfare of all of us at heart.

MR. SPEAKER: Will the honorable Minister be satisfied if the proper correction appears in the press?

MR. CURTIS: What would you do, Mr. Speaker, with the report of the Select Committee?

MR. SPEAKER: What is the title of that Bill? The Bill is entitled "An Act to Incorporate the Certified Public Accountants' Association of Newfoundland."

Bill read a first time. To be read a second time on tomorrow.

MR. SPEAKER: Notice of Motion, The honorable the Minister

of Finance to move the House into Committee of the Whole on Ways and Means.

MR. QUINTON: I move that this Order be deferred.

Order deferred.

MR. SPEAKER: Honorable Attorney General to ask leave to introduce a Bill "An Act to Amend the St. John's Municipal Act, 1921." Has the honorable Minister leave to introduce this Bill

Bill read a first time.

MR. CURTIS: I thought, Mr. Speaker—it is printed, is it, and members have it on their desks? I would ask Mr. Speaker, that this Bill be read a second time presently.

MR. SPEAKER: Standing Order 261. You are asking for suspension of the Ruler for something which may take place at a later hour in the day.

MR. CURTIS: I do not know, Mr. Speaker—we would have to have the unanimous consent. The unanimous consent would have to be given when it comes up for Second Reading.

Mr. Speaker, for the information of the House, I would say that this Bill is a Bill to allow the Council to put a sales tax of a dollar a ton on coal. Previously, as the honourable members will know, coal paid a duty to the Government, which duty went to the Council. The object of this Bill is to enable the Council to collect the same amount, instead of by duty, by sales tax. However, the principle of the Bill can be discussed when we come to Second Reading, and

I would ask the unanimous consent of the House to have it read a Second time presently.

Motion carried.

MR. SPEAKER: Honourable the Minister of Natural Resources to ask leave to introduce a Bill "An Act Further to Amend the Crown Lands Act, 1930".

Bill read a first time.

HON. EDWARD RUSSELL (Minister of Natural Resources): Mr. Speaker, I would ask that this Bill be read a second time presently.

Motion carried unanimously.

MR. HIGGINS: There will not be further tax on coal will there?

MR. CURTIS: The position is, Mr. Speaker, that the Council has asked us to pass a Bill enabling them to put a sales tax on coal to replace the duty that was formerly paid.

MR. HIGGINS: But formerly there was no duty on coal. I was wondering whether there is now a tax on it?

MR. CURTIS: Yes.

MR. SPEAKER: The Orders of the Day: Committee on Supply.

Speaker leaves the Chair. Mr. Courage takes the chair of the Committee.

MR. QUINTON: Mr. Chairman, at the last meeting of the House I moved in Committee of Supply, or attempted to move, a set of Resolutions confirming the heads of expenditure that the Committee had already passed in going through the Estimates. There was at that time a bit of misunder-

standing as to whether the Consolidated Services Fund, which of course covers the servicing of the debt, the interest, the Sinking Fund, War Savings Certificate Refunds, and the repayment of the loan which is to be refunded on the 31st of this month, whether all that should be voted together with the heads of expenditure in the several Departments. The question has been examined since, and I have to say now that the method which was before the committee at the time, namely, to vote the heads of expenditure alone, was correct; that legislation already exists; that is to say, there is statutory provision for the Consolidated Services Fund, and there is no need to have it re-voted in this Committee. It will be noted in looking over the former Journals of the old House of Assembly that certain pages contain, in reference to Estimates, two columns: (a) refers to the amount to be voted, and (b) refers to the statutory provision already made. I now beg to move the following Resolutions:

1. Resolved that Supply be granted to His Majesty in a sum of \$5,594,500.

2. Resolved that the following Votes be passed:

Heads of Expenditure

II Legislature	\$186,300
III Executive	152,100
IV Finance	1,700,700
V Provincial Affairs..	339,900
VI Education	4,488,300
VII Attorney General..	1,352,500
VIII Natural Resources	1,655,500
IX Public Works	8,088,300

X Health	5,552,900
XI Public Welfare	6,439,300
XIII Board of Liquor
Control	166,100
XIII Supply	616,800
XIV Fisheries and Co-operatives	317,200
XV Economic Development	59,800
XVI Labour	48,600
	\$31,164,300

I should like to say here that \$25,559,800 of this, which added to the \$5,594,500 that has been resolved in Resolution (1), the former amount was already provided for by Act No. 17, 1949, being the Commission of Government's Estimates, already provided for by statute.

3. Resolved that a Bill be introduced to give effect to these Resolutions.

Resolutions passed committee.

Committee rose and reported having passed the Resolution as read.

On motion the said Resolutions were read a second time.

"An Act for Granting to His Majesty Certain Sums of Money for defraying Certain Expenses of the Public Service for the financial year ending the 31st day of March, 1950, and for other purposes relating to the Public Service."

Bill read a first time. With the unanimous consent of the House, and on motion of the honourable Minister of Finance, the Bill was read a second time.

MR. QUINTON: Mr. Speaker, with the unanimous consent of the House I would like to ask that this Bill be referred to a Committee of the Whole at this time.

Motion carried.

Speaker leaves the chair. Mr. Courage takes the chair of the committee.

Committee rose and reported having passed the Bill. Report received and adopted.

Bill read a third time.

MR. SPEAKER: Committee of the Whole on Bill "An Act to Transfer to the Memorial University of Newfoundland Rights Vested in the Newfoundland Memorial University College and Normal Training School, Assets of the Board of Governors of the Memorial University and Certain Crown Assets".

Speaker leaves the chair. Mr. Courage takes the chair of the committee.

Committee rose and reported having passed the Bill with some amendments.

Report received and adopted. By leave of the House the Bill was then read a third time.

MR. SPEAKER: Committee of the Whole on Bill "An Act Respecting District Courts".

Speaker leaves the chair. Mr. Courage takes the chair of the committee.

Section 1 read. Passed.

Section 2 read. Passed.

Section 3 read. Passed.

Section 4 read. Passed.

MR. HIGGINS: Does the Federal Government decide on these Courts?

MR. SMALLWOOD: They decide as to how many of the Courts they will appoint judges.

MR. HIGGINS: I see. We may have a number of Courts, but they will only pay so much.

MR. SMALLWOOD: They pay for what they decide to pay for.

MR. HIGGINS: You mean if we create any new courts beyond seven, say, then we will have to pay for them.

MR. SMALLWOOD: We create courts; they may or may not fill them with judges.

Carried.

Section 5 read. Passed.

Section 6 read. Passed.

Section 7 read. Passed.

Section 8 read. Passed.

Section 9 read. Passed.

Section 10 read. Passed.

Section 11 read. Passed.

Section 12 read. Passed.

Section 13 read. Passed.

Section 14 read. Passed.

Section 15 read. Passed.

Section 16 read. Passed.

Section 17 read. Passed.

Section 18 read. Passed.

Section 19 read. Passed.

Section 20 read. Passed.

Section 21 read. Passed.

Section 22 read. Passed.

Section 23 read. Passed.

Section 24 read. Passed.

Section 25 read. Passed.

Section 26 read. Passed.
 Section 27 read. Passed.
 Section 28 read. Passed.
 Section 29 read. Passed.
 Section 30 read. Passed.
 Section 31 read. Passed.
 Section 32 read. Passed.

Mr. Speaker resumed the chair.

The Committee rose and reported having passed the Bill with some amendments.

Report received. Bill ordered to be read a third time on tomorrow.

Committee of the Whole on Bill "An Act to Provide for the Regulation of Public Utilities."

Mr. Speaker leaves the chair.

Mr. Courage takes the chair of the Committee.

Section 62 read and passed.
 Section 63 read and passed.
 Section 64 read and passed.
 Section 65 read and passed.
 Section 66 read and passed.
 Section 67 read and passed.
 Section 68 read and passed.
 Section 69 read and passed.

HON. W. J. KEOUGH (Minister of Fisheries and Co-operatives): Mr. Chairman, 67 (7) "Except where public utility is a society registered under the co-operative society act of 1939 and amendments thereto."

My purpose in moving this amendment is this: I think it is quite likely the near future will see some expansion of co-operative activity in the public utility field, and should that so happen and should some public utility

units that are co-operative emerge, then they would find themselves in the event that they should wish to expand their capital structure, and in the event that this sub-section should stand as is, they would find themselves in a rather awkward position of having to violate the co-operative principle, and in that regard I invite the attention of the House to this fact about the sub-section.

The increase of capital must be sanctioned by a resolution of a majority in interest of those shareholders of the public utility who are present in person or by proxy. Now that is probably all right as far as business practice goes. That sub-section as it stands takes due cognizance of business principles that the measure of control that any individual shall exercise in enterprise shall be in proportion to his measure of investment in that enterprise, and also that if he is not present to be able to recognize that measure of control himself that he may deputize somebody else to exercise that measure of control for him.

It just so happened that five score and five years ago a number of ordinary people gathered together in a little town in England came to the monumental conclusion that, because a man has accumulated in his time or had accumulated from his father, a sufficient amount of money to enable him to purchase more shares in an enterprise than anybody else, that that fact in itself did not endow him with any greater wisdom, any greater maturity of judgment, than those who were able to buy less shares; and so it was decided

that for purposes of the enterprise in which they were about to embark, irrespective of the amount of money a man might have invested in that enterprise, that he should have but one vote, and so they adopted the co-operative principle of "one member, one vote."

The place where the ordinary people gathered together was called Rochdale, and what has come of the gathering together is what we call the co-operative movement. And in the higher level of co-operative principles, if there is one greater than the other, it is surely the principle which says that one member shall exercise but one vote, and the second is like to the first, that there shall be no proxy voting.

Now, this sub-section, as I have pointed out, if it stands as is, would compel a co-operative that would be a public utility, in the event that it would want to expand its capital structure, would compel it to violate the current co-operative principles, and as it is not the intention of this Government to put any co-operative in such a position, I offer the amendment read just now.

MR. FAHEY: Mr. Chairman, the point that I raise is that if an ordinary company capitalized say at \$20,000 to \$25,000 wished to increase their shares above 5,000, they must make application to the Board of Public Utilities. I do not see why, although I listened quite attentively to the honourable Minister, why co-operatives should be excluded in that particular clause. All the honourable

members will agree that they are dealing with the proposition of a Public Utilities Board, and if the co-operatives have the right to go into business in competition with private enterprises, the co-operatives vote by members, regardless of shares, but both of these are competing against each other, and I won't say, what's sauce for the goose is sauce for the gander because that was brought up here earlier; but I think that if co-operatives are going to compete with private capital, they should be subject to the same rules and regulations as private capital. And on those grounds I do not agree with the amendment insofar as co-operatives are concerned. If they are going to compete in supply or demand, as the case may be, they should be subject to the rulings of this Public Utility Board as well as those who have money invested in private enterprise.

MR. SMALLWOOD: Mr. Chairman, I sympathize with the viewpoint expressed by my honourable friend from Harbour Main-Bell Island, and if the amendment offered by my honourable friend, the Minister of Fisheries and Co-operatives were a violation of the principles suggested by my honourable friend from Harbour Main, I would be inclined to take the side of my honourable friend from Harbour Main. But there is actually no conflict there, as I see it. The principle set out by my honourable friend from Harbour Main is, in fact, carried out by the very amendment suggested by the honourable Minister. The fact of the matter is that the greater burden is placed upon a co-operative society by the Co-operatives Societies

Act than is placed upon a private company, a limited liability company, by the Companies' Act or such legislation. In other words, it is much more difficult to operate a co-operative society in these matters than it is to operate a private company. It provides in this section that the proposed increase of capital in a private company may be sanctioned by a resolution of a majority in interest of the shareholders of a company at present in person or by proxy.

Now it could happen, and frequently does happen, that a private company is controlled by more than fifty per cent of its shares, by one man, he being the only one present, I suppose, a resolution could be carried, if he is present and he represents a majority interest of the stock of the shares of the company, and so that one man can commune with himself, and proxy and himself adopt a resolution which binds that company. But in the case of a co-operative society it is not so simple, as, in fact, every shareholder has one and only one vote, there being no such thing as proxy voting. So there is a greater burden placed upon the co-operative society than upon the private company, and the principle enunciated by the honourable member for Harbour Main is well taken care of in the amendment proposed by the honorable Minister of Fisheries and Co-operatives.

Carried.

Section 69 read and passed.
 Section 70 read and passed.
 Section 71 read and passed.
 Section 72 read and passed.
 Section 73 read and passed.

Section 74 read and passed.
 Section 75 read and passed.
 Section 76 read and passed.
 Section 77 read and passed.
 Section 78 read and passed.
 Section 79 read and passed.
 Section 80 read and passed.
 Section 81 read and passed.
 Section 82 read and passed.
 Section 83 read and passed.
 Section 84 read and passed.
 Section 85 read and passed.
 Section 86 read and passed.
 Section 87 read and passed.
 Section 88 read and passed.
 Section 89 read and passed.
 Section 90 read and passed.
 Section 91 read and passed.
 Section 92 read and passed.
 Section 93 read and passed.
 Section 94 read and passed.
 Section 95 read and passed.
 Section 96 read and passed.
 Section 97 read and passed.
 Section 98 read and passed.
 Section 99 read and passed.
 Section 100 read and passed.
 Section 101 read and passed.
 Section 102 read and passed.
 Section 103 read and passed.
 Section 104 read and passed.
 Section 105 read and passed.
 Section 106 read and passed.
 Section 107 read and passed.
 Section 108 read and passed.
 Section 109 read and passed.
 Section 110 read and passed.
 Section 111 read and passed.
 Section 112 read and passed.

Committee rose, reported progress, and asked leave to sit again on tomorrow.

Report received and adopted.

MR. QUINTON: Mr. Speaker, I ask leave to lay on the table of the House the Accounts of the Consolidated Revenue Fund and the Departmental Revenue and Appropriation Accounts for the year ended March 31st, 1949. I am sorry this report is pro forma; that is to say, it is in the form of a printer's proof, and the purpose of tabling it now, Sir, in this manner, is to obtain the authority of this Legislature to have the printing done. The printed report will not, I am afraid, be ready before this House closes; it will take several days to print it, but I have now tabled it in this form in order to get authority from the Legislature to have the printing done.

Report received, and leave given to have it printed.

MR. SPEAKER: Committee of the Whole on Bill "An Act Further to Amend the Education Act, 1927."

Mr. Speaker leaves the chair.

Mr. Courage takes the chair of committees.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Section 6 read and passed.

Section 7 read and passed.

Section 8 read and passed.

Section 9 read and passed.

Section 10 read and passed.

Section 11 read and passed.

Section 12 read and passed.

Section 13 read and passed.

Section 14 read and passed.

MR. FAHEY: Mr. Chairman, how do we fit in now that the Memorial College has become a University? Will it be some time before we can issue certificates in the various professions? I am not quite clear on that, and just ask for information.

HON. S. J. HEFFERTON (Minister of Education): We hope to do so in the month of May or June, 1950, but this particular Act does not deal with the Memorial University.

MR. FAHEY: No, but, Mr. Chairman, I notice in the last clause it deals with teachers, and licence issued under Teachers Training?

MR. CURTIS: Mr. Chairman, I think my honourable friend the member for Harbour Main wants to know just what the status of the University is now. The position is, Mr. Chairman, that the University is able now to give Degrees, but, of course, before it gives degrees the students will have to qualify, and some are qualified to some extent, and others to a lesser extent. Well now when a student qualifies, and he has his full twenty subjects. I understand that the University will be able to confer a degree. That is the position.

Title passed. Preamble passed.

Committee rose and reported having passed the Bill without amendment.

Report received. Bill to be read a third time on tomorrow.

MR. SMALLWOOD: Mr. Speaker, I move that the two remaining Orders Second Reading of a Bill "An act Respecting Trade Unions and second reading of a Bill "An

Act Respecting Teachers' Pensions" be deferred.

MR. SPEAKER: Second Reading of a Bill "An Act to Provide for the Satisfaction of Enforcement of Judgements and Orders of the Central District Court."

MR. CURTIS: Mr. Speaker, I beg to move the Second Reading of the Bill. This is a Bill that people will not like if they have any judgements outstanding against them in the Central District Court; but it is our intention, Mr. Speaker, that the introduction of the District Courts Bill will repeal the Act creating the Central District Court, but before we repeal the Act and before we wipe out the Court it is only fair and necessary that we make provision for the judgements of that Court that are at present outstanding. During the past twenty years judgements have been given in that Court and it is necessary that we keep those records. The Court itself is a Court of Record, and therefore its records of the Court in the magistrate and to enable that same magistrate to enforce those judgements just as if they had been his own judgements; otherwise, every judgement of that Court which had not been collected already would be uncollectable. and that of course would be unfair to the public. This Bill, therefore, places all the records of the Central District Court in the custody of a Clerk of the Peace, and the Clerk of the Peace for the central district will be ex-officio a stipendiary magistrate. It is purely a measure to carry on the work of the Court and the Acts of the Court, even though the Court itself is being abolish-

ed. The last clause actually abolishes the Court, I would move the second reading of this Bill Mr. Speaker.

Carried. Bill read a second time.

MR. CURTIS: I would move, Mr. Speaker, in view of the fact that this is a non-controversial bill, and that we would, with the unanimous consent of the House go into Committee of the Whole immediately.

Standing Order 216 was waived and the Bill went into Committee of the Whole.

Mr. Speaker leaves the chair. Mr. Courage takes the chair of the committee.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Mr. Courage leaves the chair. Mr. Speaker resumes the chair.

Committee rose and reported having passed the Bill without amendment. Ordered to be read a third time on tomorrow.

MR. SPEAKER: Second reading of Bill "An Act to Vest Certain Land at Bonavista in the Bonavista Regional Library Board."

MR. RUSSELL: Mr. Speaker, I would like, on behalf of the people of Bonavista, to thank this Honorable House for permitting by a unanimous vote this Bill to come before it today.

The facts about this bill—I think the honorable members will remember two or three weeks ago when I was reading the petition from the people of Bonavista, it seems that there is a piece of land

there which is owned by the public of Bonavista. The public wish to transfer the title from themselves to the Bonavista Regional Libraries' Board for the purpose of erecting a public library there in the form of a war memorial. They held a public meeting and decided by resolution that they would like to have that done. They discovered by consulting the solicitor of the Public Libraries' Board that legislation would be advisable, if not absolutely necessary, in order to affect the transfer and they petitioned this House to have Legislation passed. I am sure we would give the same consideration to any other community as we do to the town of Bonavista, and it is in the interests both of the Public Libraries' movement as well as the people of this particular community, that we have this proposal before us. It is a very small piece of land, about 1/16 of an acre, but it is in a suitable place and of a suitable size for the building they wish to erect as a memorial for their gallant dead; and I move Sir, the second reading of the Bill.

Carried.

Bill read a second time.

MR. RUSSELL: Mr. Speaker, if the House would give its unanimous consent to suspend the appropriate rule I would move as we go into Committee of a Whole now.

Standing Order 261 was suspended and the House went into Committee of the Whole.

Mr. Speaker left the Chair. Mr. Morgan took chair of committee.

Section 1 read and passed.

Section 2 read and passed.

Preamble read and passed.

Mr. Speaker resumed the Chair.

The Committee rose and reported having passed the Bill without amendments.

Ordered to be read a third time on tomorrow.

MR. QUINTON: Mr. Speaker, I move that the House resolve itself into Committee of a Whole to consider Ways and Means of raising the Supply to be granted to His Majesty. I propose to lay on the table the following resolutions for consideration by the Committee of the Whole on Ways and Means:

Be it resolved by the House of Assembly in Legislative Session convened, as follows:

1. That the sums of money set out in the appended draft Bill be granted His Majesty for defraying certain expenses of the Public Service for the financial year ending the 31st day of March, 1952.

2. That a Bill be introduced to give effect to these resolutions:

MR. FAHEY: Mr. Speaker and honourable members. In replying to this speech of supply, or ways and means of creating this supply, first of all I wish to say that in speaking in this debate we find our expenses will be in the neighbourhood of \$34,000,000. Some members may, Mr. Speaker object to that on the grounds that \$34,000,000—because I understand that it will take \$3,000,000 to take care of necessary interest and debts that may become due in estimating this particular budget.

On the other hand we see the revenue for the year was roughly \$20,000,000, or in other words, we are spending about \$14,000,000 more than we take in.

That is subject, Mr. Speaker, to the question of \$34,000,000 and \$31,000,000, which is a difference of \$3,000,000 in order to take care of interest and loans that are already outstanding. I would like to say that at this rate, in five years we would have no surplus, in my opinion. In fact, they will have no money for the budget, particularly when our transitional grant peters out, and this year the transitional grant is the highest that we shall receive under Confederation.

As we are all aware, that from time to time, the transitional grant tapers down. In order to avoid this, in my opinion, we will have to bring in new taxes or increased taxes. The honourable Minister of Finance, a few moments ago, referred to some of those taxes, such as mining, and sales taxes, etc. At the moment I am not prepared to deal with those taxes individually, but speaking from the point of taxes the Federal Government has at the present time the income tax and various other taxes that we have been used to on this particular Island, as revenue for the Federal Government. I feel that if we must take care of the situation that we will have to have new taxes or increased taxation. We heard before we became a province that only the rich would pay taxes, but I know cases; well I know of cases—I have been connected with the labour movement for a number of years—there are today young gentlemen who have just completed

their apprenticeship have to pay right now Federal taxes in the vicinity of \$5.00 a week; that runs from \$4.85 and so on; it depends on the salary and so on.

What I mean, those that are single and are in the gentlemen's class. Now we must create ways, in my opinion, we must put our workers in a position to earn to pay these taxes. But we have factories closing down; production is bad; the Government should make an effort to hold what we have in the line of employment at the present time. I feel nervous at the moment; I don't think the honourable members of the House, Mr. Speaker, feel I am nervous from my physical point of view, but I really feel nervous of the fact that Prince Edward Island's competition in this Island with our farmers bringing in vegetables West Coast and right next door over here in Bell Island, that our farmers cannot and are not in a position to compete with them.

There was a report a few days ago by the honourable Minister of Natural Resources—by the way, it happened yesterday — that the Newfoundland agricultural society would take care of this and Newfoundland farmers were not going to be put out of business by Prince Edward Island competition. Well now, I doubt if this society can take care of this problem of marketing our products. I know of cases in the district which I happen to have the privilege to represent, Harbour Main-Bell Island, that day after day people are coming to me asking me where they can sell potatoes and turnips and various vegetables. I would like to be in a position to help them as their representative, but I cannot

see at the moment, except I happen to be a good friend of our Minister of Supply I may get a few barrels of vegetables in here and there, but perhaps that may not be the case, Mr. Speaker, and I do not know where to direct those people who come to me to ask where they can get rid of their surplus of supply in the line of vegetables.

I contend that the way to get over that, Mr. Speaker, would be to create a sort of guaranteed price for the market for farmers; dealing with farmers now at the moment, and that is to say, what I have in mind is, that the various workers throughout this island, when they go to work they are paid monthly; they know before they go to work the amount of pay they will receive each hour. I contend that the farmers, and our fishermen, should know in the spring a sort of a guaranteed price, insofar as a floor price is concerned. I do agree in the meantime that the ceiling price should be put in there in case of necessity. But the solution to the competition from those that are blessed with more fertile soil than we are is by and through the floor price. I contend that the farmer and the fisherman in the spring should know approximately the floor price, the lowest price, before they go out to the fishery or sow the seed in the ground what is going to take place in the fall, just the same as the worker, or the salaried worker, know before the end of the month, or before the day he starts, what he is going to receive. In that way we would encourage fishermen and farmers alike to go into these various occupations such as fishing

and farming, and encourage them by a sort of guaranteed price in the market in the fall for the various vegetables, the floor price would be so and so, and the same for the fish; the ceiling price, in my opinion, would depend on the market; that is, world markets.

I think again that we should assist, to move our fishermen to more fertile sections of the country, so as—I have had occasion, Mr. Speaker, and honourable members, to sail around this Island on three occasions; I am not a sailor by any means, but I know of certain sections of the country where our people live, and they are just dug into the cliffs. I saw cases where the cliff was so high that a graveyard was in the beach in that peculiar little settlement. However, I believe that we should assist as much as possible our fishermen to move to more fertile places in the country; where a proportion of that family—they go to the fisheries during the summer; the remainder of their families stay home in order to raise certain vegetables that may be required for the average farmer-fishermen of this country. They would come under the heading of the farmers' marketing board and would be controlled by the floor price, not to cut in and sell under the floor price if we had proper regulations. I contend that efforts should be made in this direction, to assist our fishermen and farmers, so that they can live in the country and become proper citizens and have a good standard of living in this island.

If this island continues, Mr. Speaker, to bring in goods by mail order and mainland factories flood our markets, I see three only at

the moment, there may be a dozen but I see three things that will take place, and that is this: first our factories will close down because the mail orders will take care of the stores, and third, our population will shrink because there will be no employment in this land and people will have to go to various other provinces to secure employment. Now the one way to stop those trends would be by floor prices. Then again we were told a few days ago here in the debate on the Liquor Control Act that liquor could not come in from one province to another freely; the law would not permit that. Well, if that is so, I believe that we should take steps to see that various other goods should not come into this country. All goods, we were told, should be sent in free, that is, free of duty, but it was up to each province whether they let goods come in freely or not. Perhaps the Government of the day can make laws and regulations to take care of that, but I feel sure, with the problem that our farmers are up against to-day, our workers in the secondary industries are up against, if something is not done to offset that, in the very near future, perhaps in five years — that is only a small space in the history of a country—we will have a very scattered population in this Island, and we will have nothing left here only Federal Civil Servants, provincial civil servants, railway employees, and I do not know if we will have so many fishermen left because the inducement to go to other provinces will be much greater and they will take a long shot chance in going to the fisheries during the summer. So I would say, Mr. Speaker,

—I do not want to prolong this debate; I have no intention whatever of doing so—that our expenditure during the year was much greater than our income; if we want to offset that, we must create employment; we must do everything in our power to increase the population rather than shrink it; we must do everything possible to make Newfoundland a better province of this great country of Canada, and the way to do that, in my opinion, would be to put a price, by proper regulations; it should be our object to make Newfoundland a better island, and create a better standard for each and every Newfoundlander. Thank you.

MR. FOGWILL: Mr. Speaker, at the outset I do wish to congratulate the honourable Minister for Finance for his very able and lucid speech of last Wednesday, when he presented the first Budget here after an absence of democratic government for a period of sixteen years. Now in this year of 1949 the Newfoundland people have re-established for themselves a form of democratic government, although the restoration of their full responsibilities as a self-governing Dominion has not been attained, I feel now that our people's future is coupled and interwoven with that of twelve million other people on the mainland we here now, the people of Newfoundland, as a province of Canada, we must put our house in order.

In the honourable Minister's speech extended reference was made to Newfoundland's main industries, namely, the fisheries, the mines and the forests. Although I do not share the honourable Minister's or the Government's optimis-

tic view in respect of these industries; in fact, it seems to me their future is somewhat obscure and bleak. There even appeared in the honourable Minister's remarks — for the future of these industries, and with the exception of the proposed operations of the mining concessions on Labrador, when people will have to leave their homes to seek work, I see very little hope of increased employment for our people; in fact, it seems to be the reverse. If the Government of this country does not take action immediately in helping to create new industries, which I may say has been talked about and perhaps promised by many people in this land last year and this year, and also being more active in the protecting of our several local industries from the severe competition under which they are now operating, if that does not happen, the employment situation will worsen. And another factor is this: the trend now is to scale down wages; at present in the mining industry and in the forestry, the workers are faced with the fact that they may have to consider a reduction in rates of pay. I hope such will not be the case. I trust the Government, with its often repeated interest in the workers will see to it that the case of those toiling masses will be presented in its proper light, and any reference to any lowering of wages in this country will have the immediate attention of the Government and also of the Department of Labour.

Now in the honorable Minister's speech he did mention those three industries, mines, forests and the fishery, but I did take note that very little was said of the industry

which I consider equal in value, to us people, that is the agricultural industry. Now, Newfoundland's fourth industry is just as important—has equal importance — with the other three to me; and I say that in the agricultural industry these people are facing the problem also. It is going to be very difficult to resolve, and I know that the honourable Minister of Natural Resources is vitally interested in the farmers of Newfoundland as it is well-known. But what can the honourable Minister do when the market is flooded, with the products of the soil of the Maritime Provinces. Even, I have been told, only last week, that part cargoes of vegetables have arrived in St. John's consigned to dealers, that the vessel has been filled and loaded with extra vegetables which have been peddled by the sack on the waterfront of this city. Now that is something I don't think that we people here in this House or anyone should forget. Action should be taken on anything like that, particularly by the honourable Minister of Natural Resources.

Now, you know, in Newfoundland we have quite a large number of people employed in the farming industry amounting approximately to 4,500 people regularly employed in that industry, and believe from past records which have figures for, which I cannot quote in detail, that in the agricultural industry in Newfoundland we have livestock on our farms, including poultry, valued at \$8,000,000. That, added to the farm buildings and land—if you put the value of land only at the value which the Government puts on it for clearing, at \$80 per acre,

you have a total value of capital investment in this industry itself, owned by Newfoundland people, the toiling masses of this land, you have a capital investment of over \$30,000,000.

That is something that we in this House, on the opposite side and on this side, we have got to consider those things and see what can be done about the farmer. His problem is a great one. Now, I use the words of the honourable the Prime Minister, the Premier himself, we must develop or perish. I believe that too.

And in respect to social security, I believe the honourable Minister in his budget speech mentioned social security. That is something I think everyone believes in. I believe perhaps, if I heard him right, he did mention a welfare state. Now, social security, a welfare state, or a co-operative state, or whatever you may want to call it, I feel that everyone believes in social security. Otherwise, why would people aim to own a piece of land, a house, insure themselves and their children. Insure themselves to see that their family would be secure against the world itself. Insure their children so that their education would be not curtailed. Why do these people see to it, in joining trade unions, or insuring themselves, only to see that they may be secure. Now there are extremes in both social security and freedom. For an example, perhaps I may say this, as far as a welfare state is concerned, what better example could you get—I don't mean this is an offence, but any person who had the ultimate in social security would be a person perhaps incarcerated in a jail, where he has all

his wants attended to. He is fed, he is clothed, he is protected from the elements, he is told when to eat and when to sleep. He has the ultimate in social security, but is he happy. No, he is not, because he has perhaps lost the most precious gift of all, this is his own freedom. Now, I don't know where the limit of social security or a welfare state begins or ends, but there must be some happy medium between the ultimate in freedom and the ultimate in social security, but where it lies, I do not know.

As far as our expenditure is concerned, Mr. Speaker, there is very little anyone can say about that, because, after all, the booklet here containing the revenue and expenditures is very clear, but I do say this; in looking over it, I am not giving any figures at all in detail, it appears to me, Mr. Speaker, that our people must prepare themselves now for a greater burden of taxation than they had here before.

About pre-union surplus, at the end of this present fiscal year, I understand by the budget speech, we will have remaining \$31,000,000 roughly \$10,000,000 set aside for deficit on ordinary account or current account and \$21,000,000 set aside for development.

Now taking our transitional grant and projecting those grants in the future for a twelve year period, I understand that at Ottawa last year the revenue and expenditure of Newfoundland was projected to a period of 8 years. I have read those tables, but now if we can project those revenues and expenditures for a period of twelve years, and taking into con-

sideration the basis of the budget this year, in relation to expenditures and revenue you will find out that in the next twelve years from now the people of Newfoundland will have to pay an additional \$35,000,000, and if you will subtract the \$10,000,000 set aside for deficit on ordinary account you will find that roughly the people of this country, beginning soon—and these few remarks I have in mind here before today—I had these in mind before—the honourable Minister just moved a resolution on increase in taxation. But the people of Newfoundland will have to prepare themselves now that very shortly that they will have to take on a burden of taxation of approximately \$2,000,000 a year more than what they have paid this year and at the end of the twelve year period, if no relief is had, the royal commission which it is proposed to set up some 8 years hence whereby we may get a more adequate term or a more adequate financial help from Canada itself—at the end of the twelve year period we people in this country are going to suffer a burden of taxation so great that I don't know how in the name of heaven we are going to pay it.

It may be the object of the Government by the legislation which they have set up here, particularly in the town council legislation whereby they may hope to shunt the burden of taxation over on the shoulders of the people who live in the town council areas of the country council areas as the case might be, but I would like to point out in this respect that if that does happen I don't think that it is going to relieve the central Government of any

burden of paying for public services, because generally, and as is always known, people in town councils or county councils or municipalities, the taxes they burden themselves with in those places are usually used for additional public services, not in the sense that they are going to help the central government in many ways to lessen the burden of taxation on the whole people.

Now, in this confused period, particularly of this year, Mr. Speaker, there is very little a person can say really on the question of taxation and expenditure except to perhaps give an uninformed view on it, and that, I believe, is what I have done now; because with the information we have got, we will not get a clear picture of the whole situation this year, I don't think, but probably at the next session of this House, in February or March, a person may be able to get a clearer picture of the whole future of Newfoundland for years to come, and we may then, probably, be able to see where we are heading, and may be in a position to say more about this whole situation than we are at present. Thank you.

MR. SMALLWOOD: Mr. Speaker, without any intention of securing priority in the debate, and without yielding my right to speak in the debate, might I suggest, that as it is now virtually 6 o'clock, that we adjourn until 8 o'clock tonight, or that we recess.

MR. SPEAKER: That point was made necessary from the fact that the old Newfoundland Standing Order allows us to carry on until 6.30, but if we do that we are

scheduled to come back again at 7.30 and I don't think any of the honourable members would wish that. Is it the pleasure of the House that we recess at this point until 8 of the clock tonight?

Carried.

NIGHT SESSION

The House met at 8 p.m. of the clock.

MR. SPEAKER: Order. We resume the debate on the motion of the honourable Minister of Finance that the House resolve itself into a committee of the whole to consider Ways and Means. The junior member for St. John's East has just completed his speech.

MR. CASHIN: Mr. Speaker, in speaking on this motion that the House resolve itself into Committee of the Whole on Ways and Means, it seems to me, at any rate, that this is the budget that we are supposed to discuss at the present time, and to begin with, I want to offer my personal congratulations to the honourable the Minister for the manner in which he presented the first budget on Provincial Government. I realize that he had a difficult job on his hands. I haven't had very much time either, Mr. Speaker, to study this budget as well as I would like. As a matter of fact any few short remarks which I am going to make are going to be more than brief, for the simple reason that this present budget now before us tells us nothing. It shows, as I read the figures, that the Provincial Government took over from the Commission of Government debts approximately something over \$2,-

000,000. In other words, the Commission of Government left some unpaid bills on its hands when it went of office of over \$2,000,000, which the provincial government had to pick up, and next year when the honourable the Minister brings in his budget speech, he will undoubtedly have bills outstanding himself which in the following year will have to be picked up.

Now, what are the main items in the Minister's budget. First of all he goes on to say here that the country decided, without a n y doubt whatever, at least that is the way I read it, that union with Canada was going to be a wonderful thing for Newfoundland. Members of the House and the people of the Province will recall the facts which brought about the suspension of Responsible Government in 1934. If it was my idea in getting up here tonight, Mr. Speaker, and speak the facts that brought about the loss of Responsible Government in 1933-34, this House, provided I was in good physical condition, would not finish the budget before some time next week. However, that is not my purpose; that is past history. Every man and woman that can hear me tonight knows as well as I can tell them, what brought about the fall of Responsible Government in 1933-34. The Honourable the Minister himself was a member of the House, if my memory serves me rightly, and voted for the suspension of Responsible Government and Commission Government. But he forgets to tell us in his budget that a part of the contract made in 1933, in the autumn, November 1933, was that as soon as Newfoundland became self-sup-

porting, Responsible Government would be restored, and you might add to it, at the request of the people.

Now, I have already spoken on the Speech from the Throne and I gave the details in no uncertain language of what happened so, let sleeping dogs lie. However, let us get down to the meat of the budget. The Minister starts to point out about trade and industry at the present time and how difficult it would be to forecast any future for the country generally. He first refers to the fisheries. Well, Mr. Speaker, the fisheries, as everyone knows, are the main industry of Newfoundland; most of the people in this country are occupied in the fishing industry; but we know also that by an act of God, so to speak, this year, that the value of the fisheries is being kept up to the standard and the high price they are for this reason, that we were successful in obtaining the necessary exchange for the fish which we are not assured of for next year. We must remember that Sterling has fluctuated and dropped from \$4.04 down to \$3.08, practically 25 per cent and that American currency is high, and we do not know next year what is going to happen. Everything is indefinite.

From there, the Minister goes on to Pulp and Paper. Now, what is the position of Pulp and Paper in Newfoundland today. We have Grand Falls running 5 days a week, Corner Brook, the sulphite mills, if they are not shut down, will be by the end of the year. Now, many times on the floor of this House during recent weeks, I have cri-

ticized the Delegation to Ottawa for the manner in which the Bowater Paper Co. was treated under these Terms, and it has since been brought to my attention that there is just the possibility that the Bowater Co. may have an action against the Provincial Government of Newfoundland for \$1,000,000 a year in this respect. In 1927, now the Bowater Co. made a definite agreement with us that they would pay \$150,000 a year instead of taxes, instead of profit taxes. The Government of the day and the House agreed with that. Now we find that the Canadian Government, the Federal Government, can come along and tax that company provided next they make \$3,000,000 profit, which is doubtful, that they can tax them approximately a million and a quarter dollars. But they have an agreement with the Newfoundland Government to pay only \$150,000. This thing undoubtedly will end up in the Supreme Court of Canada. The chances are that Bowaters may sue the Newfoundland Government for the difference between the million and a quarter and \$150,000, because they have an agreement with the Newfoundland Government. Now, this morning, I was requiring about the paper industry and it is not so hot, even though the Minister here in his budget speech states that there are possibilities for another couple of paper mills in this country. Yes, there is a possibility for one mill in this country, provided that the necessary capital will be found, can be found, but we must remember that prices of newsprint today are at the peak, and that the prices are inclined to drop rather than go up, and when

prices are going down with money so difficult to raise, for an industry like this, I venture the opinion that to go on the market today to raise \$25,000,000 or \$30,000,000 for a new pulp and paper mill in Newfoundland or in Canada or anywhere else, financiers will have great difficulty in raising that money, because costs are too high, and if the newsprint starts to drop, what is going to happen? You are going to have a slump.

Now I am not preaching pessimism; rather would I preach optimism. I do say that if the market had kept up to what it was last year, if the demand for our products had kept up, particularly in Great Britain, and now in the United States of America, that there was a possibility of another pulp and sulphite mill, or a sulphite mill, on the south west coast of the Island, which I have spoken of many times in Bay d'Espoir, to be fed with wood from our Labrador territory, because the wood in Bay d'Espoir is not good wood for a sulphite mill; the wood there is principally fir, and you have got to have a bigger percentage of spruce to mix with that fir in order to bring about a good pulpwood; you have not got that spruce on the south-west coast, unfortunately. You have the waterpower; you have the harbour. But now get the money.

Talk of two: I question whether you could get one or not. So then let us pray to God that the depression in the paper industry does not go down any further, because if it does, what is going to happen? Today you have several thousand men out of work in Newfoundland,

because the mills are not cutting the wood that they did cut the previous years. You have, as I understand it, the companies are kicking; they want a reduction in wages; costs are gone too high. Therefore earning power is going down. Prior to union with Canada our men were making more money than the woodsmen in Canada; they were getting their board cheaper than they were in Canada. But are they doing that today? I hope so.

Now we are coming along to the mining industry. Now the other day, Mr. Speaker, my friend the Premier made a wonderful announcement with regard to the Labrador Mining and Exploration Company. The Labrador Mining and Exploration Company got the Labrador for nothing from the Commission of Government. I have spoken of that on several occasions. They did agree to begin with, to pay ten cents a ton royalty. They jittered around that, and it wound up where they are not paying any royalty, but instead, five per cent on the net profit. That was manipulated. And, true, I have strongly advocated the development of the Labrador Mining Company. Three years ago, in the Convention. I got particulars from a man who was originally the founder of the Labrador Mining Company, who passed away in Montreal last July, Mr. McKay, the late Mr. McKay. And how he spent his fortune on the Labrador mine, and when Timmins came in and took over from him, and they figured they could produce ten million tons of ore a year, and I understand resolutions that are now before the House, and I have not got a copy

of them—they were moved this afternoon, I think, by the Honorable the Minister of Finance. I have not seen them. Anyhow, it says about taxing mines, I am told that. Now there is one place for them to tax, but can you come in now without bursting that agreement and tax that ore. They have a definite agreement for five per cent, an amended agreement, and if I had my way, Mr. Speaker, tonight, in this House I would amend that whole agreement in the Budget Speech, if I remember reading it, scanning it over—I only got it today; I saw about it in the newspapers, it refers to our waterpower in this country. Another item with the Labrador Mining Company, where they got the waterpower of Grand Falls, Labrador, for fifteen cents a horsepower, and for similar waterpower, just across the Border, the Quebec Government are collecting a dollar and a dollar and a half per horsepower. These are facts, and for rental the Labrador Mining Company is paying five per cent on the net profits, and for a much smaller concession on the Quebec side the Quebec Government is getting a hundred thousand dollars and seven and a half per cent on the profits. Now that is not fair, and an adjustment should be made, and the Premier in his press release outlined that at this time next year ten thousand men would be at work on the Labrador. I wonder, Mr. Speaker, if the terms of that agreement will be carried out now and those only to be employed in ordinary labour will be Newfoundlanders. Then we will have to go back, Sir, to the days of Mr. Asquith, the

late Mr. Asquith we will have to "wait and see."

Now these are just a few passing remarks that I have to make in connection with these industries to which the Minister refers in his Budget Speech, and now we come to where his Budget Speech really begins, Revenue and Expenditure.

When the Commission Government handed over on April 1st—because that was the date; it will go down in history that Newfoundland lost its own Government on April 1st, 1949, All Fools Day—they handed over approximately forty millions of dollars, according to the statement made here in the beginning of these Estimates, roughly forty million dollars intact. Now I have a memorandum here of the Premier's Budget in the Convention, when he spoke on the Terms of Union, as outlined in the famous Grey Book, and the Black Book—he and I remember these books very well—at that time he estimated that our revenue would be \$15,138,000, or a deficit of a million and a quarter approximately. What do we find? We find here in these figures that the revenue for the current year; that means '49-50,—it does not matter what the Commission Government owed; someone has to pay it; they owed over two million dollars; it is a wonder that they did not clean her out altogether before they did get out. They collected since April 1st, 1949, and hope to collect by March 31st, apart from Customs and Income Tax, subsidies, etc., from the Federal Government, amount to \$20,182,500. Now what are your total expenditures from April 1st, 1949, to March 31st, 1950? According

to the Budget it is \$34,573,000. That is everything, capital expenditure, repayments of the loan, and everything else. It has got to come from somewhere. Therefore it is obvious that the difference between the two is over \$14,000,000. True, true, there is over three millions of dollars a repayment of a loan due in England. I do not know what is the exact date that money is due. In the days when we raised these loans before, I think that is a loan that was raised in 1910.

MR. QUINTON: Due the 31st of December.

MR. CASHIN: Due the 31st of this month. That means, hand over—they have already made provision for that, two or three years ago, the Commission Government. Now originally Newfoundland through its Commission Government gave over \$12,000,000 interest-free loans to Great Britain. Now Great Britain knew this thing was coming on, these two loans of 1950 and '52 were trustee stock, trustee loans, the total amount, the two of them shoved together, is roughly over four millions of dollars, three and a half per cent; I think, Mr. Speaker; the original loan of 1910 was raised for the purpose of building branch railways in Newfoundland. It amounted to, I think, some five hundred odd thousand pounds. Well now, the Commission Government knew these loans were coming in in '50 and '52; they owed us dollar moneys over in England. At that time the pound was \$4.04. So out of our dollars they transferred £800,000 at \$4.04. Now if they had to leave that money there, which they should have done, instead of picking it out—

they transferred that money which was getting no interest, and they bought some two and a half per cent stock of some kind, and today the two amounts go up to £880,000. Five hundred and eighty-five of that is going to be paid out now, but we are losing ninety-six cents on every pound because, if that money had been left where it belonged they would have had to repay us in dollars.

MR. QUINTON: They owe us dollars now.

MR. CASHIN: They owe us dollars now, yes. I know they owe you dollars now. But they are not losing any money on the dollars now. If they had to shoot those dollars out here to-morrow they would lose their ninety-six cents on the pound, and if they had to leave it there which they should have done, if they were honest, we would have made \$500,000 profit on that loan. However, it's done, and that is the big expenditure under Consolidated Fund Services. Then we have the legislative expenditure, \$186,000. Executive Council, \$152,000 Finance. Now here again these two loans put together amount to four millions of dollars. When Canada took over Newfoundland they said we will take over the sterling indebtedness, but only on our three per cent stock; these other two are being provided for; they took over £17,000,000, \$72,000,000 approximately, less the sinking fund at that time which was almost \$10,000,000—\$62,000,000. It would not have broken their backs if they had taken over this four, because what the Canadian Government did was simply added on to the National Debt of Canada,

and we are paying off a portion of it still.

Now I said we are having a deficit of \$14,000,000. These are the figures here in front of me; I cannot change them. The Minister very shrewdly points out that if the Commission Government had not left these bills behind them, the Budget would have balanced properly. Nevertheless they admit eight and a half million. Well now I am going to take off that three and half, roughly, and you have over eleven million dollars of a deficit, and take that eleven million from your forty, it leaves you roughly twenty-nine. Now, Mr. Speaker, we will find at March 31st, when the Minister of Finance brings in his Budget again, there is going to be unpaid balances, just the same as he took over from the Commission of Government, and I venture the opinion that next March 31st, when the next Budget is brought in, which will be the nice one—this is a coxer, this one—when the next one comes in, when that little bit of taxation comes along, you are not going to hold on to the surplus you have got—you say we are spending it on capital account. What is the capital account we are spending it on? Buildings? Yes. We are not going to spend it on them every year, but next year you have got to keep up your end of the plank with the Federal Government in the expenditure of money for the highroad across the country, and I venture the opinion here to-night that within less than four years the forty million dollars will have disappeared unless you shove on more taxation. That is obvious. The man that made this out knows that. He has made out another one, you know, and it

was peculiarly different from this one. Fellows can twist figures, you know, when they get a \$25,000 fee.

Now the other day, in reply to a question I put on the Order Paper, and I am speaking from memory because I have mislaid that answer, but the Minister will bear me out, I was informed that \$15,000,000 of our surplus—is that right?—was transferred to Canada on November 3rd, of the surplus, had been transferred as on November 2nd. Now in the reply to that question which the Minister gave me, the total amount of money in the bank on October 31st, 1949, was somewhere in the vicinity of \$21,000,000. If you take that \$15,000,000 off it, that leaves six. At that time also—and I am sorry I mislaid that paper somewhere; I do not know if the clerk has a copy of the question that was tabled here not long ago showing the amount of cash on hand at October 31st, and the disposition of the other money, but I will give it from memory anyhow; if I am wrong it will not be the first time I have been wrong, and I suppose, Mr. Speaker, it will not be the last time—that showed \$5,000,000 here in Newfoundland between five and six millions here, \$15,000,000 in Canada; that is \$21,000,000 in cash, \$9,000,000 that we were owed in Great Britain, is \$30,000,000. Now we also had a deficit for seven months of close to \$6,000,000 at that time, if my memory serves me correctly, six millions of dollars.

MR. SMALLWOOD: That is not counting the Tax Rental Agreement

MR. CASHIN: Ah, that tax Rental Agreement is not in yet. Here we have it, part of it anyway. You had, total revenue for the seven months \$10,190,000, and your expenditure was \$15,902,000; that is pretty near six million dollars deficit for seven months. Now if for seven months you have six million dollars deficit, what are you going to have for twelve?

MR. SMALLWOOD: But we did not.

MR. CASHIN: You did. Wait till I am finished with it. You had received from the Canadian Government up to that time \$7,275,000. One second, now, \$4,875,000, and \$1,155,000; that is over \$6,000,000 from the Canadian Government. Well your total amount annually will not go over \$13,000,000. That is pretty near half of it. So I was about to give you credit for the balance when you interrupted me, certainly when the Premier and myself interrupt each other no one minds it, and we do not mind it ourselves. However, I figured out roughly a million dollars a month of a deficit; in other words, ten or eleven million dollars deficit for the total year; that is when your accounts are made up on March 31st next you will have ten or eleven million dollars to come out of surplus, but you will have over twenty-six or twenty-seven millions in cash, including your fifteen in Canada, because in the Terms of Union you are told that \$15,000,000 is to be used for one purpose and the balance for other purposes, whereas in reality it is the same kind of money.

Now, Mr. Speaker, I did not intend to speak at any great length on this thing. I have not prepared

anything, to be frank with you. But I felt that I could not let the opportunity pass without warning the country that, as I see the picture today, Newfoundland as a province, unless we get one or two of these mills that Mr. Quinton speaks about, or the honourable Minister of Finance I should say—and I hope we do; unless some of these industries spring up. And incidentally, Mr. Speaker, industry will not give you revenue; it will do away with unemployment but we cannot get any revenue out of it.

MR. SMALLWOOD: A dollar saved is a dollar earned.

MR. CASHIN: I know. Well, you are going to add another million on to the unemployment this year, at least another million, unfortunately; we know that, Mr. Speaker. You know it, the Premier knows it, the Minister of Finance knows it; we all know it. There is only one thing, we have got to be frank about it; we have got to face facts. Now the facts are that you will have to find year ten million dollars in a new kind of money, and how are you going to get it? New taxes. I understand the Resolutions that are up here this evening, the Resolutions for consideration of the Committee of the Whole on Ways and Means, "Resolved that in view of the social services contemplated by this House." I thought, Mr. Speaker, we were going to get all these social services for nothing, "and in order to finance same a social security assessment of three per cent be made on certain retail purchases, and that such assessment be made as and from a future date to be named in a Procla-

mation by His Honour the Lieutenant-Governor in Council." Mr. Quinton did not break the record; it was the first budget that ever came in here that did not forecast some form of taxation the other day. Everyone that brought one in here had to either take off some or put it on, and I honestly thought, Mr. Speaker, that I would be able to be in a position to compliment the Minister of Finance more wholeheartedly this evening, because his budget had no indication of extra taxation, and I was informed while I was home to supper somebody brought in this resolution and I was absent, and now I have got to take back—

MR. QUINTON: Most of this will not apply in this fiscal year, so it does not relate—

MR. CASHIN: I know, but it gives the Government power to put it on. The Minister of Finance could not get away from the fact that he has to bring some kind of taxation. I warned you about it. Three per cent for social services. I thought we were getting baby bonuses for nothing; we were getting Old Age Pensions for nothing. Now we are going to have three per cent social services tax. There is a tax of ten cents a ton to be levied on all limestone, and or dolomite quarried in Newfoundland. That will give you twelve or fifteen thousand dollars a year. "Resolved that a tax of five per cent of net profit or ten cents a ton, whichever is greater, be levied on all persons and companies mining iron ore in Newfoundland." Why there is ten cents a ton on iron ore being mined in Newfoundland or four million tons a year, and that agreement, if my memory

serves me correctly, has not expired — the Dominion Iron and Steel Co., in 1929. Prior to that they were getting it for nothing, for a number of years; now you have got to make a new agreement with them or you bring in this taxation which is automatically imposed on them. And what about the Labrador Mining Company? That is not mined in Newfoundland; that is in Labrador. You cannot put it on them. I wish you would bring in some kind of legislation to impose taxation on that Labrador company, not crushing taxation, but an equitable tax of say 10 or 15 cents a ton royalty on the ore you are going to mine on the Newfoundland side of Labrador, because I have great faith in that Labrador mining proposition, always did.

I think the honourable the Minister of Labour and the honourable Mr. Keough were members of the Committee that I was Chairman of that prepared the Economic Report to the Convention, and if my memory serves me correctly, we devoted three or four pages in the report to the possibilities of mining iron on the Labrador, and I think the honourable Minister of Labour, with his nice smile over there to-night, agrees with everything that I was primarily responsible in putting into that document at that time; as a matter of fact, he did agree, he signed the report. And we foreshadowed everything that the Premier told the public the other day, and I only hope that the Premier's remarks the other day corroborates my remarks, that they do actually come true, because there is a lot of things to happen before that

Labrador thing comes through, Mr. Speaker.

The United States is going hungry for that ore. The big mines in Minnesota and the Mesabi Range, they are becoming fast depleted of high-grade ore. Before Hollinger took over this mine from McKay in 1939 or 40, they kept their mining experts into the years from then that all high-grade iron ore in the United States would be down to a very low level before they took this plunge to the Labrador. I have that from the president himself. They went into the Labrador. They found that it goes from 62 to 63 per cent iron to 67 per cent, according to their statistics, on the same par with the Swedish ore from which the high grade steel is manufactured. Now, if the head of the lakes, Cleveland and in Pennsylvania, where all this ore is chewed up, if they become short of it, there is only one way they can get it and that is through the locks, the canal.

At the present time, and I think Mr. Speaker if our economic report is produced tonight, that these are some of the words, that in order to make this thing a great big development you have got to have the St. Lawrence waterways completed, that at the present time I think the biggest ship that can go through the canal can only take 2,500 tons of ore or any other commodity. Those lakers take about that, that is, that come right up the St. Lawrence, but once they get into Lake Superior and those big lakes through the locks, they can take 10 to 15 thousand tons of ore. Consequently those locks have got to be deepened down to 25 or 30 feet, and that is going

to cost some money, and you know what is happening in the United States and Canada over that project. The railways are fighting it in the United States and they are not so keen on it in certain parts of Canada. I do not know what our friends in Toronto would say, but the people I know at the head of the Lakes, they would welcome it, because they would get a shorter water-haul. They will not have the long rail haul and consequently the freight rates will be reduced, so they have their little differences and politics in the United States of America just the same as we do here in Newfoundland and it is going to be some time, I am very much afraid, before these waterways are completed. However, I am glad to see that this Labrador thing is going ahead and there is only regret, that Newfoundland is not getting any royalty on that or nothing out of the waterpower. "Resolved that a tax of 5 per cent on the amount of production be levied on all persons or companies giving options on their mineral holdings in Newfoundland." "Resolved that Bills be introduced to give effect to these resolutions."

Well, Mr. Speaker, that amount of taxation is not going to create a big surplus next year, except that you have Labrador Mining Co. working and Bell Island going at the same rate as it is going at the present time. And that is another point. We do not know about Bell Island. I am not pessimistic. I hope that the Dominion Iron and Steel Company is able to sell its ore in England again next year and get dollars for it, because if they cannot do that, then you are going to be short 6 or 7 or 8 hundred tons

of ore, a thousand tons of ore next year on Bell Island. We have no guarantee today for anything, unfortunately. And, Mr. Speaker, there are many more items in this budget that I have not got time to deal with, but I do say this, that within three to four years from now this new form of Government which we have succeeded in getting, or given ourselves during the past year, I hope—I shall use an expression of one of the Federal members—I hope and trust that things will look better.

I realize today that all our main industries are in a precarious position and if we all went out shouting depression, it would not be long before you would have one. I realize that the pulp and paper industry is in a tough spot. I realize that the Bowater outfit in Corner Brook is with Canada was consummated at all these people and plunged it into that project over there making it the largest pulp and paper mill in the world. It would be too bad to see that thing fall. Now, it has been only in operation in Corner Brook—it opened in 1925—it started construction in 1923. Today it is the biggest paper mill in the world and if it was going at full force, it would turn out 355,000 tons of newsprint and sulphite pulp yearly. I think the Minister mentioned here in his speech 295,000 short ton. But that mill over there is capable of turning out 355,000 tons of the finished product, that is, sulphite pulp and newsprint, the biggest one in the world. Add to that, Grand Falls, which has been growing slowly, slowly for the past 40-odd years. It opened, I think to begin with, in 1910 by producing about 500 tons a day and it is

growing gradually. Got concessions, yes, from the Government. Good ones. 40-odd years ago. But they plunged their own money into it and they built up an industry in the middle of the country which would never have been there if we did not have this old railway we have heard so much talk about.

Well, now I understand that is off our hands. All our difficulties are going to be overcome if we were clear of the railway; well, we are clear of it. But without that old railway which cost the country, up to now, I imagine, I think, over 50 millions of dollars, from the time they put the first spike in the Harbour Grace railway, right up to the present time, it cost the taxpayers of Newfoundland from 50 to 60 millions of dollars for that railway, and through that railway you got Grand Falls and you got Corner Brook. Two of the finest industries in North America, and I think we all should be proud of them.

There are other items in here that I could have criticized but it is not my purpose to do so any further. I propose to wait for the next two or three months, Mr. Speaker, when we shall all be here again. I am not going to close off this four or five months session by a fiery speech tonight, but merely to say this: That I give the Government my best wishes for its future prosperity, if you would call it that; that they have my blessing tonight to carry on the work, but I do warn them of this, that you have got to get your expenditures down to your revenue or else you have got to slap on another 8 or 10 million dollars a year in taxation. I think every man in this House both sides, and in the mid-

die as well, realizes that in order to hold that surplus together, in order to make your accounts balance, you have got to put on an extra 8 or 10 millions of dollars a year of taxation on the people, because the people pay it True, you may tax the big shot down on Water Street, but he has got to haul it out of someone else because there is a limit to taxing the wealthy; you can tax them to death and then where are you going to put them. We brought in an awful lot of legislation here this year. It goes into a lot of money; Co-operatives, Economic Development, and Mr. Speaker, where is all this economic development coming from? I cannot see it. This Labrador Mining thing was a wonderful splurge for the Premier a few days ago, and we wish him luck.

Well, as I see it now, Mr. Speaker—I have concluded my remarks, brief remarks, because in ordinary times I would be here for the evening on this thing, but I have not taken the trouble to go through it very very thoroughly for which I must apologize for myself, and I presume the members of the Government are delighted also. Again, I am sorry I have to take back the nice things I said about the Minister, because I have discovered since I came back from dinner that he had imposed taxation; he would have been the first Finance Minister in the history of the country that ever brought in a budget only for what he did this afternoon. Brought in a budget without resolutions attached to the budget. It looks as if he forgot them and went down later and brought them out. I think I shall have to move the

resolution of censure on the Minister of Finance for omitting this principal part of his budget speech when he delivered it the other day. However, Mr. Speaker, with these few remarks—as an old political friend of mine in this House used to say—with these few remarks I give my blessing to the present Government and hope that they will have all kinds of success, but I warn them right now, when we come back in February I want to see these accounts up to date and next year when the Minister brings in his budget speech, I do not want to have him to say, well there is a lot of bills that I have got unpaid, that I am leaving them to go over to 1950-51 because he knows that that is what will be happening, because the following year when he comes in we will find out what he did not charge up to 1949-50.

MR. SMALLWOOD: Mr. Speaker, it is a very great surprise, indeed, to see my honorable and gallant friend content himself with the use of virtually only a few minutes to criticize the budget. There is something wrong, I do not know what it is, there is something definitely wrong when my honorable and gallant friend, with the budget, actually with the budget before him, and the whole set of estimates, can resist what must be an overpowering temptation to occupy at least three whole days and nights in making a speech on these financial matters. Well, quite frankly the House is to pro-rogue on Wednesday afternoon and we arranged on Saturday that not only would we meet Saturday afternoon, but Monday morning, as well as Monday afternoon and night and on Tuesday morning,

and afternoon and night, and Wednesday morning, so that we would be sure that when His Honor the Lieutenant-Governor came here at 5 o'clock on Wednesday afternoon, all the business of the House would be done and he could deliver the Speech from the Throne and then prorogue this present session. We did have a certain amount of worry at last, 5 o'clock Wednesday afternoon would come and we would still be in the midst of a fiery debate on the budget speech. And now my honorable and gallant friend has let us down badly, because what on earth are we going to do between now and 5 o'clock Wednesday afternoon.

MR. CASHIN: Prorogue her tomorrow.

MR. SMALLWOOD: Well, these things Mr. Speaker, as the House knows, have to be arranged some little time ahead, because protocol requires that certain courtesies be extended to certain distinguished citizens of our province; invitations have to be extended to the leading citizens of Church and State and to the foreign nations that are represented here, and so it takes quite a little while to get these ceremonies arranged. I am beginning to get a little uneasy, Mr. Speaker, quite frankly, a little uneasy as I recall my honorable and gallant friend sitting on that very side of the House with one of the most trenchant tongues that any man ever had in this Chamber, next, I suppose, only to his late father, Sir Michael Cashin, who was, I think, to most able and the most telling Opposition man perhaps that ever sat on that side of the House. And in

a House where such men as the late Sir William Coaker and the late Sir Alfred Morine and the late E. M. Jackman and the late Sir Robert Bond and the late Judge Kent were in the Opposition at one time or another, it is saying a lot, to say that my honorable and gallant friend was one of the most effective of them all. So I am beginning to get a little nervous when he comes in here and is satisfied to use up a mere half an hour criticizing this budget, and you know frankly I am beginning to suspect that at long last a Government has brought in here a budget which even honorable and gallant friend does not know how to criticize, because really it leaves no room for criticism.

Indeed I can say quite seriously that in all the history of this House, since 1832, there has never been presented to the Legislature a set of Estimates of expenditure, a Budget Speech, an account of the public finances of Newfoundland so complete, so clear, so self-explanatory, so easy to understand, as these which we have brought here in this present session. Past Budgets, past Estimates, past public accounts, in the days of Responsible Government under all parties, Liberal and Tory, were weird and wonderful things, and no Philadelphia lawyer could understand, they were not capable of being understood. The Finance Ministers who brought them in did not understand them, including my honorable and gallant friend, because I am quite sure he and his Department and his colleagues must have spent many anxious weeks in those days when he was Minister of Finance trying to jug-

gle her up with the figures, trying to by juxtaposition, like a crossword puzzle, now trying this, now trying that, but always with the one view not of revealing but of concealing the true financial state of Newfoundland from the public gaze, the reason being that the financial position of Newfoundland in those days was deteriorating steadily, inexorably, to the point between the years 1910 and 1934, when finally our public debt was a hundred million dollars; we could not pay the interest on it, and Newfoundland was bankrupt, and in those intervening years, with the exception of the period during which my honourable and gallant friend's late great father was Finance Minister, which happened to coincide for the most part with the first World War, when revenues were so high, when they took in, especially during the latter part of that War, as in the latter part of this late War, more money than they needed, except for then, revenues were nearly always short of expenditure, and annually, with the regularity and inexorability of the calendar itself, year by year, without exception, they had to go into the money markets of the world, to Britain, to Canada, to the United States, and borrow money to meet their deficits.

But here we have a situation, for the first time in Newfoundland's history since the turn of the century when our finances are in such a good condition that we have no need to hide it, but on the contrary are able to declare the facts with the comprehensiveness and clarity never even approached in all the budgets of the past.

Now, Mr. Speaker, we do not take credit, as a Government, for the actual physical Act of compiling these figures. That was done for us by a man who is outstanding on the North American continent and an authority and an — I hesitate to use the word because in late years it has come in for a considerable amount of disrepute—expert. I prefer perhaps to use the word "Specialist," an outstanding specialist in public finance. I refer to Mr. James A. Thompson, head of the great Canadian firm of Peet, Marwick & Mitchell, with head offices in Montreal and branch offices extending right across the continent. Mr. Thompson was for a number of years Auditor General of the great province of Alberta; afterwards he was, while in private practice, retained by the Sirois Dominion Royal Commission of Dominion Provincial Affairs to compile and prepare a large number of tables of statistics dealing with the finances of all the provinces of Canada; these great tables which appear in the Sirois report, adopted, as my honourable and gallant friend knows, is a memorable document in Canadian history, showing the finances and the financial systems of all the provinces of Canada; these famous tables were prepared by Mr. Thompson for that Sirois Royal Commission.

That same Mr. Thompson was called into conference by the Dominion-Provincial Conferences of three years ago, when the Government of Canada submitted these noteworthy proposals to the provinces out of which proposals arose the present Tax Rental Agreements. It was this same Mr. Thompson who prepared all the

statistical data of these famous reports of three years ago. Mr. Thompson has been called into consultation by various provincial Governments throughout Canada to reorganize their financial structure, to establish entirely new accounting systems, and to set them up in a modern, accurate, realistic, scientific system of keeping their accounts and showing their public accounts. And so if this Government is able tonight to do a little boasting about the comprehensiveness and clarity of its having done these things, but rather from the fact that it had the prudence, the forethought, and the honesty as a Government to engage the services, at a high price, of Mr. Thompson and his partner and associates who have been here now for some weeks past, setting up this system and enabling us to present this incomparably clear picture of Newfoundland's finances represented in this magnificent document, and represented also in the Budget speech of my honourable and gallant friend the Minister of Finance.

We do take credit for having been smart enough to realize that the thing for Newfoundland to do, now especially that she is a province of this great nation stretching from St. John's to Victoria, the thing for Newfoundland to do, and which she ought to have done long ever before she became a province, because it was just as sound to do then as it is now, namely, to go from one end of Canada to the other seeking the best man always to do the particular job that needs to be done. Now I know that it would be possible for a Opposition to have great fun with the Government on that; it has been

done before, and we have still in our population a considerable proportion of our people who are ready at any moment to sneer at the expert, to sneer at the specialist, except when they want a doctor; then when they are sick our people invariably do not sneer at the medical expert; they look for a doctor. If they get into some kind of legal business trouble they do not sneer at the expert then; they go to a lawyer. Or if a man does not know how to build a schooner he goes to an expert in schooner building. But the very people, very often, who sneer at experts are the first to seek them out when they want a particular job done. And so we, in this Government, feel that when we have a particular job that needs doing for Newfoundland, if we have here in Newfoundland a man capable and big enough and experienced enough, clever enough and brilliant enough, to do it, then take that man. If he is not in Newfoundland, but he is outside, let us go after him and bring him back. But if he is neither in Newfoundland nor out of it, then let us not waste time looking for a Newfoundlander; let us take any British subject, and if we cannot get a British subject let us take an American, but let us always get for the people's money the best man to do the job.

That is why we are so proud that we have brought Mr. Thompson to Newfoundland, and he is here yet, or his partner, his men; they will continue for some time; they will go through various Departments of this Government, and they will finally submit a report with recommendations which we will without remorse and without hesitation accept and act upon them, even if it

be not good politics, apparently; even if it be bad politics in appearance we will accept them and act upon the report because the best politics that any Government can play in Newfoundland today is not to play politics at all; that is the best politics of all; it will do his party no good in the next election, if we want to look ahead that far, it will do this party no good, or any party that might be in power, no good at all, in the next election, to go back to the people with a policy, with excuses, with our finances demoralized, with the need perhaps to go out borrowing money, that would not do us any good.

Far better for us as a Government to get Newfoundland's finances in good shape, soundly based. We are going to get into our policy of social security with which we all agree, on all sides of the House. Now it is a pleasure to hear my honourable friend, the junior member for St. John's East, make that statement here this afternoon; I know that he echoed the feeling of his heart; I know that my honourable and gallant friend, the Independent member, would share and express the same view, as we on this side.

It is in the very air in the world today; it is Social Security, the Welfare State, or it is Communism, one or the other, and we believe in it, and we are looking forward towards it, and already we have brought legislation here to increase the Old Age Pension from \$30.00 to \$40.00 a month, and the same to the blind; we have brought here and succeeded in getting this House to adopt a law to pay a pension to widows;

we have succeeded in getting the adoption of another law to pay pensions to dependent persons, crippled in health of mind or body and unable to earn a normal living. We have brought in various types and we will bring in other types of social security legislation, but as my honourable and gallant friend, the Minister of Finance, has told us in his Budget Speech, these things take money, and I know that my honourable and gallant friend from Ferryland could not resist in his very nice speech, he could not resist the taunt "I thought all of these things were to be free."

Well, he did not really think that, and he did not think that we thought it, and he did not think that anyone thought it, and he did not think that anyone said it. These things have to be paid for; of course, they have. It is a pleasant thing Mr. Speaker, an exceedingly pleasant thing, when you are in a Government, to spend money. It is a pleasant thing when your friends come to you looking for a job to take them on and put them to work and to give them Government jobs. It is an exceedingly pleasant thing to say "Yes" to everyone, and not have to say "No" to anyone. That is lovely. And if you could go on that way, if you had a new surplus every year, of forty million dollars, you could give everyone a job, and you could pass out all kinds of money in all kinds of ways, and not worry about the results. But we are not living yet in Paradise—

MR. CASHIN: Very close to it.

MR. SMALLWOOD: No, not even close to Paradise, and we have to pay our way, and this sur-

plus will not last for ever. It will not last for ever. Now about that surplus. I have thought here, in the last week or more that I detected in my honourable friends on the opposite side, but more especially my honourable and gallant friend from Ferryland, I have thought that I detected a feeling on their part that there is something wrong about spending the surplus; that somehow it ought not to be spent. My honourable friend from St. John's East was up on his feet a number of times in committee of the whole on Supply, on these estimates, and again and again the burden of his song was roughly the same, "I see this is charged up to the surplus." "Yes." "And here again you have this charged up to the surplus." And I thought I detected a note of interrogation, of doubt, perhaps even of suspicion, in his voice. And my honourable and gallant friend from Ferryland has been much clearer about it. He seems to have the feeling that it is wrong to touch the surplus. Well, what in the world is the surplus for? What is it for, except to be spent? Money is made round to go round. That's an old gag, I know.

MR. FOGWILL: Not enough round.

MR. SMALLWOOD: It is not round enough? It does not go round enough? Which?

MR. FOGWILL: Not enough of it?

MR. SMALLWOOD: Not enough of it. True. True enough. There is not enough; there never was enough; there never will be enough, to meet all the needs of man. Alexander Pope, the poet,

was quite wrong when he said, "Man wants but little here below, Nor wants that little long."

He was quite wrong. Man wants everything here below, and wants it all the time, and his wants and his needs never stop. And the Surplus would have to be — well let me put it this way. For our surplus to last to serve all the purposes that it ought to serve and still last, still not disappear, our surplus would have to be something like what I heard a fisherman friend of mine say once. He said, "You know, the merchants will tell you every year that they lose money on the fish they buy, and," he says, "as far back as I can mind they have been losing money on their fish, year after year. My God, how much did they have when they started? Well, that is how much money you would need to have as a province by way of surplus so that it would not all go and it would not be used up in a few years. It would have no bounds; it would have to be endless and inexhaustible. But it is not that. There will come an end of that surplus.

But surely, surely, money is to be spent. That is what it is for, and while in the individual frugality and thrift, and the habit of saving, are wonderful virtues; if the people as a whole, if any country as a whole, or if the world as a whole, should practice these virtues, it would be perhaps the worst thing that could conceivably happen to the world; it would demoralize the whole economic structure of the world, if every one in it saved, if every one in the world were prudent and thrifty and saving. It is not frugality and thrift and the habit of saving practised

on a wide and universal scale that would send the world ahead. That would send it back, and I refer my honourable friends on both sides of the House to that great classic in economics, "The Economic Consequences of the Peace" by John Maynard Keynes, written just after the first Great War. We have a surplus. Now what will we do. Will we put it away, put it in the bank and forget about it, just draw interest on it? Will we do that? There is no standing still; that cannot be done. In a man's life, in a city's life, in a country's life, there is no standing still; you go ahead or you go astern. Now, what does going ahead mean? When is a country, or a state or a province going ahead? It is going ahead when the—I am leaving out, the House will understand, I am leaving out spiritual matters, I am not here to preach a sermon, although if I were hard enough, I might even try to do that. Well, if we are not proroguing on Wednesday I might be tempted to do that.

MR. FOGWILL: Not tonight, Sir.

MR. SMALLWOOD: And not tonight. Leaving out things of the spirit and in leaving them out, I say that in no derogatory sense, but only in the sense that I am not here to preach a sermon. When does a country go ahead? What are the indications of countries going ahead, or provinces going ahead? Surely, progress is measured, materially, by a rising standard of living amongst its people. Now, I can see my honourable and learned friend, the Leader of the Opposition, casting a quizzical eye at me when I say that, because I believe in his heart he has serious doubts as to whether there is

or can be such a thing as progress, but we will not go into a philosophical argument about that, delightful as that would be. You measure a province's progress by the degree by which its standard of living rises. Now, what does that mean? Does that mean only that people eat more and better food? It means that. Does it mean only that they have better and more clothing? Yes, it means that, but man does not live by bread alone. It is not enough to have—and God knows, we are far from it in Newfoundland yet—Where everyone has lots to eat and lots to wear, but even if they did have these things and had decent homes in which to live, that still would not be enough. But these are necessary.

In addition to that, a rising standard of living requires that there be decent post offices, frequent mails, frequent communications by letter, aeroplanes instead of dog-teams, faster mails, the quicker conveyance of ideas of communications. That there be more radio, more receiving sets. That there be more roads, so that people can get physically from one point to another quicker and easier than before. That there be more hospitals, cottage hospitals and others. That there be more clinics. That there be more schools. That there be more and more, and ever more, and more, public services as well as private and individual conveniences; that there be more and more public services provided to the public, by the public, with the public's money, the Government acting for the public to serve the public with the public services. Now, if these things do not happen, you may well say that

a country or a state or a province is not going ahead; it is going back.

All right, now, what is the normal way of doing these things? Is it normal in Nova Scotia, Ontario, British Columbia, or any province you like to mention in Canada; is it the normal thing? or in any state of the United States, even the great empire state, New York; even in the great progressive western states, or mid-western states, or any states of America? Is it the normal thing for the Government of any country, to provide for more and expanding public services that is, roads, bridges, breakwaters, light-houses, post offices, telegraph offices, telephone services, radio services, hospitals, schools, and the like? Is it normal to increase and expand public services of those kinds out of current revenue? Is that the normal thing that is done? The answer is, no, it is not.

MR. FOGWILL: What about receiving a telephone call at two o'clock in the morning?

MR. SMALLWOOD: If you get a phone call at two o'clock in the morning? Well there is a lot in what my honourable friend says. I don't quite follow his point, but I have no doubt that it is well taken.

It is clearly—it is rather obvious, but a Government does not expand its services out of current revenue. It tries to maintain the existing services out of current revenue. It ought to do so; it ought to do its best to do so, because if it does not then it is incurring a deficit on current account. Its ordinary day-to-day expenses are greater than its ordinary day-to-day in-

come, and it has a deficit on current account, which is bad, because it has got to raise that deficit somewhere. But that is the ordinary public services; but when you are going to expand them, to build 10 miles of new road, entirely new, where there was no road before, in other words making the second blade of grass grow where one grew before, when you do that, when you build an additional hospital, if you build an additional school, these are expansions, extensions, of your public services and therefore do not form part of your ordinary, normal current expenditure. They are abnormal. They are unusual. They are necessary, they are desirable, but they are not the ordinary revenue.

Now, out of what kind of money does Government provide these expansions and extensions to public service? Two ways—one of two ways. One, to go out and borrow the money, and in Newfoundland we have had such a very bad experience of borrowing that the very word is distasteful to our people. Public debt, borrowing, loans, these words evoke unpleasant memories. We begin to be uneasy at the mere mention of it, because Newfoundland has had a sad experience where borrowing and public debts, and loans, and interest on debts and the rest were concerned. But that is the normal way of Governments everywhere. When you build a road from Joe Batt's Arm to Fogo; from Fox Harbour to the Highroad, three miles. When you build a road from here to there, a new road, are you providing a public service only for the people who contribute to your current revenue? Obviously not. You are providing a public service.

When the road was built in my honourable friend's District from Burin, last year and this year, is that a road on the Burin Peninsula to serve only those people who are now living. Obviously not. It is a wonderful opportunity to work in but I refrain from that, I will not use it. But I will say this, that thousands yet unborn will use that road, and why shouldn't those thousands yet unborn contribute their share of the cost of putting that road there in the first place. Why should the present generation bear all the cost of providing expansion and extension of public service which generations yet unborn will have the pleasure and convenience of using.

Well, it is on that theory that Governments all over the world have always felt it right and proper to go out and borrow the money, to build, not for money to pay deficits, that is poor public finance, that is poor finance policy; but to borrow money for capital expenditure, capital expansion is normal, it is normal in every business. Our friends Bowers, out in Corner Brook, decided to expand their plant, put in another big paper machine, put in other equipment to expand their plant. What did they do? They went out and borrowed the money to do it, that is normal. Everyone does that; individuals do it; corporations do it; governments do it; now that is one way to finance expansion of public services. What is the other way? The other way is the way we are doing it, but not very many countries, certainly not very many provinces in Canada, are as fortunate as we are. We have a surplus, which we are using, and which we will use from

year to year, largely to finance extension and expansion of the public services.

Now, what is wrong with that? Nothing wrong, I agree. There is nothing wrong with it. It is the normal thing to do. And yet, someone says, Good Lord, look what has happened this year already? \$10,000,000—the figures vary, by the way—my honourable friend from Harbour Main this afternoon—I thought there was something a little wrong in his figuring, but I said nothing until tonight our financial man himself uses identically the same figures. Then I begin to sit up; this \$14,000,000, I don't get that, I don't see where that comes. I don't see how he arrives at it.

AN HON. MEMBER: Page 5.

MR. SMALLWOOD: Page 5, \$14,000,000—

AN HON. MEMBER: Revenue expenditure

MR. SMALLWOOD: Now—

MR. FAHEY: Mr Speaker, in answer to honourable Mr. Premier, under revenues we have \$12,000,000 under current, \$20,000,000 now, and then you have an expenditure of \$22,000,000, but the total expenditure is \$34,000,000 gives you an expenditure of \$14,000,000.

MR. SMALLWOOD: Why should you do that? I hope my honourable friends are following page 5. Now, from my honourable friend from Harbour Main that is understandable, it is excusable; he is one of the finest type we have in Newfoundland, but amongst his highest attributes he has not the attribute of being a public financier. I think I can say that without exaggeration

but when my honourable friend over here uses the same argument it is worth taking a look at it. Let us go back; here it is on top of the page—"Revenue", the bottom of the page—"expenditure". Now what does it say on Revenue: "Current revenue \$20,000,000 for the year". "pre-union surplus \$16,745,000"—that is 16 and three quarter million, total \$36,900,000, nearly 37 millions. Turn to the bottom of the page, "Expenditure", current \$22,900,000, nearly \$23,000,000. "pre-union surplus expenditure," and a half million, total 34 and a half millions; a total revenue \$36,900,000. If my honourable friend there or here wants to subtract one thing from another, let them subtract the 20.1 from the 229 and what you get is the difference of 2.8 millions. Sure 2.8 millions, because—what was he saying, that you must not mix—yes, rum and gasoline—no, that is not it either—

MR. FAHEY: You should not

MR. SMALLWOOD: You must have a feeling for figures, and if you haven't you couldn't help it. If you have not got a feeling, a flair for figures of public finance. There is revenue, two kinds, current and surplus, two kinds of revenue. Expenditure, two kinds, current and surplus. Now, if you subtract like from like, you will have it, or unlike from unlike, but don't subtract like from unlike. If you want to do any subtraction, do this. Subtract your surplus expenditure from your surplus revenue and that makes sense, or subtract your current expenditure from your current revenue and that will make sense;

or add your expenditure both surplus and current, and add your revenue both surplus and current, and then get the totals and subtract one from the other, and that will make sense, but don't take some figures, leave out one, and then take three and expect that your answer is going to be accurate, which is just what my honourable friend will see he has done, to get the deficit of \$14,000,000 because if you are going to include the surplus at all on the revenue side, it should also be included on the expenditure side. Don't forget that a lot of that \$34,000,000 34 and a half million dollar expenditure is capital or surplus expenditure as well as current.

MR. FAHEY: Mr. Speaker, is it the practice—when I was speaking this afternoon, the honourable Premier refers to it now, he brought up the question? Under our current revenue our total income is \$20,182,550 and under our total expenditure, including the current revenue and the amount brought forward as preunion surplus, the whole total amount spent is \$34,000,000. I use \$34,000,000 in round figures—but the difference between \$34,000,000 and \$20,000,000 is \$14,000,000, and that is how I arrived at those figures, and where you make up the difference between \$20,000,000, that \$16,000,000 difference made up, it came from capital account, and capital account comes out of the revenue of the country, as I see it, as well as the \$20,000,000 comes out of the current account. When you add the \$16,000,000 and the \$20,000,000 together making it \$34,000,000, to

me it is all the same thing, it all comes from the same source.

MR. SMALLWOOD: Yes I see that, I see it is all the same thing to the honourable gentlemen but I shall not go any further to make him see the reality of it. I think I would be wasting the honourable gentleman's time, if I attempted to do that, but some time—

MR. FAHEY: I would not like to detain the honourable the Premier or to delay the House any longer to try to explain to me in my humble position the finances of the country, but I have already explained how I arrived at these figures, and I still maintain it, but I do not want to bring the argument on further. I apologize to the chair for interrupting the honourable the Premier, but I would not wish for him to continue to try to explain to me, in order to delay the House, which is trying to prorogue on Wednesday.

MR. SMALLWOOD: Well, as a matter of fact, Mr. Speaker, I do not think I am delaying the House; I am trying to fill in where I thought my honourable and gallant friend from Ferryland would be all tonight and probably all tomorrow forenoon; he surprised us all by taking only half an hour, and now we are beginning to wonder what we are going to do to fill in between now and five o'clock Wednesday afternoon; we have a few bills, but these will go through—

MR. HIGGINS: You forget that the honourable and gallant member was forty-five minutes speaking, and we are allowed to speak only forty minutes now, as I understood the rules

MR. CURTIS: I do not think that is so.

MR. SMALLWOOD: No, no, I do not think that is so; you can speak forty-five days.

MR. HIGGINS: You go ahead, because if you want to speak long I would move that you speak longer

MR. SMALLWOOD: No there is no need; we will have the right to speak for forty-five days without a break if we want to.

MR. HIGGINS: Oh, I do not think so. That rule was passed, was it not, at the very beginning of session, when it was said that there should be at time limit of forty minutes.

MR. SMALLWOOD: No I don't think so.

MR. SPEAKER: It is not yet a Standing Order of this House. It was spoken of as a practice.

MR. HIGGINS: It was passed. Pardon me, Sir, because I got up and objected to changing that rule, and when we finally decided to have forty minutes.

MR. SMALLWOOD: When was this?

MR. HIGGINS: After the Speech in Reply.

MR. CURTIS: My honourable friend is speaking about the amendment to the Rules of the House which permitted that, but no rule was made under that. There is an enabling Act, but it was never effected.

MR. SMALLWOOD: Sure, my honorable and gallant friend from Ferryland was speaking three days.

MR. HIGGINS: I know, but this happened after that.

MR. CURTIS: It is the enabling Act.

MR. HIGGINS: There is something about it; I was speaking to the honorable and gallant member from Ferryland and he said he could only speak forty minutes, and I said "Yes," you are perfectly right.

MR. SMALLWOOD: I hope that is not why my honorable and gallant friend from Ferryland took only the forty minutes he did. I should be very sorry if that happened, because I was hoping there would be some criticism of this Budget, because it is by criticism and the replies to it that the facts come out and become even clearer than they were.

MR. HIGGINS: And does away with a multitude of sins.

MR. SMALLWOOD: Well, it may do away with them, but it sometimes covers them up.

Now my friend from St. Johns East, the junior member from St. John's East, expressed a considerable amount of concern—I am sorry he is not here at the moment—a considerable amount of concern this afternoon about our secondary industries, or, as we call it, local industries. I may say that these have given this Government a considerable amount of concern as well. I have had a number of deputations to see me from Associated Newfoundland Industries, the most recent of which was on I think Monday night—no this is Monday—Friday night last, and various groups and various individuals interested have been in to see me,

and if they were talking to you, I think they would say that they received very sympathetic hearing from me, to say the very least, and indeed we entered into discussions with a view to joint action on their part and the part of the Government to assist them in their difficulties. It is perfectly true that I have in the past and in this very Chamber during the Convention said some very hard, but nevertheless very true, things, about the effect of tariff-protection. On the contrary, we have now free trade between ourselves and the rest of Canada, and these local industries are no longer sheltered behind a tariff wall existing between us and the rest of Canada. My honourable friend has come back. And now that we have free trade between the mainland of Canada and ourselves, I have a very great deal of sympathy for these local industries. I think I can say that this Government has been instrumental in preventing the closing down of two of them; one of them in the west end of St. John's, a very large and very old local industry.

AN HON. MEMBER: Biscuits.

MR. SMALLWOOD: No. A very large and very old industrial firm in St. John's West which was in dire danger of having to close, and they would tell you, I feel sure, in fact I know, they will tell you that this Government by its intervention succeeded in keeping that big industry going—it is one of the biggest and oldest as I said, in the City of St. John's. That is only one. We have sympathetically and energetically done what we could and are continuing to do what we can to assist these industries. It is not good policy in their interests of the Government itself to say

now what we are doing, but there have been various negotiations, there have been various cables between St. John's and Ottawa; there have been various telephone calls between my office and Ottawa and there have been various people back and forth, and there will continue to be telegrams, telephone calls and personal visits in the interest of these local industries, and I would not have my friends on the other side think that we as a Government are prepared to lie back and let anything happen to these industries and not care what happened, because that would not be the truth about it. We are very much concerned, and furthermore, as I have already said, we are also very much concerned about establishing entirely new industries.

My honourable and gallant friend from Ferryland expressed doubts about the future of the newsprint industry in Newfoundland. I think myself that there is a great future for Newfoundland from the standpoint of pulp and paper, and industries based on Newfoundland wood and Newfoundland water-power. I look to see two new mills in Newfoundland based on Newfoundland water-power, and Newfoundland wood, and when I say Newfoundland, of course, I mean Newfoundland including Labrador, which is part of Newfoundland. I expect to see two new paper mills. The best authorities say that by 1952 there is likely to be a world shortage of newsprint paper, and I was little surprised that my honourable friend from Ferryland expressed tonight fears for the newsprint industry, because I remember standing approximately where I am now in the Convention, and my honour-

able and gallant friend sitting opposite me at this very table, just about where the Clerk is sitting now, and assuring me and all the members of the Convention that the newsprint industry was O. K. for ten years to come, that their output was sold ahead for ten years—nothing to worry about—and it was I who said "Ah, at a price. Is that sold for ten years ahead at a price?" My honourable friend from St. John's East will remember the occasion, those of us who are here now who were here then will remember; I did not think so; I did not think at that time that for ten years ahead all our output of newsprint paper was sold at a price, and it was not. It was not. And it is not now. But nevertheless, I am told on an authority that I accept that two or three years from now there will be a world shortage of newsprint paper, and, remember, that newsprint paper is not the only thing you can make a wood. A combination of wood and water power and chemicals can turn wood into things even more valuable than newsprint paper or sulphite pulp, more valuable, and I have great hopes, great hopes—I will not go any farther than that—I know what I am talking about, and I am extremely optimistic about the prospects for development in Newfoundland; I am really optimistic. And, as my honourable and gallant friend said, we can indeed talk ourselves into a depression.

I do not mean by that that we should adopt a policy of Pollyanna rosy optimism. I do not mean that either. I do not think that all the rosy optimism in the world will create an industry but, on the other hand, gloomy and pessimistic

talk can decrease the prosperity we presently have.

Now I do not know that there is anything I want to add. I was hoping, to be quite honest with you, Mr. Speaker, I was hoping that my honourable friends on the other side would raise so many points that required answer that here on this side of the House we would be kept busy tonight, tomorrow morning, tomorrow afternoon, tomorrow night, and again they have fooled us, the Opposition have failed us again, as they have done so many times throughout the session, and we would be girding our loins, preparing for a spirited debate, and why here we were left without any need of a debate at all, but we did hope, at least I personally hoped, because I like a scrap sometimes; like my friend from Ferryland I like a scrap, and I was hoping we would have a little scrap on this Budget speech.

That is why we were trying to clear away legislation and leave the last two or three days for the fine, old-fashion, rousing, debate on the public finances of Newfoundland, but I am afraid, Sir, that our Budget is so good, our Estimates are so good, our financial statement of Newfoundland so good, that we have left the Opposition speechless, we have left them without an argument to use, except the argument of my honourable friend that we have a shortage of fourteen thousand dollars, something like the deficit my honourable and gallant friend referred to tonight—what is it, six million that statement showed there that you quoted from, six million up to the first seven months? The 31st October we were down six million dollars?

Well now he knows as well as I do that that table did not include receipts from the Government of Canada from the Tax Rental Agreement, and that would put a different complexion altogether on the table if these figures were included. They were deliberately omitted, for the reason that the Tax rental Agreement was not yet signed, but that it will be signed nobody doubts, and that we will receive that money and receive it in this financial year, nobody doubts, so that instead of being down six million dollars to the end of October we have actually, I think it is a surplus.

There is quite a difference between six million down and a hundred thousand or a couple of hundred thousand dollars to the good—in fact, it is a difference of over six million dollars. Well, Mr. Speaker, that is all I have to say. I hope that the remaining members of the opposition will discuss this budget. They have lots of time you know; lots of time; we are not going to prorogue until 5 o'clock Wednesday afternoon. I hope my honourable and learned friend the Leader of the Opposition will deal with some of these points; in fact, I shall be greatly disappointed if they don't, because if they don't it will not give a chance to some of us on this side to have their say. Thank you very much.

MR. HIGGINS: I move this debate be deferred, Mr. Speaker, until tomorrow.

Carried.

Second Reading of the Bill "An Act Respecting Trade Unions," was deferred."

Second Reading of a Bill "An Act to Amend the St. John's Municipal Act, 1921," was deferred.

MR. SPEAKER: The honourable Minister of Natural Resources introduced a Bill "An Act Further to Amend the Crown Lands Act, 1930." That Bill was read a first time this morning, and leave given for the second reading at a later hour to-day.

MR. RUSSELL: Mr. Speaker, this is a very short Bill for which I have the honour to move the second reading. In accordance with the rules, Mr. Speaker, I should ask the unanimous consent of the House to have the pertinent rule suspended and give this second reading. "An Act Further to Amend the Crown Lands Act, 1930." I believe it has been circulated.

MR. CURTIS: I wonder, Mr. Speaker, if we could reconsider—since it is ten minutes to closing time yet, *just ten minutes to ten*—the decision to commit this Crown Lands Act. It is only a small non-contentious Act, and as we have to have it reprinted for—

MR. HIGGINS: Is this the second reading now.

MR. CURTIS: No, we have passed the second reading, I would like to have it committed now. It is noncontentious and we can finish it up in a couple of minutes.

Rule 261 was suspended and the motion was carried.

Mr. Speaker left the chair.

MR. RUSSELL: Mr. Chairman, apparently I was moving a little faster than I thought I was a little

while ago, I thought I was asking leave to move the second reading—apparently I moved the second reading, but it is due the House that there should be some explanation given of this Bill, and the explanation I would ordinarily have given on second reading I would like to give now with your permission, Mr. Chairman. It is only brief.

One of the last Acts of the Commission of Government was to pass an amendment to the Crown Lands Act which they called Section 133 (a), An Act, number 27 of 1949, they amended that and they put in a section to allow for the exchange between the crown and any other party of certain timber limits. Now, the situation as far as timber area is concerned in this country, Mr. Chairman, are rather confused. There are places where there are blocks of timber owned by the Crown that are away in the interior, where the Crown cannot get at them where the public who ordinarily would be allowed to cut firewood on them or saw logs or other things, really cannot get at them.

These areas are somewhat adjacent and sometimes in between locks owned by companies who would be glad to use them. We have several instances like that. At the same time, timber limits owned in fee simple or under license by those same companies are out near the sea coast; in some cases, I might say, on the three-mile limit. It has been felt for years that it would be a good plan for all concerned if some arrangements could be made to exchange, and so the Commission of Government passed this Act number 27 on March 31st to permit the exchange,

but we have come to the conclusion that this new section that they put in by that Act was hardly adequate for the purpose. It provided—by the Crown, to which the Crown owned all the rights—fishermen lived there were blocks owned by companies in fee simple, to which they had the fee simple rights to the land, the timber rights and everything else, but under that section that the Commission of Government put in on March 31st, 1949, they provided for exchange of some limits. But it did not cover other cases which existed. Let us take the case of where one of those blocks out near the shore, the accessible blocks, is not owned in fee simple by a company at all; it is being leased by that company from someone else who holds it in fee simple.

As a matter of fact there is a case where the A.N.D. Company holds the timber rights to block of land or several blocks, but are held in fee simple by probably the Reid Newfoundland Company. Now, in that case, what kind of an exchange could the Crown make? It could not certainly give away fee simple grants to a timber area and get in return only the timber rights, and it did not cover adequately provision for the exchange of timber rights for timber rights. It did for fee simple rights in exchange for other fee simple rights. The purpose of this Act, Mr. Chairman, is to add to that, to widen the scope of that section that was inserted by this Act in March 31st, 1949, and provided for the exchange, not only a fee simple for a fee simple but of licence for licence. That is the purpose, and I do not say it will be used very widely, but there are cases where

it would be very very convenient to the Government to the public, and to the companies that are concerned, to make these timber areas more accessible to those who use them.

Section 1 read and passed.

Section 2 read and passed.

Preamble read and passed.

Mr. Speaker resumed the Chair.

The Committee rose and reported having passed the Bill without amendment.

Carried.

Ordered to be read a third time on to-morrow.

MR. SMALLWOOD: Mr. Speaker, I move that the House at its rising do adjourn until to-morrow, Tuesday, at three of the clock. I do not think, for the appearance of it now, that there is any need for a morning session to-morrow; I think perhaps a session to-morrow afternoon and one to-morrow night, then if the need should arise, we could meet on Wednesday morning and afternoon, and we shall probably get through by five o'clock on Wednesday. To-morrow, Tuesday, at three of the clock.

House adjourned accordingly.

Tuesday, December 6, 1949.

The House opened at three of the clock.

Presenting Petitions:

A petition was presented by Mr. Courage from Point Rose and Garnish re Road.

Honourable the Attorney General presented a petition from the "Newfoundland Central Council

Branch of the British Red Cross Society.”

The following gentlemen were appointed a Select Committee to consider the said petition:

Hon. the Attorney General
 Hon. the Minister of Supply
 Hon. the Minister of Public Welfare
 Mr. Cashin
 Mr. Miller

Reports of Standing and Select Committees:

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, the Select Committee appointed to consider the petition of the Twillingate Electric and Telephone Company, Ltd., have considered the matter to it referred and begs to report as follows:

1. The Rules of this House have been complied with.
2. In view of the fact that there has been introduced and passed at this Session a Bill entitled “An Act to Provide for the Regulation of Public Utilities” your Committee recommends that the petitioner be notified of this legislation which may sufficiently answer the prayer of the petition.
3. Your Committee further recommends that, should the petitioner find the legislation referred to inadequate, it may renew its application at the next ensuing session of the legislation; and in event of such an application, it recommends that a Bill be then introduced to give effect to the prayer of the petition.
4. Your Committee further recommends that should your petitioner renew its application, it

need not give or publish notice of such its intention.

Dated the 5th Day of December, 1949.

(Sgd.) Leslie R. Curtis
 John G. Higgins
 Ronald F. Fahey
 G. T. Makinson
 H. Horwood.

Report received and adopted.

Notices of Motions and Questions:

HON. J. R. SMALLWOOD: Mr. Speaker, I would like to give what I might call a short notice that I will later to-day ask the indulgence of the House to move the suspension of the Rules. Now there are two ways of doing that; one is to suspend the Rules each time, on a half dozen occasions throughout the afternoon and evening, as the different orders of business come up; the other is a blanket suspension of the Rules by one motion. I do not know what the feeling of the House is in the matter, which way they would prefer it, whether in this way or to deal with each item as it comes along, but whichever is the pleasure of the House would be quite satisfactory. I give notice now that I will later to-day move that, with the unanimous assent of the members, and I may then, later in the day, withdraw my notice of motion.

MR. SPEAKER: Notice of motion standing in the name of the Honourable the Minister of Finance to move the House into Committee of the Whole to Consider Ways and Means. The adjournment of this debate was taken upon motion of the honourable the Leader of the Opposition.

MR. HIGGINS: Mr. Speaker, let me say at the very beginning that it is good to hear the Budget delivered in a place suitable to its dignity. For some years during the regime of the Commission of Government we learn of the financial affairs of Newfoundland at a Rotary Lunch or in the Board of Trade rooms or at some Flipper Dinner. It is heartening that once again it can be heard in its proper place—the House of Assembly.

I must compliment the Government on the manner in which the financial situation has been presented in the written word. The layout of the Estimates makes the position of Revenue and Expenditures very clear.

The brochure containing these matters gives us a good opportunity of seeing and realizing the affairs of the country at a glance, or rather I should say a series of glances. The structure of the Estimates is clearly outlined. No matter what fault we may find with the items, they are clearly presented to us.

The brochure is undoubtedly the work of an expert—or, to use the word of the Premier who objects to that term, a specialist. A specialist is a master in his own subject. "Beware the man of one book" is a salutary warning for those who desire to criticize a man in his own subject. Examine him on that one book and you are lost.

That is why it is difficult, except through the medium of another specialist, to criticize estimates so prepared. The amateur is often lost unless he is coached by a professional, another specialist. Specialists often confuse us till a down to earth question stumps

him. A large building in Liverpool collapsed and people were injured and an action for damages resulted. An expert gave evidence showing how well the building had been erected and what a fine building it was. The lawyer cross-examining asked one question: "If the building was so well built can you tell why it collapsed?"

We may criticize the old time budgets. They were able men in the olden days, let others slander them as they wish. They had to work on a budget of \$6,000,000 to \$10,000,000 a year but they did good work on that. If they had a deficit and borrowed for this, it was on capital account, for roads, docks and railways and public buildings.

I remember hearing the honourable and gallant member for Ferryland claim at the National Convention that our debt of \$70,000,000 was more than covered by our roads, bridges, etc., and that future generations should pay for this. At that time the Premier did not agree with this but now times have changed and last evening he agreed with the repeated and gallant member's observations.

The Commission of Government had the inexcusable record of having the highest revenue and spending it all. That Government should have left a surplus of \$100,000,000 or else have doubled the old age pensions and brought in family allowances.

While I must compliment the honourable the Minister of Finance for the fluent manner in which he delivered the Budget Speech, I must say it is a very gloomy Budget Speech that he presented. The overall picture winds up with the

statement that our industries will in the future be confronted with numerous and formidable problems of readjustment. The Minister says:

"In general it is becoming increasingly apparent that our industries will, in the future, be confronted with numerous and formidable problems of re-adjustment to an entirely new set of market conditions."

THE FISHERIES

Let us look at the Fisheries.

The temporary relief measures taken by the Commission of Government to overcome the exchange difficulties or dollar shortage of our customers in the sterling areas in 1947 and 1948 were referred to but the honourable Minister was unable to say what, if any, action is being taken for 1950. He tells us:

"I am unable to say whether or not action along similar lines will be taken to facilitate salt fish marketing in 1950."

He already referred to the tremendous importance of the fisheries to Newfoundland but still could not let us know what is the outlook in its most important aspect for 1950.

This is followed up with a general statement that the Government is aware of the many and intricate problems confronting the salt fish exporters and, lo and behold, all he can say is that the problems are being studied. This is what he says:

"It is also too early to attempt to assess the effect which the adjustment of the exchange rates will have on the salt fish trade generally. However, the

Government is keenly aware of the many and intricate problems which will undoubtedly confront salt fish exporters in the future and in conjunction with the Newfoundland Associated Fish Exporters Limited, the Newfoundland Fisheries Board and the Department of Fisheries, Ottawa, these problems are being carefully studied in an effort to arrive at a satisfactory solution."

Exports of frozen fish were not as great in 1949 and in 1948 and the cautious approach of the honourable Minister to future prospects gave his hearers a "chill."

FISH OILS

These appear to be in a worse position than even the other branches of the industries mentioned. He says:

"The situation with respect to fish oils is somewhat discouraging. Although there has been a resurgence in the sealing industry and a remarkable growth in whaling activities in the last few years, fish oils generally have been undergoing a series of sharp price decreases."

This subject ends gloomily, for while the Finance Minister says that conditions on the whole are satisfactory and should remain so he bases this statement on no facts. In reality he clearly contradicts himself and proves the opposite by stating that "There may be further reductions in the price of some of our fishery products" and that the marketing difficulties prevailing in the salt foodfish industry cannot be minimized.

PULP AND PAPER:

This industry is in a bad way and the larger of our two com-

panies will be in a worse position if it has to pay the corporation tax not previously paid. Bowater's have built up Corner Brook. If they made profits they threw the money into developing the town. Woodsmen were paid high wages and were well looked after. The member for Ferryland also evening told of this.

The genial countenance of the honourable and gallant member for Humber must lose some of its wonted placidity when he considers the position of this once gold mine in his constituency.

Conditions of unemployment in this area and Grand Falls have not been so bad for a long long time, and I am told that further lay offs are expected. But "live horse and you'll get grass." If those who made a living with the pulp companies can live till 1952, then hope is theirs. The Premier gave us a hint of such a hope last evening and the Finance Minister repeated this:

"There are those, however, who confidently expect that by 1952 a more optimistic outlook will replace the present doubtful position regarding newsprint and sulphite markets, and that a world shortage of these materials will again place the newsprint industry in a strong position."

I trust that his prophecy will turn out true but in the meantime there are two or three years to be lived.

MINING

There is the same general outlook for mining as for other industries.

There is no doubt that the announcement about the Labrador

was a tremendous let down. The people were led to expect wonderful things were about to happen, a revolution in our financial structure.

Let me say that the present government had nothing to do with the Labrador development.

It can be seen that the Finance Minister in contradiction to the Premier is not really optimistic. All he says is:

"The vast mining development about to get under way in Labrador is important as much for its symbolism as for the actual employment it will give."

What will the development of the Labrador give? Employment to men far from home. Our men must "become hewers of wood and drawers of water." The best jobs will go to strangers and we shall become the pick and shovel men. Newfoundland has lost control of the Labrador. WE SHALL BE SERVANTS IN OUR HOME.

GENERAL TRADE

Let us consider the loss to the general trade by the change-over to Confederation.

The Longshoremen are suffering. That was prophesied when the question of Confederation arose. The Finance Minister tells of their plight.

"There have already been some disturbances in the field of transportation. Longshoremen's payrolls in St. John's ordinarily amounting to \$1,500,000 a year, are estimated to be down by approximately 25 per cent."

It is an alarming picture he paints when he tells of the vast influx of goods from the mainland. He draws attention to the increase

in mail order buying indicated by the Railway car loading shift. Let me quote his own words:

"Railway car loading at St. John's for the period 1st April to 31st October 1949, are estimated at 15% below 1948 although railway car loadings at North Sydney, for general distribution throughout the province, are up about 100%. The latter is due to the free movement of goods from the Canadian mainland."

Who will risk capital in this country under these circumstances? Here, mail order business provides work for only a few clerks, men and women, and no more. Why? Because the bulk of the work is done on the mainland. The getting ready the parcels, the stowing away the goods, the warehousing etc., all that is done abroad. Work that should be done here is done outside.

If the people save a few cents, and that is doubtful, the country loses dollars. What is the good of Eatons and Simpsons to this country? What taxes do they pay, what employment do they give? As I said, they give little but our money is sent out of the country and their employees are paid in Newfoundland money, for labour that should have been performed by Newfoundlanders.

POLITICAL UNDERSTATEMENT

There is mentioned in the Speech of "some degree or depression in a few parts of the Province". Anything that affects the Fisheries, the Bases and the Pulp and Paper Industry affects the whole of Newfoundland. And the statement

is a political understatement in intended to cover up the serious position of Newfoundland today.

TACTICS OF CONFEDERATION AND GOVERNMENT

The Minister refers to certain factors, "unfortunate factors", beyond the control of the Government. They are three in number and are set out as (1) an abnormal failure of the fishery in some areas, (2) the slowing down of pulp wood cutting, "due to the complete unsaleability of pitprops and the greater difficulty in selling sulphite" and (3) the lay-off on the U. S. Bases.

There is some truth in his contention; but he should have told the whole truth. He should have reminded the people of Newfoundland that in the fight against Responsible Government and in the recent elections the Confederates in the one case and the Government in the other attempted to create and did in fact create in many quarters the impression that all this depression could not happen again in Newfoundland. The old days are gone forever!" How often was that catch-cry promulgated!

30,000 UNEMPLOYED

The people were not told nor did they ever think that in this year the number on relief would be around 30,000 and that our prospects would be for a continuance of this state of affairs.

In the fight for Responsible Government versus Confederation the worst thing that the Confederates thought they could say against Responsible Government was that under it 30,000 would be

out of employment, the exact number of unemployment under Confederation.

SOMETHING MUST BE BLAMED FOR HARD TIMES

However any Government that creates an atmosphere of over confidence by hiding the possible prospects and substituting in its place airy promises of plenteous employment and better times must find something to blame. Now the Government is falling back on the excuse that these matters cannot be avoided and the Government should not be blamed; or to use the words of the Minister:

"I need scarcely point out that these factors are quite beyond the control of the Government of Newfoundland."

If the cost of living did not come down as they predicted then the Government must set up a class cry against a nebulous group of profiteers.

SOCIAL SERVICES ONLY FAVOURABLE SIDE

Now we come to what the Minister calls the favourable side of the picture—the social services. What would the Government do without the old stand by?

Why are we not told the over-all picture in this respect? What did Newfoundland pay out or give away to the Federal Government against these services?

Oh no! There is no mention of the debit side. The Minister does not tell us what has been taken and what is being taken from us. We get nothing now-a-days for nothing and Newfoundland must pay and is paying.

DANGER OF LACK OF TRADE TO SOCIAL SERVICES

The Minister tells us that:

"It is clear that with this very substantial block of purchasing power" (namely the money coming from Family Allowances) "in the hands of our people trade can again decline to the low levels which we saw in the years between the two world wars."

This is not at all clear. The amount which the Federal Government and the Provincial Government will be able to continue to provide for these admirable services will depend upon the amount of trade that we can maintain or develop.

If these services through a lack of trade have to be curtailed for any reason, the lack of trade and the curtailment of the services could put us back further than we were in the period between the two wars.

It must not be forgotten that only production can be an a sound basis for the economy of this or any other Province.

And even so trade does not necessarily make living conditions better. Are the people of the U.K. getting more trade because of their social services or less? Time will tell.

SECONDARY INDUSTRIES

What is going to happen to our secondary industries? It is needless to enlarge on this subject. Other speakers have done so and last evening the Prime Minister referred to it in not over-optimistic terms.

It is easy to say people will get cheaper goods. But will outsiders produce commodities as good as

are produced here? And are the loss of money, formerly kept in the country and the unemployment caused thereby offset by cheaper goods? If this country is inundated with goods and commodities from outside how long will the economic structure last? What can we produce that other countries have not or that we can send abroad and undesell the markets abroad, besides paper, ore and fish?

FARMING

Farmers are in precarious financial position at present. The honourable the Minister of Natural Resources has a difficult task ahead of him to devise means to keep agriculture alive here. He outlined a scheme recently which he read in the House; but I feel he is not overconfident on the matter and he is finding the going hard and difficult. I know farmers who have all their produce yet. One gentleman told me recently he had set his two boys up as farmers and they had then 2000 barrels of produce which they could not sell and he added "they will be no longer farmers."

Farmers around St. John's who could set their produce in former years find this impossible now, and the result is they must go on relief and the country loses. Comfortable families are dragged down.

All in all conditions are not good. If we did not have the surplus we would be insolvent. The clock would be turned back to the early 1930's.

The Premier referred to me last evening as one who gives a quizzical smile at the mention of the word Progress. "The honourable

and learned Leader of the Opposition does not believe in Progress" he said.

With great acerbity a few days ago he accused me of having a 16th or 17th century mind. The next day he couched his language in a kinder tone and suggested that I was—if I may interpret his remarks concisely—a champion of lost causes. He said I was one of the very few of a fast dying but honourable race and that Chesterton and Belloc belonged to that race. What an honour for me! But I blush for the men he connects me with, he himself would deny most vehemently that he would like to be of that class much as he may say he admires it.

Let me say this: there is progress by conservatism. One can be progressively conservative. We can follow the old Roman injunction *festina lente*—make haste slowly—a most admirable warning.

I would like an interpretation of Progress. "What is Truth"? said jesting Pilate as he fled away. But I am still here and I shall discuss the meaning of Progress.

We boast too much today and we show too little of achievement. We speak of the wonderful things that have happened in our age and often as if we had some part in the performance, and talk with contempt of the past. But we become interested judges and are necessarily biased.

We talk of the present progress, so called, in Newfoundland and smile with smug contentment or think indignantly of what has happened here in days gone by.

Yes, our people went through hard times in the 1930's. The whole of the North American con-

inent had the same experience. What about the terrible financial crisis in the United States in 1929? The position of Canada in the same period was deplorable and undoubtedly worse than ours. Houses were sold to pay taxes. Thousands of farms were deserted. Bread lines were much in evidence. Starvation existed.

At least in this country houses were not deserted nor sold and people did not starve though food was in many places meagre. The slums of New York and Montreal still exist and they are worse slums than we ever had.

Progress—what does it mean? In Medicine, yes, we have progressed. But without Jenner and Pasteur and Lister and other men of that great type who flourished a century and more ago the progress would have been slow, for most of our medical progress flowed from their researches and achievements.

In some of the applied sciences we certainly have progressed. In aeroplanes and motor cars and radios and electrical machines we have gone far ahead. Oh, yes let us boast truly of something.

Have we advanced in Education? Are we better educated? Is our system as good and effective as that of past generations? Someone will say that more go to school and the Universities and that we have more educational establishments. But are we better educated and do these turn out better men? Have we as many great men as in the past?

We laugh at, we make fun of 16th and 17th century minds and I am sure we must spurn and look with contempt on the Middle Ages which we call the Dark Ages.

Yet, universities existed in these days at which thousands attended. Students in these far off days could go from one country to another without let or hindrance, just through the freemasonry of learning, and strange it is but true that any student, no matter his nationality could sit at the feet of some favoured professor and understand his lectures, for Latin was the language of all the educated classes of the Middle Ages.

Did they teach well in those days? Did men of learning and ability, of outstanding achievement, live then? In what era will we find greater men than Duns Scotus, Bonaventure, Aquinas, Dante, Tasco, products of these times?

It was the age that saw the erection of those great and magnificent Cathedrals which excite alike the wonder and the admiration of the modern world. What have we to show in comparison? If we point to a few instances of architecture of real worth it will be seen that the old model was followed but not improved on.

If we should come to a later period we are thrust into that much condemned 16th or 17th century and what do we find? We note a Shakespeare, a Ben Johnson, a Marlowe, and that galaxy of great dramatists and poets that shed a glory and a lustre over that period.

Where can we find anyone today to compare with Raphael, Giotto, Corregio, Velazquez or Durer in painting or with Angelo or de Vinci in all round greatness? Can we criticize minds of men like Leibnitz or Descartes or Francis Bacon; or think little of Boyle or Copernicus or Galileo or Brahm because they possessed the 16th cen-

tury or 17th century minds?

Yes. We have progressed in one way—the means of inflicting cruelty on the world. Whatever we have put our skilful hands to has not always been for the betterment of mankind.

Our generation has gone through two wars, which comprehended the whole world. When the history of our time will be written, the future historian, looking with impartiality on the past must refer to it as the cruellest age in the story of mankind.

The brutality of the first world war chilled the hearts of everyone but the horror of that war paled before that of the second. The cruelty perpetrated on millions of innocent people outraged all decency and brought to the world a barbarism that outdid Attila and the Huns and remember all this happened but yesterday.

And we talk of Progress.

Progress! And here we are now wondering and worrying whether another war is in the offing. There is still "a horror at the heart of humanity."

We talk glibly of security in an age when everything may be wiped out in a moment and our security is one to be gained by money. Security of a long ago meant to live in peace. There may have been little money and little so-called artificial comforts but there was always the feeling of peace and real security and independence.

We talk of new schemes and new ideas and do not realize that many of them are old ones. We forget there is much truth in the

old adage "there is nothing new under the sun."

Let us take pride in anything good we do but let us not be carried away with the importance of ourselves and look with contempt on the men of the past who were perhaps better men than we are.

Let us in the full spirit of humanity acknowledge the truth, hard as it is to do so, and pray that we shall follow in their footsteps. Only then can we really progress.

HON. EDWARD RUSSELL (Minister of Natural Resources):

Mr. Speaker, my remarks will be brief, Sir, and since the members of the Opposition have spoken in a spirit of good-will, I intend to imitate them. I do not intend even to rib the honourable member from Ferryland about that terrible break he made when he intimated that we were going to lose ninety-six cents on every pound of the interest-free loan to Britain. We will forget it. Charge it off to Tiny Tim, and all the nice thoughts that we have coming in just a few weeks ahead, but I can assure him that when the House opens again at the next session, in the grim austerity of Lent, any such remarks like that must be picked upon and examined microscopically and criticized as they deserve. Now, Sir, this Budget, or this statement of Revenue and Expenditure, tells a story. As far as I am concerned, it is told very simply on one page, page 3—not page 5, you will only get confused by looking at page 5. One way you would think we lost \$14,000,000; another way you think we made \$2,000,000, and the only way you

can read it is by taking every item and tracing it through the pages further ahead. But page 3 tells very simply a story. It is this: that during this fiscal year we have spent or will spend so much that we will have a deficit. The deficit is in two parts; the total of the two parts eight and a half million dollars, not fourteen—eight and a half. The deficit is in two parts, on current account \$2,800,000, on capital account \$5,700,000. It has already been explained, I think, about the deficit on current account, that is between two and three millions; \$1,900,000 of it is simply because—it is no one's fault except the fault of the man who drew up the calendar—it is just that three of the instalments of the assistance grants from the Dominion Government have been received in this year. We could have pretended that the other one was an account receivable or something, which is what it is; we are going to get it; but it is just as well to face the fact that this year we only got three. Next year and every year from then on we get the four quarters.

There are a number of other things. When I was discussing the Estimates here a few evenings ago, Mr. Speaker, I could have shown where in a number of items of expenditure in my own Department a great many of them will be refundable, a great many of them will be non-recurrent, as the Federal services take them over, or provide substitutes for them in the months and years that lie ahead. I am not trying to infer that our current expenses will be less in another year; they may well be greater, because we know quite well over here—I suppose for a group of idealists, Mr. Speaker, we

are about the most hard-headed bunch of realists ever assembled in such a small compass—we know perfectly well that if we build up—and we do intend to build up—public services, that there must be current expenditure in order to keep them in operation; we know that. We have to pay for it, and shortly we will be discussing resolutions aiming to bring in legislation to make provision to meet increased current expenditure. It is not for nothing that we know the public in Newfoundland, that we live among them, that we came from among them, and we know perfectly well that the people of Newfoundland know, as we do, that material things have to be paid for, and it is with no hesitation whatever that we propose to them a simple and obvious means of how they should be paid for.

Our capital deficit, Mr. Speaker, \$5,700,000—my only regret is that it is not \$6,700,000 at least. True that then we would have a million less left in the surplus, but we would have four more cottage hospitals, probably five more. I am not sure that in a district such as Fogo, or Green Bay, or the Southern Shore, that if during this winter some one dies who might have lived if there had been a hospital near, I am not sure that the relatives after the funeral will come back home and say, "Well, a member of our family is dead, but, thank God, the million that might have built the hospital and several other hospitals is still in the surplus." I do not think so. I am disturbed about what the value of a human life lost in that way might be. I hope, and I feel sure, that by increasing the services such as this you would be saving human lives,

and that is progress. I am not sure that there are historical critics who, with all due regard to the Middle Ages, tell me—I read it—that the man referred to in one of Shakespeare's plays as "old John of Gaunt and gaunt in being old" was forty-five years of age. So that in the glorious days which the honourable the Leader of the Opposition praises so much, he may well have been dead of old age by this time, instead of being here in this House to contribute so ably to our debates. He kept on going back, and he did go back a little further beyond the Golden Age, and he got back to Attila and the Huns, and you will notice how he got again to the Eighteenth Century quickly.

Now, Sir, I would like to say a word about our Surplus. There are those who would say, "Oh, just as we told you; we said that under Confederation as a province the surplus would soon vanish, and sure enough eight million gone in eight months." They blame it on union with Canada. I am going to make a statement, that I have never heard made very often before—in fact, I do not remember hearing it made at all—but I take this opportunity to make it—that but for union with Canada we never would have had a surplus. How then can the fact of union be the cause of our losing it. Oh, we had a surplus, yes; we had about forty million dollars and we owed seventy million, and the people that we owed the seventy million to, by some legal fiction that is quite common in commercial every-day life, they said, "We do not need it now on account of due dates on debentures and maturity dates on bonds; you can keep your forty million yet; of course, you

owe us seventy, but pay us later on." But actually, as any fisherman in Newfoundland knows, that when he has forty dollars and owes seventy he had no surplus. Our surplus existed as a credit balance on an account in a government ledger. We had a surplus, Sir, in exactly the same way as I will have a surplus if I go down on Water Street with \$3 dollars in my pocket to pay a bill; I find that some member of the family has charged up something I did not know about, and I owe \$5. I cannot pay the bill. I say to the shop people, "What will I do?" He says, "That is all right; pay it later," and I have got a surplus. Just then I see the East End Board of Liquor Control and I say, "Three dollars, what a coincidence!" and half an hour later with the bottle of screech half gone I convince myself that I have a surplus. Such is our surplus. On April 1st, 1949, for the first time in our history we really had a surplus, money that we owed nobody, not now, not for forty years time; we had more than we owed. I have noticed a little amusement on the other side sometimes when we make reference to April 1st. April 1st is All Fools' Day; it used to be. I suggest another name for it, "Surplus Day," the day our surplus really was created, as a real, spendable surplus, a surplus of holding money that we could spend without any dread about the future when bills would be coming due, or bonds, or debentures, whatever they might be called. Oh, April 1st, I hope it will always be regarded as "All Fools' Day" Sir, and we will go through all the old tricks we used to, and put salt in the sugar basin and so on, but I

think from now on, in years to come, April 1st will be remembered as Surplus Day; even those tricks might well be made more appropriate to the solemn occasion by playing little tricks on Grandpa, putting his Old Age Pensions cheque behind his back and pretending it did not come in the mail, and all that sort of thing, just to keep up the real spirit of April 1st, Surplus Day.

Well, Sir, the Surplus belongs to the people, as the Premier pointed out so ably last night. The Commission of Government collected it. Now I worked with the Commission of Government for fourteen years, Sir, toiling—we will forget that, for Christmas and the New Year is near—but anyway I was their employee for fourteen years; they did not let me in on their councils and tell me all their secrets, but I knew some of the things they did were—I had a mind of my own then just as I have now. I admit that some of the things they did were probably may be not the best they might have done, but they did some things very, very wisely. One was that at a time when we had more money in Newfoundland than we could spend—there was more money than goods—they imposed taxation that created the Surplus. They did that. They did another thing also by stimulating a savings campaign. As a result we have this Surplus. It belongs to the people. It was collected wisely by the Commission of Government. It is our duty to spend it wisely. It belongs to them and why, to come back again, why should we save it, not being able to build a wing on the Sanatorium and have people dying in the more isolated districts every year be-

cause there is no room to get into the Sanatorium for treatment. It is their money; we intend to spend it.

Particular reference is made by two or three of the honourable members of the Opposition to agriculture. I am not going to make it a point, but I made a statement recently—and I cannot understand how anybody could read or hear that statement and still say that Government ought to subsidize farming. Why every sentence in the statement was a subsidy. When I say that we are going to help farmers clear land, that is a subsidy. We have cleared land for them, at about five or ten dollars an acre, when it would cost them \$80 or \$100 to clear themselves. We give them lime at \$1.50 a ton and it costs us a great deal more than that. That is a subsidy. Every time we improve or give them a bonus on breeding stock to improve and make their cattle, their herds, their poultry, more efficient producers, that is a subsidy. And we helped them to improve their barns and other farm equipment—subsidy again. But, Sir, we are subsidizing at the moment farming rather than farmers. I would like, I have discussed for years and have been a firm believer in the idea expressed by at least two members of the Opposition that we should have a guaranteed price. Nothing would give us greater pleasure than to be able to assure every farmer in Newfoundland that next Spring you may plant; you are going to get at least \$2.50 or \$2.75 a sack as the case might be. How can it be guaranteed? We would like to see a floor price, probably some of us would, but how can a floor price

legislation be enforced? I have sat in, Mr. Speaker, with groups of very intelligent farmers who have wanted that. We have discussed it and tried to see how in the name of Goodness it could be enforced. The difficulties in the way of enforcing a floor price are numerous. Ceiling prices are hard enough to enforce if we know the ordinary housewife will report when she is overcharged. Do we expect her to report when she is undercharged? It would be very difficult. But if at any time someone can show us how, without undue hardship to the majority of the people who are still the consumers of farm produce, rather than the producers, we could give such a guarantee without destroying such efficiency as the farmers now have, we would be very glad indeed to hear from them.

Finally, Sir, let us not feel too badly about the P.E.I. farmer who is down here with his schooner trying to peddle potatoes to the Longshoremen. He is a pathetic figure to me. He thought somehow or other, by some magic, Newfoundland has got nearer to us, not only spiritually and socially and politically, but geographically, so they have come down in greater numbers, with more potatoes, but the schooner that comes down with a load of potatoes hoping to sell them next day and go back for another load, and had to stay around our harbours and coves for two or three weeks trying to peddle them, a sack at a time, is being far more inefficient than our farmers are. Infinitely more inefficient than our organized farmers are. He has learned a lesson. I know this from first hand. In a great many cases he wished he had never come

down. Whether his—as skippers sometimes say when the ship is hung up—whether his crew is beginning to own his schooner or not, for wages, or whether the farmer back home who sent him down being ruined through the demurrage charges, I do not know what arrangements they would have between them, but he is a pathetic figure rather than a sinister one. Now, I did not speak with optimism or pessimism the other day about the future of agriculture. I speak with realism, that there is a problem to be faced, to lower the costs of production of local farm products. I spoke very optimistically on behalf of the Government, that I know is solidly behind me in helping the farmers to lower those costs. Well, I could speak at greater lengths on other phases, but I am sure they can be dealt with in their place. Thank you very much.

HON. W. J. KEOUGH (Minister of Fisheries and Co-operatives): "While men have faith in God, and pursue the principle of the Golden Rule, the level of human dignity, decency, and living will be maintained, raised, and strengthened. It is to that end that all our energies will be devoted."

With these words of dedication the honourable the Minister of Finance did on Wednesday of last week conclude his speech in presentation of the first provincial budget of this tenth province of Canada. The words were indeed worthy of the moment and the budget as presented was a testament in its own right of the Government's concern that the level of human dignity, and decency, and living should be maintained and raised.

ed and strengthened in this province. This document that we have been discussing here for the past several days is a budget of far greater significance for the ordinary folk of this Island than any other budget that has ever been brought down in this historic chamber, for this, gentlemen, is a budget with a social conscience and on that account it is a budget with a stamp of great vision and of wide humanity about it.

This is a budget with a social conscience, and the Minister indicated in his speech why it is so. "We are strong believers" he said, "in the idea of social security and strong advocates of the welfare state," and on that account, in the very first budget that we have brought down, we have provided for an elaborate structure of social assistance and on that account the very first budget that we have brought down is in deficit. We were not prepared to turn aside, to pinch pennies to such extent as to turn aside, from the aged and the infirm and the widow and the orphan, and before we shall be so prepared, we shall have other budgets with other deficits of increased dimension if need be. "We are strong advocates of the welfare state." I can well imagine that statement being the cause of some alarm in certain of our citizens, for we still do have with us certain minds that still shamble along in the 19th century.

In order that I may not be misunderstood on that I should like to add, present company excepted, but we do have with us those peculiar people who do see in every piece of social security legislation the thin end of the wedge of Socialism. Once let the Government

dip its hand into the pockets of the wealthy for enough to enable the proletariat to keep body and soul together, and immediately they begin to have visions of the foundations of Christian civilization collapsing and the Government going to the dogs and the world going to the devil. To such people the news that we are strong advocates of the welfare state will not come as tidings of great joy. Very likely they have begun by now to prepare for the worst and to anticipate anything from concentration camps to something really bad, like more taxes; if such there be, let us not doubt that there are, let this be said for their consolation, that the welfare state on which we have our hearts set and our eyes fastened, is not the totalitarian state that has become so current in the modern world; in the welfare state we seek, free men everywhere in this province will still be as free as they always were. It will still be so that when a man is awakened up in the early morning by a loud noise on his door, he will know that it is the milkman and not the secret police. But we do hope that in the kind of welfare state that we seek there can be a bottle of milk at the door in the morning for all who need it; that there can be a bottle of milk at the door in the room of the wolf that has historically been there.

Now, I do hope that nobody will conclude from what I have just said that we have high hopes of being able to lead all our citizens down the primrose path from the cradle to the grave, dispensing free soup and free false teeth all along the way. We do not have that kind of money. We do not

have that kind of resources and we do not have at our disposal any lovable little smooos — anyone who reads comics will understand what I mean by that. Recently, in the House of Commons of Conservative M.P. delivered himself of this profound thought. He was discussing what were for him two other irreconcilables: the Labor Government's Socialized Health Services, and its Program of Continued Austerity. And he sums up the situation as he saw it in this trenchant sentence: A fine prospect this. An endless vista of free false teeth with nothing to bite. In our pursuit of the welfare state, we do hope to be able to avoid any such prospect as that. We do think that with vision and with courage it can be able to avoid any such prospect as that. We do think that with vision and with courage it can be avoided. It is not our thought to grind the faces of the rich in order that all many have free false teeth. There is more to the welfare state than bread and surpluses, but it is our thought that our economy should be made to support to such extent as it may, a social security structure, adequate to the requirements of a western people in this mid-twentieth century. In that regard, I am going to repeat here a statement I made at a co-operative conference held in Grand Falls recently. The statement was this: The Smallwood Government has a mandate to proceed with a revolution. Now, let me make it clear what I mean by that, I do not mean that we have a mandate to go down and burn Water Street. I do not mean that we have a mandate to dispossess our

merchant princes of all their shoes and ships and sealing wax and cabbage and Cadillacs. I do not mean—not withstanding the demensions of our majority on this side of the House—I do not mean that we have a mandate to take the honorable the Leader of the Opposition and his colleagues out some fine morning and hang them on Rawlins' Cross.

I do not mean that we have a mandate to seek to make an end of all the institutions that we cherish and all the things that are most dear to our hearts in this land. And I do say to all the world in this hour that this Smallwood Government will ever be the strong champion of the institutions that we cherish and a resolute defender of the eternal truths, but we are not going to be content during our term of office merely to pay lip service to those eternal truths. The laborer is worthy of his hire. That is one of the eternal verities. And in the next session of this legislature we shall be introducing legislation calculated to ensure that the laborer will come by in consequence of his hire, a just return; and the laborer is every man in this province who earns his bread by the sweat of his brow. The butcher, the baker, the candlestick-maker, the woodsman buckled over his bucksaw, and the fisherman bent over the side of his little yellow dory handling his lines and with the salt water seeping through to the marrow of his bones. To assist these to make the most of what they come by in consequence of their labors, this Government does and this Government will continue to sponsor the co-operative movement.

And when I say that the Smallwood Government has a mandate to proceed with a revolution, I mean that we have a sanction to seek the welfare state. We have a mandate from the people to do what we can in our time to fashion a new dispensation in which the circumstances of life and of living of the ordinary folk of this Island will not be so bitter, will not be so meagre, will not be so full of as many miseries as they have been in the past. We have a mandate to stretch our economy far enough to go around and to extract from it for the deserving a minimum security and for those who have too little at least enough to enable them to keep body and soul together.

And so, in this very first budget, we have presented a budget with a social conscience. A budget based upon the principle that Government has the right, and indeed the duty, to extract from the economy some minimum measure of security for all, and for the future and for the budgets that we shall bring down in the future, I think you may anticipate adherence to that principle and I think you may anticipate in addition some broadening out of the basis of what is held to be a minimum measure of security for all. This is a budget with a social conscience. This is a budget which on the face of it would seem to put an eight and a half million dollar dent in our surplus and in consequence of that, to hear some people talk, it should be a budget with a bad conscience. For my own part, I do not see it that way. Ever since this budget was brought down on last Wednesday, there have been some people go-

ing around in sackcloth and ashes, peevish over the reduced proportions of our surplus and anticipating out aloud and at the top of their voices that we would surely make an end of it in our first term of office.

What I should like to know is just exactly what did these peculiar people expect us to do about the surplus. Put an armed guard around it, and see that nobody ever got to spend a single cent of it for ever and ever, amen? It is about time that these peculiar people grew up and learned some of the facts of life. In this day and age Governments have come to do what is called cyclic financing. In times of prosperity they pile on the taxes and accumulate surpluses, and in times of recession and depression they lower the taxes and spend the surpluses. The people of this province did during the prosperous war years, they had extracted from them in the form of taxes some forty odd million dollars over and above what was necessary to run this province.

And now that the honeymoon is over, and now that so many are coming to be out of work, and now that the times are starting to go out at the elbows and down at the heels, the people of this province have every right in the world to expect that surplus to be ploughed back into the stratum of our economy, and this House may be assured, and this province may be assured, that we during our term of office can extend ourselves to the limit of our talent and expend ourselves to the limit of our endurance to ensure the maximum development of our

natural resources and the fullest application of all means for the strengthening of our economy. But in order to achieve that optimum strengthening of our economy and the good living and the happiness of our people, we will if need be, spend every single last cent of the surplus.

For five years, upon what we do in this House, and in the administration of our Government, will depend in great measure, the measure of good health and good living, and happiness of our people. Let me assure this House that we do intend so to conduct ourselves in office as to seek to merit, when our turn is done, to have this said of us, that because we have lived and because we have governed in this Island, the level of human dignity and decency and living was indeed maintained and raised and strengthened.

Now, Mr. Speaker, since the opportunity will not present itself again this year, let me have this much more to say before I sit down. We are coming to the end of a monumental session. We have been in parliament almost continuously since July. I do doubt if any one of the parliaments who have sat in this historic chamber has ever sat as long in one session. I am certainly convinced that no other of them ever dealt with such a monumental volume of important legislation. The legislation that we have passed through this House since last July will have impact of considerable consequence on the shape of things to come in this Island. For my own part, I am convinced that what we have done is good, and that it shall be for

the advantage of many in the years that lie ahead. And now, as we prepare to leave this chamber for a little while, to go home for Christmas, as do all Christian men, let me make this wish for every member of the House. May you not only have a happy Christmas, but may it be always Christmas in your heart, and may the Christ whose birth we celebrate at Christmas put the courage in all our hearts to face the future unafraid, put the courage in all our hearts to apply ourselves to the full measure that we may in this Island to the shaping of a world at peace, to the shaping of the kind of world of which the Christmas carol sings, to the shaping of that kind of world in which all will be for ever calm, in which all will be for ever bright.

MR. MILLER: Mr. Speaker, it is in the order of things, I believe, that we members in the Opposition should make some comment, and in fact it is more or less understood that we do. I must first congratulate this newborn Government on its great inheritance. I was rather amused to find that the honourable the Minister of Natural Resources and myself did agree on some things; that idea of our surplus as of April. I recognize in that surplus an inheritance that this Government came into. Now I suppose if I were to keep the old thoughts in mind, and try and dispute that surplus, to try and find similar examples of it, other countries standing in the same debt role position as we were before April 1st. I might even think of the great national debt that Canada has, and compare

her solvency with our solvency before April 1st. It seems to me that when we get into these arguments very very deep—but I must refer to the remarks of the honourable the Minister of Natural Resources, although I did not intend to make any remarks about agriculture. I ask him to change his opinion about the manner in which P.E.I. is marketing its produce down here. It is not a peddling business; it is well organized, and this province might do well to take pattern after its sister province in that respect.

In these areas, where these potatoes are sold, people have the greatest respect for someone who offers them a cheaper commodity, but that is what we are all after, our town people, and I think that and it is a challenge, I admit. We would pay more for our commodities even though it seems or did seem that it was refused admittance in some of the states, and in some of the other provinces and not permitted to be used; but it has to be isolated before it can be used and tested and so on. But, despite all that, our farmers are faced with a very great organization. Instead of having peddling going on—I do not think the Minister of Natural Resources really believes what he said then—he must know that agents come here on our South West Coast, that they take orders, that they state definitely that they give you definite prices on it, and moreover—here is another serious aspect—that their freight charges are just one half of what we have to pay our own freighters. Now he sees, I am sure, all the obstacles to it all, despite his

few little remarks about it, but there is quite a challenge there.

Just go back to this question of the inheritance. Yes, the provincial government was born rich. Of course, there is another saying, that it is better to be born lucky than rich. But, like the honourable and gallant member for Ferryland, the Premier's sparring partner, I hope they will be both lucky and rich, and that they will become increasingly so, because if that happens, I feel that after a while that feeling is going to get over here, and we in our districts will come in for some of that too.

Now when someone has a lot of money, they learn from experience that everyone tries to find methods by which they can rid themselves of that money. Oh, yes, there we say again, another fellow of them says, "Do not spend any of that surplus." Well, I do not mean that at all. I am not criticising the spending of the surplus. I believe I was heard the other day to tell the honourable the Premier that I wanted many, many things charged up to that pre-union surplus. It seems to me that all these suggestions coming in, and I like to think of the humorous side of things, is something like the story the Premier told when he was bringing in the Alcoholic Liquors Bill, when he described that chap who went to a neighbouring town with a lot of money belonging to his father and started to drink these essences, and being a great fellow then for a while, he proceeded to put 'em up, "to stand 'em up" I believe are the exact words—

MR. SMALLWOOD: "Set 'em up."

MR. MILLER: "Set 'em up." and so it is with the Government. All these suggestions come piling in upon them and everyone wants to get set up. Now that is one way of using the surplus, and I believe the Government is going to make a lot of strife in the measures in dealing with that surplus. Christmas is not very far away, and I do not want to be too critical. Even if it affects the other side, how are we going to spend the surplus, and then some people might tell you that at an average the surplus for the Government side of the House might be about two million dollars per district. Well now, I hope if they handle it that way that they will be fair to each other, because two million dollars would do a lot in those districts, many districts, every district in fact, and I am sure that any district who has sent a little day dream to tie down some of that surplus will be awfully disappointed if he does not succeed, and it might, we add.

However, I am not one of those little Davids; and it is just a passing thought. Now I am not one given to mathematical calculations and in spending these few thousand dollars for Mr. Thompson, so that he can make clear to us where the money goes; and it has been grand, the highest complimentary job for everyone associated with this budget, I must say. I am sure that even the districts will not begrudge a few thousand dollars of these couple of millions to pay for such a good service and we might even hope that a man like him while he is here would show us where

some of the money comes from. That is just a mental thought but may be it would be a tip coming from this side of the House to the Government; so we can see without question that it was a pretty good move to bring in this man, of course—oh well, we will not question it any further. It was a good decision, we are getting the service for it and we are going to pay for it. Let us not question it any more.

Let us now talk about people migrating to the Mainland, and it is difficult to understand, but we have it from the best of authority, that we are going to have an era of unprecedented development. Something to my mind like the expression the fishermen use when they describe how plentiful fish is and they say "Fish eating the rocks." Then there are some who would be critical of that and they want to examine further and they will be likely to tell you to shut the door afraid we might let some of those industries out. Then I would say that even if that happens we can again go back to our best of authority and know that we are going to have a bunch of new industries started right here in Newfoundland. Not in Labrador. Let us not get thinking about places that are so far removed and about conditions that are not so nice. This is a good old country to live in and when we get all those new industries rolling, it will even be better.

I have admiration for the sincere note in which the budget speech was written. It is like meeting a person on a rainy day and greeting him by saying "This is a very wet day?" And he says, "Yes, it is very wet." And so it

seemed to me about the Minister of Finance, thinking about the tough times our big industries got ahead of them, and he did not cover it up. I give him great credit for such a sincere approach to what is a mere calamitous situation in this country. Newfoundland's economic structure is still the same. True, we have had an alleviation of poverty where it existed, through the social services, but they are meant just to supplement the income. It was never meant that people should live on them. That, I fear—the unfortunate sometimes do. These must come from production, production at a profitable price. We have been advised of plans to increase *production in the fishery*. We have come to learn that we have had a greater catch this year than last year by some 100,000 quintals but we have come to learn only in whispered notes, that all of that 100,000 quintals is not contracted for; that our best minds in that business cannot see an outlet for some of that balance. However, in that we will hope for the best, we are not selling our heavy stocks right now, and that movement continues very slowly as we move into a new year of production. We also,—yes, I believe there was that admission there, also a very sincere note, that we cannot yet foretell the effect, the long-range effect, of the currency depreciation that we have had on our market. Actually, I believe that the fish went up a little after the depreciation of the English Pound. Certainly, the people of this country never came into a full explanation of why there was not a drop, although that explanation is not so very difficult

to get at. It seems that many of our contracts were paid from U. S. dollars, and U.S. dollars of course had a premium, and consequently a very slight drop on the foreign market.

Look, thinking men must come to the day when the United States will not willingly let itself be victimized, as she has put herself as the willing market on the currency markets of the world. Only so long as that goes on until unemployment will be the word of the day in the United States and when that comes the position will be reversed and that can come very rapidly in this day at the rate trade and commerce goes on. When that happens our markets which are presently being paid for in U.S. dollars, and that is almost a certainty, will pay a lesser price back here to the Newfoundland producer. The Minister of Finance says these things would have happened had we had an independent form of government. To me that, as I have said earlier, is all water under the bridge, it is done, and if anyone wants to bring it up again, there must be some doubts about it all. Certainly it is going to give us no profit in the future as to something gone now into the irrecoverable past.

What I want to know is what about the future. I have heard in this Chamber about the great Federal Government, and I want to know what is the Federal Government going to do for our trade and industry down here in Newfoundland. What are they going to do for our fish. I have heard it related that all across Europe and all those countries where we could possibly sell fish through our trade commissioners, and that we could

hope for the day when it would be that we could never have enough and that trade would be made so easy for this poor little country of ours, and it is still poor, and it is going to be poor, I think, yet—there is very little indication to prove otherwise—for many years ahead.

Yes, I even heard about the Nova Scotia fishermen, the mainland fishermen, were seeking more money for their fish. A dollar a quintal more. I wonder now how it is, now that we are a part of Canada, that we would not get this extra money. Why is it, as it is now known that a catch of fish in this country is now up by 100,000 quintals, that at the same time the demand for relief is up. Why is that? To me the answer is so very simple; it is the cost of living. The cost of living is still at a crippling height. It is a child's game, I know, to the Government. and I know there is nothing sincere in it, because anything, almost, outside of their concerns depend on doing something about that and establishing lower prices in this country. Lower prices must also be brought into the productive field. Can this be brought about? I do not want to be pessimistic but I do not see much chance of it. Of course, we have gone back to Ottawa, we are putting our hand to adjustments of what would seem to be our rights in freight rates and that would affect production favorably some little amount.

But even if we did win there, and I doubt if we will, we put some other industry out of adjustment. We have on our coastline many thousands of men earning their living by freighting. If the decision of the transportation com-

mittee is favourable towards the Government, that in itself will set the freight rates for all of Newfoundland, and not alone would the Newfoundland freighter have to compete with the present freighter that deals with just vegetables alone at just half the cost which we require to do the same business, it would have to compete with the Governmental owned, the C.N.R., and its boats. Perhaps here is one of the basic weaknesses in this union. Union should create reciprocal trade. In the very industry which I spoke of itself, the merchant marine, our ships have to go back empty from this country; the mainland is not interested in our produce. Well, we cannot force them to eat salt codfish, more particularly if they have a plentiful supply themselves which they are not able probably to market over there themselves, but there is some great unbalance there that should be got around some way. It is a question, I would say, of trade, and to me it is a great question of how Mr. Howe is going to get around it. With us it is an old, old question; with him it is a very new one, and I sometimes wonder whether or not he concerns himself about it very much. At least, we have very little of public evidence to prove for us that he does.

Yes, Newfoundland's economic future is still filled with the same uncertainties. So also does its great need for expanded social services rest with the future. There seems to be a great rejoicing on the part of the Premier, and I notice that perhaps—I would not insinuate there is a difference of opinion or anything like that, but it has come out very plainly this afternoon from a couple of the Ministers

that they can see that we do need many expenditures for these much needed improvements in the future.

I know—I would not be unfair, I know that the Premier himself, has been a great advocate for years, as he is, of social services, but much like my honourable friend the Minister of Natural Resources when he made his statement, it was probably made rather lightly and he really did not think that that was so himself or what he meant. Now, in justifying that deficit, and it has not come into any criticism worth while over here. The Government must be fair; it must admit that right back in the days of the National Convention, we were told in this country that Commission of Government was marking time, that they would not enter into anything of large capital expenditure, and as a consequence there was a tie-up of needed services all over the country. But, bearing that in mind and meeting the future and providing new estimates, we must surely see and must surely admit to ourselves that our demands are going to be increased, yes, perhaps threefold, even if we do not satisfy the need of public services, or we increase the expenditure that is put on the desk here this year from the past work of the Commission Government.

Now this Budget, it is all water under the bridge anyway, it is all spent money, and in its original state it is much like—well, I will put it this way—the Premier is going to have the Speakers' pictures painted. And that artist if he goes to work is going to rough in first, what will be the ultimate picture which will hang on these walls.

And so it was the Commission, they only roughed in a programme and from then on the governments had to adopt a spend-as-you-go policy. I do not criticize its work, I say it again, my only criticism is because the demands were not great enough on the surplus, and because they did not satisfy sufficiently to my mind the need in those far distant parts of the country for greater social services, more and better schools and roads and hospitals, and all that goes with it.

To my mind all those futures depend on immediate action in expansion of these services. My mind in the future of this country begins with a healthy boy, traversing a safe road to a good school. Yet, we receive all too many letters from various responsible individuals telling about the boulders their children got to get around or the holes in the bridges. We only find the grants are exhausted and that no provision is made. And so it is a challenge, I say again, to this Government; it does not rest with us. But it is a challenge for the Government that when we bring down the Estimates here, February or March or whenever it is done next year. Our expenditures for roads, and I do not disagree with that programme either, have been taxed rather heavily of late years in the interest of the trans-insular highway. Well, let us have that, but let us not penalize some mere individual, be he boy or girl, who needs a road to get to his school. It is fine if we can envision for the future of Canada, a Trans-Canada Highway in the interest of defence and strategic purposes; it is fine and sometime we will perhaps be faced with such a fight

that it will be badly needed. But, if that day comes our weakest link will be right there in the withdrawal we will take from those little communities in the manpower. If they have been pinched, and if their growth has been hampered with all these savings, this penny-pinching that the Government can do, then they will not be much good to face the foe.

It is a matter of record that our educational expenditures are but half of what they are in other provinces. In this field I would say, I think it is a great privilege for me to say here, but I think the tempo in arriving at making the University College up to the standard when it can feed back doctors and a few lawyers and plenty engineers, into this country; we will never come to a position of widespread industrial development until we can have ultra-superior training in scientific fields.

We have much about the same condition in health. Now I know greater efforts have been made and the figure is high and I should never look at it with any intention of criticizing it. I only say again that we must go farther. All too many is the average number of patients for the doctors in the outports, too many miles they have to travel against all the difficulties of weather and all that goes with it.

These are but few of the costs. We on this side are, at least for my part, and I am going to speak for myself in any case, these are the expenditures we look forward to, these we hope to find in the Budget when it comes down next year. And the real rejoicing as I see it will be, not if we have a deficit, not if we have a great

surplus left or a small amount in that surplus, it will be if we have established for our people a balanced menu.

HON. H. W. QUINTON (Minister of Finance): Mr. Speaker, it is the custom for the Minister of Finance who presents the Budget to the House to conclude the debate on that Budget, and I approach this responsibility with humility and a pardonable sense of pride.

It has given me great satisfaction that the efforts of the Government and of the Department of Finance, and myself in some small way, have met with such approbation from the honourable members who are on the opposite side of the House and also from the honourable gentlemen on this side of the House who have spoken on the budget.

I want now to express my sincere thanks for the congratulatory words that have been expressed by honourable members opposite in this connection.

I have in the brief time that I formerly held a seat, both in the opposition and on the government side of this House in past years, experienced many strange scenes in this House. Stormy ones, sometimes violent ones, but never in my recollection by actual personal experience and by reading the records could there have been a session where courtesy, good will, and tolerance was so predominant. It reminds me of an old expression out of the classics which said, "Then none was for a party, and all were for the State."

I am sorry that the honourable and gallant member for Ferryland is not here because I also wanted him to hear this expression of my

thanks, and I wanted to make one or two references in particular to the mention that he made of certain parts of the Budget Speech.

You know, talking of financial statements, when one speaks from the Opposition side of the House, and of that I have had some little experience in the past, reminds me of the sealer who, having shot an old dog hood seal, carried the pelt, that is to say the hide and the fat, to the trader to sell. And the pelt in those bad old days when prices were low registered at something like one dollar. But there was a condition which deducted ten cents for every shot hole in the pelt, and I believe there were twelve shot holes in the pelt, and the sealer actually gave the seal to the trader, and the trader expected him to produce 20 cents more in order to pay for the shot holes. Well, Sir, I do not know if I am skillful enough to draw the proper method for him in this connection, but you see, surpluses are meant to be spent, and they are meant to be spent—in fact, as already has been pointed out perhaps by other honourable members of this House, a surplus is collected from the people who have the money to pay the taxes in relatively good times, in order that it may be a cushion when times are depressed, and when there is a possibility of distress being prevalent in the land. We should hesitate, Sir, and it is noteworthy that we have hesitated, in refraining from using the word “depression” in this Chamber. In fact, if I may be pardoned for saying it once more, there has been a depression on in this country and in several other countries

for some time past, but we, Sir, in our minimum state of depression are much better off than numerous countries on the face of the earth, who have no surplus at all, in fact, have liabilities and obligations that will follow through scores of generations to come.

Now, mention has been made in the speech, and reference has been made to it again, and again, in this House on the thing which we call the welfare state. The Honourable the Leader of the Opposition made reference to conditions of trade in the country as indexed by the movement of railway carloadings from St. John's and from North Sydney. It was referred to, also, in the Budget Speech. I should like to say that railway carloadings are not always the best index of flourishing trade. Spending power is the life of trade, and I venture to say that in all the days of our prosperity, recent, and always, there was never as much spending power in the hands of so many people far and wide in Newfoundland. And that is why I said in this speech at the outset that the benefits which will result from payments on a social security plane would enable us to reap benefits in trade, would prevent us from seeing the dark hard days that most people experienced in this country during the last depression, and the volume of spending, the volume of spending induced in this country by the social benefits and the payments resulting therefrom must find its way through the proper channels of trade in this province.

There has been a suggestion that the Speech was gloomy and there was some fear expressed through-

out the Speech for trade and general business conditions and industrial conditions. It was stated by honourable members that the glumness and sense of fear were sincere, that is to say, that the Budget Speech deliberately set out to paint a picture of conditions as they actually exist in this country. That is true. I believe, for my part, and so does every member of this Government, in telling the truth to the people about those conditions, because we are to be judged, and we realize that, by the fairness of our outlook, by the calculated and considered measure of the things that we say about the public business. It was not a sense of fear, it was a sense of relief to tell the people the truth and in the knowledge of that truth is the basis of freedom.

And expression of thanks to the honourable members opposite is a duty that I have performed.

A new outlook has come to this Assembly and for me who was once a member of this Assembly, or this Chamber, in a former Assembly, and for other members of this Government who are familiar with what went on, it is indeed refreshing to know that the elements of courtesy and tolerance and goodwill are basic here, because that must we speak progress in public business. In my speech I referred to the fact that all the darkness in the whole world could not put out the light of a single candle. My wish, Sir, is that the example of this House will not only be a torch for public enlightenment, but it will become a brilliant searchlight to guide all our people in the paths of development and progress. And

now it remains for me, Sir, to move that you do leave the Chair.

Carried.

Mr. Speaker left the Chair; Mr. Courage took Chair of Committee.

MR. CHAIRMAN: The resolutions will be read.

1. RESOLVED that in view of the social services contemplated by this House, and in order to finance same a social security assessment of three per cent be made on certain retail purchases, and that such assessment be made as and from a future date to be named in a Proclamation by His (Hon) or the Lieutenant Governor in Council.

2. RESOLVED that a tax of ten cents a ton be levied on all limestone and or dolomite quarried in Newfoundland.

3. RESOLVED that a tax of five per cent of his or their net profits or ten cents a ton (whichever is greater) be levied on all persons and companies mining iron ore in Newfoundland.

4. RESOLVED that a tax of five per cent on the amount of such options be levied on all persons or companies giving options on their mineral holdings in Newfoundland.

5. RESOLVED that Bills be introduced to give effect to these Resolutions.

These Resolutions were all adopted.

The Committee rose and reported having considered the matter to it referred, and had passed certain resolutions and also recommended that Bills be introduced to give effect to these Resolutions.

Resolutions received and read a second time.

MR. QUINTON: There are two Bills, Mr. Speaker; the first is a Bill "An Act to Provide for the Imposition and Collection for an Assessment on the Purchase and Use of Tangible Personal Property to Provide Funds for Social Security."

Carried. Bill read a first time.

MR. QUINTON: Mr. Speaker, I should like to offer a word of explanation on the second reading of the Assessment Bill. The Bill has been circulated and I believe all honourable members have copies. The purpose of the Bill, Sir, is to procure a contribution from all citizens to provide assistance to those less fortunate than others. I think that may be considered the text of the Bill. The Bill proposes to collect assessments at the rate of 3 per cent on retail sales of certain consumer commodities and certain other tangibles. Provision for this is in Section 3. Now there are certain exemptions and these are noted in section 6. The exemptions are intended to provide that no additional burden shall rest on the primary producer in the person of fishermen or the farmer in their work of primary production. For instance, gasoline is exempted, boats not exceeding two hundred tons, engines, batteries, fishing nets, bait, fishery salt, and other fishery apparatus and supplies used in the catching and processing of fish for human consumption, when purchases by one private commercial fisherman for use solely for these occupations. There are several other exemptions; as

we go through the Bill in Committee, Sir, these will become apparent. The farmer also shares in these exemptions on his seeds, lime, feeds, fertilizer, insecticides, and farm equipment and machinery, when purchased by a bonafide farmer for use solely in the production of farm products, livestock or livestock products. The Act also provides for regulations to control the form and manner of making returns, collections and remittances.

Now, I regard this Bill, Sir, as a measure offering a privilege really to our people to assist in one of the most worthy causes in the whole field of human endeavor, namely, the care of the aged and the blind, the mothers of our land, the crippled and disabled persons who are dependent. I am sure that our people will regard it as a welcome step in the type of social security legislation that other parts of the Commonwealth have long since adopted.

I have pleasure, now, Sir, in moving that this Bill be now read a second time.

Carried and Bill read a second time.

Standing Order 261 was suspended and the Bill was referred to a Committee of a Whole at once.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Committee rose and reported that they had passed the Bill.

On motion the Bill was read a third time.

On motion recess was taken until 8 o'clock.

NIGHT SESSION

First reading of Bill "An Act to Impose Taxes on Certain Mining Operations and Options."

The Bill was read a first time.

MR. SPEAKER: I would like to remind the honourable members that leave of the House has been granted for the second reading. Does the honourable Minister wish to introduce the second reading of this Bill?

MR. QUINTON: Mr. Speaker, I should like to move that this Bill be read a second time. And in doing so I should like to offer a brief word of information on the principles of the Bill.

The Bill provides that there shall be paid in each year a tax upon the product of every iron ore mine and limestone quarry during the previous year. Tax payable on the fifteen day of March in each year. The tax which constituted at a 5 per cent of the net profit obtained from the minerals sold in the year *or ten cents for each ton of minerals carried away from the immediate vicinity of the mines, from which the minerals were mined, whichever is the greater; that is on iron ore. Ten cents for each ton of limestone carried away from the immediate vicinity of the quarry from which the limestone was quarried, and the net profits shall be the remainder reached by deducting from the gross price received in each year by the seller of minerals the following items, Sir, will be discussed in Committee*

of the Whole, and I do not propose to read them now.

This tax of course does not concern the mine of the Labrador Exploration Mining Company in Labrador. That was covered by agreement previously executed. The payment of royalty on ores and minerals to a Government on behalf of the people is a universally recognized principle. The mine owner or operator removes an irreplaceable asset and in the course of his operation may normally be assumed to do this at a profit. This profit is computed by subtracting from the price received for the ore the total cost of producing it. Royalty then is a repayment to the people of a country of a portion of this profit for the privilege given to the operator of taking a part of the irreplaceable wealth of the country. For this reason royalty payments are usually based on a proportion of profits. In cases where it is difficult or impossible to determine how much the profits are, an arbitrary figure may be agreed on between the operator and the government or may be set by the government. It may be taken for granted that no company can or will pay a royalty that will require its operating at a loss, nor will any government expect a company to operate in this way.

The establishment of net profit is particularly different where the its product to an associated company, as it may in fact be quite impossible to separate the operational costs of the associated company, and in such cases a fixed royalty is justified. The details of the Bill, Sir, will be referred of course before the Committee of

the Whole House. And I now move that this Bill be read a second time.

MR. CASHIN: Mr. Speaker, I take it that this Act covers Bell Island; in other words it is a substitution for the present Bill or the agreement that was made twenty years ago with the Dominion Steel Company whereby they had to pay ten cents a ton royalty on all exports up to a million tons. And I think it was five cents on all ore—beg your pardon.

MR. QUINTON: Three cents.

MR. CASHIN: Three cents a ton on all ore over a million tons.

MR. SMALLWOOD: No, between a million and a million and a half tons.

MR. CASHIN: Between a million and a half tons, and over that three. Now it is ten cents a ton flat on all ore.

MR. CURTIS: Or five per cent.

MR. CASHIN: Or five per cent.

MR. SMALLWOOD: I may say, Mr. Speaker, that last year the company exported one and three quarter million tons, approximately, on which they paid actually \$119,000,, made up as my honourable and gallant friend has said of ten cents a ton on the first million and three cents on the next half million, and no more by way of royalty. But an additional flat amount of \$4,000 for the upkeep of roads on Bell Island. That \$119,000 divided into the quantity exported, divided into that, gave an average of 6.7 cents per ton, approximately seven cents a ton;

but that was by agreement, an agreement made twenty years ago, effected twenty years ago, up to the end of this month. This Government has no particular desire to make a contract with Dosco, and it is of course not yielding its right to tax the products of the mine at Bell Island, and this Bill provides for such taxation, but we have no particular desire to make an agreement with them, and this tax is in effect as long as the House, as long as the Legislature desires it to be in effect. That is all in order.

Bill read a second time.

On motion Standing Order 261 was suspended and the Bill submitted to committee of the whole House.

Section 1 read and passed.

Section 2 read and passed.

Section 3 read and passed.

Section 4 read and passed.

Section 5 read and passed.

Section 6 read and passed.

Section 7 read and passed.

Section 8 read and passed.

Section 9 read and passed.

Section 10 read.

MR. CASHIN: Mr. Chairman, are there other companies with agreements with the Government?

MR. SMALLWOOD: Only the Labrador Company.

MR. CASHIN: Only one.

MR. CURTIS: They pay the five per cent.

MR. CASHIN: They will not be paying five per cent for the next five hundred years, the Labrador

Mining Company. That is just the point. In this Act here we are putting on a special tax—

MR. SMALLWOOD: I want to tell you that they will pay it next year.

MR. SMALLWOOD: A year commencing next fall.

MR. CASHIN: Which? The Labrador Mining Company? Well, then how are they going to pay it beginning next year, because they will not be producing any ore next year.

MR. SMALLWOOD: They will not need to.

MR. CASHIN: They do not need to? Very well, and they will not be anyhow. Therefore, what is the object of this clause here?

MR. SMALLWOOD: They pay it under another statute.

MR. CASHIN: They pay it under another statute? To the Province of Newfoundland?

MR. SMALLWOOD: Yes.

MR. CASHIN: Well, now, I am glad to hear the Premier make that statement. In other words, there is going to be another agreement next year covering the mining concession granted to the Labrador Mining Company on the Labrador. Is that how I take it?

MR. SMALLWOOD: No, you need not take that.

MR. CASHIN: Well, then, the point is that if they are going to pay it, if they are going to pay ten cents a ton royalty, I am right for it; I am convinced that from

the very beginning—well, what are they going to pay?

MR. SMALLWOOD: Five per cent.

MR. CASHIN: On what? You are trying to tell me, yes, they are going to pay five per cent on the profits.

MR. SMALLWOOD: Yes, but they do not need to mine ore to make profits.

MR. CASHIN: Oh, they might sell the company.

MR. SMALLWOOD: No, they can sell an option.

MR. CASHIN: They can sell an option.

MR. SMALLWOOD: They can lease some of their property for an annual amount, on which they would have to pay a tax.

MR. CASHIN: I see. But if this company, the Labrador Mining Company—and it does not specify any particular company in here, and I think, Mr. Chairman, I am in order in speaking of it; if the Labrador Mining Company sublets or leases to another corporation for an amount of money, they will be taxed five per cent on whatever they receive; in other words, if they sold it for a million dollars, we would get \$50,000 profit on it, out of the transaction. On the other hand, if they mined ore, say what they figure they might mine, a million, two million tons at ten cents a ton is \$500,000. Now, Bell Island — if Bell Island produces 1,130,000 tons that will give us \$180,000; at ten cents a ton the other company would pay two and a half million dollars. And this

clause is purely to protect the other company, even though they have an agreement with the Government; it is a protection; this is not a general clause at all; this clause is put in there for the purpose of protecting the Labrador Mining Company, nothing more and nothing less.

MR. SMALLWOOD: Suppose we did not put it in, what would the position be?

MR. CASHIN: If you did not put it in you would collect ten cents a ton royalty off them.

MR. SMALLWOOD: Yes, but another Act says—

MR. CASHIN: Well, why put it in if another Act says so? Why not delete it?

MR. SMALLWOOD: Suppose you delete it? Now you have this Act; you have the other Act, one saying one thing, one saying the other. Which Act would apply to the Labrador?

MR. CASHIN: They have the original Act of 1937.

MR. SMALLWOOD: The first one was repealed, so it is not law now. But there is one that is law, and we have this Act. We do not mention there any company.

MR. CASHIN: What I think is this, that this particular section is put in there to cover up the Labrador Mining Company. It will take \$150,000,000 to \$200,000,000 to develop that property to begin with; it will probably be five years before they take a ton of ore out of it—at least five years. Therefore, by the time they pay that off it will be some time before they make a profit.

MR. MILLER: The position with the Labrador Mining Company is that they pay five per cent of their net profits. Now that tax does not coincide with this. That is going to be a federal collection.

MR. SMALLWOOD: Oh, no.

MR. MILLER: Well, when that was investigated in the Mining Committee of the National Convention, the Assessor of Taxes came in, Mr. Howse came in, and they read out the advantages of putting it over in the corporation income tax rather than on the basis which this deals with. And as I see it whatever tax the Labrador Mining Company will pay will go to the Federal Government.

MR. SMALLWOOD: No, only the corporation income tax.

MR. MILLER: But are there two taxes specified?

MR. SMALLWOOD: One is five per cent on their net; that is provincial. If the Federal Parliament exercises its right, as no doubt it would, to collect income taxes from them, that is something additional. We get the five per cent. That is so.

MR. CURTIS: I would like to say, Mr. Chairman, that the position is this. This tax is already in force under the Crown Lands Act of 1930—the five per cent tax. Under section 111 of the Crown Lands Act of 1930 there is a five per cent tax payable by all mining companies. The only reason that we need this Act at all is so, that in the case of Bell Island we will be able to collect, in lieu of the five per cent, ten cents a ton, if that comes to more, and the reason why we are doing that, Mr.

Chairman, is because we understand the Bell Island Company does not keep books of a separate account; they are part of the great main organization, and just in case there should be any difficulty we have this ten cents figure. I may say personally that we hope we will collect the five per cent.

Clause carried.

Section 11 read and passed.

Preamble read and passed.

Committee rose and reported having considered the matter to it referred and having passed the Bill without amendment.

Carried.

On motion Standing Order 261 was suspended and the Bill was read a third time.

Third reading a Bill "An Act Respecting District Courts."

Bill read a third time.

Third reading of a Bill "An Act Further to Amend the Education Act, 1927."

Bill read a third time and passed.

Third reading of a Bill "An Act to Provide for the Satisfaction or Enforcement of Judgements and Orders of the Central District Court."

Bill read a third time and passed.

Third reading of a Bill "An Act to Vest Certain Land at Bonavista in the Bonavista Regional Library Board."

Bill read a third time and passed.

Third reading of a Bill "An Act Further to Amend the Crown Lands Act, 1930."

Bill read a third time and passed.

Committee of a whole on a Bill "An Act to Provide for the Regulation of Public Utilities."

MR. SMALLWOOD: Mr. Chairman, I would like to mention to the House, to the Committee, that since it last met on this Bill, the Manager of the Newfoundland Light & Power Company, approached me to say that the officers of this Company in Montreal had been in communication with him with a request to be passed on to me that we would defer adopting of the Bill until they have had an opportunity to discuss the matter with us. They intended, as I reported here, to five down from Montreal for a discussion. Well, they were not able to do that in sufficient time, but by means of the radio telephone, they were able to discuss the matter with Mr. Forbes Roberts, their Manager here, and to convey to him their desires with regard to this Bill, a copy of which they have in their possession, having come in possession of it through their local solicitor, Mr. Hunt. This morning, Mr. Forbes Roberts called on me and submitted his company's ideas, as a result of which, that being the only public utility company that has approached the Government with regard to the Bill, I wish to submit to the Committee three amendments to its clause. I hope that my honorable and learned friend has a copy of the Bill; I know he is interested in the matter. Page 14 of the Bill, Section 29 (a), now reads as follows.

"The Board shall determine the value of such property and

assets on the basis of the prudent original cost thereof, deducting therefrom the amount of the accrued depreciation of such property and assets, as determined by the Board."

The amendment would be to substitute the following words:

"The Board shall determine the value of such property and assets heretofore acquired on the basis of the fair depreciated value of such property and assets hereafter acquired on the basis of the prudent original cost thereof, deducting therefrom the amount of the depreciation accrued after the passing of this act as determined by the Board."

These words in substitution for the words of Sub-section (2).

Amendment passed.

MR. SMALLWOOD: Page 18, Section 39 (2) in the first paragraph of it, in the fourth line, the word "actual" to come out. In Sub-section (b), after the word "Board" third line, to insert those words, "as being reasonable." Delete the rest. And in (c), after the word "Board" in the third line, eliminate the words "to have been reasonably and prudently expended out of capital account" and substitute the three words "as being reasonable."

Amendments adopted.

MR. SMALLWOOD: On page 19, Section 42 (1), the words "such return as the Board deems just and reasonable" to come out, and to go in, the words "a just and reasonable return as determined by the Board." And to just what is the difference there, I cannot see it. And after the words "pub-

lic utility" in the fifth line, that is, the third line on page 20, after the words "public utility" insert the words "subject to appeal as set forth in Section 96 thereof," and it would go on to read, "but where the Board by order requires—" and so on.

Now, I may say, Mr. Chairman, they are requesting four amendments, three of which I have recommended. The fourth I do not feel like recommending to the Committee, that being that the Supreme Court should be made the Court of Appeal on the fact. That we are not prepared to recommend to the Committee, as to do so would mean rendering the Board itself virtually redundant. You might as well appoint the Supreme Court to regulate public utilities, if the Supreme Court were to become the Court of Appeal on the fact as well as what it is under the Act, the Court of Appeal on matters of law and jurisdiction. The third amendment adopted.

The Committee rose and reported having considered the matter to it referred and passed the Bill with some amendments.

Carried.

On motion Standing Order 261 was suspended and the Bill was read a third time.

MR. CURTIS: Mr. Speaker, might I interrupt with a report of a select committee.

December 6, 1949.

MR. CURTIS: The Select Committee appointed to consider the petition by the Newfoundland Central Branch of the British Red Cross Society, has considered the

matter to it referred and beg to report as follows:

1. The Rules of the House have not been complied with.
2. Notwithstanding that the Rules of this House have not been complied with your Committee feels that in view of the nature of the request and the fact that the petitioners are a non-profit association a Bill should be introduced to give effect to the prayer of the petitioners.
3. Your Committee further recommends this Bill to this Honorable House, and that no fees be paid on same by the petitioners.

Dated the 6th day of December, 1949.

(Sgd.) Leslie R. Curtis.
Philip S. Forsey
P. J. Cashin
L. J. Miller
H. Pottle.

I move that this report be received, and Bill read a first time.

Report received and adopted.

The Bill "An Act to Authorize the Disposal of Certain Securities held by the Newfoundland Central Council Branch of the British Red Cross Society" was read a first time.

On motion Standing Order 261 was suspended so that this Bill be read a second time.

MR. CURTIS: Mr. Speaker, I move this Bill be now read a second time. I do not think that I need explain the Bill. The object of the Bill is just as set forth in the petition.

Bill read a second time

On motion Stand Order 261 was further suspended and the Bill was sent to a committee of the whole.

Sections passed.

Preamble read and passed.

Committee rose and reported having considered the matter to it referred and had passed the Bill without amendment.

On motion Standing Order 261 was suspended and the Bill read a third time.

MR. SMALLWOOD: Mr. Speaker, I move that all remaining orders be deferred.

Carried.

Mr. SMALLWOOD: Mr. Speaker, in moving that the House at its rising do adjourn until tomorrow at 4 o'clock in the afternoon, if that is in order, I would like to say on behalf of my colleagues how very much we appreciate the courtesy and cooperation of the gentlemen on the side of the House, including my honourable and gallant friend from Ferryland, throughout this session. I doubt if ever in the history of the House of Assembly there have been such amicable relationships between the two sides of this Chamber as there have been in this session. It has been a very remarkable session in many ways, in many ways, not the least of which is the enormous amount of work we have got through. That same amount of work, with an opposition that opposed merely for the sake of opposing, would take, I am sure my honourable and gallant friend from Ferryland will agree, a solid twelve months. If we had facing us an Opposition determined to oppose

merely for the sake of opposing, they could keep us here, all of us, themselves and us, many, many, many months without getting through even then the enormous amount of business that has been transacted in this House. It is a new spirit in the House. My friend from Ferryland and I may be the very ones who would make it difficult for that good spirit to continue, and if we shall deserve the censure of this House, and we probably would get it; but it is a fine spirit of fair and constructive analysis and debate of the measures coming before us that has been established here this present session, over the last five months. I can only hope that in the sessions to come, when the House meets again in February, and in succeeding years, the same fine spirit may continue to exist here.

I want the honourable gentlemen on the other side to know that we are quite well aware that they could, if they had desired, have made the work of the Administration very much more difficult than they have done, because we are quite well aware that they have not employed, during this session, all their ability to be a thorn in the Government's side. They have not used all of their capacity to embarrass the Government, and we want them to know that we realize that fact, and we want them to know that we are deeply appreciative of their very kind cooperation with us. Indeed, I think I can quite honestly say that if I were to have the privilege of selecting the Opposition I do not think I would try to improve on it. Now that is a double-barrelled compliment, I

realize, but I mean it seriously. They are very much akin to ourselves. There have been very few genuine differences of viewpoint between us in the legislation that has come before us. They have divided the House only two or three times in the whole session, and even these divisions, for the most part, were not on grave matters principle. We have seen eye to eye very much throughout this session, and I am sure I speak for my colleagues when I say that we thank the members of the official Opposition and the independent member at the same time for their very fine cooperation; and I personally, speaking purely personally and for myself, would like to thank the honourable and gallant member for Ferryland for adding a touch of spice now and then to the proceedings here.

As I said before, I do not know what we would do without him. This would be sometimes a very dull spot if it were not for him, and I hope that he will be spared and he will be spared many, many long years yet, and many sessions, to face each other across the floor of this House, he of course always on the Opposition side, and we, I hope, always on the Government side, and as long as we keep it like that, he will be happy; we will be happy; Newfoundland will be happy; and it will be a beautiful province.

I wish everyone here, because we are not going to get much chance to speak tomorrow, a very enjoyable Christmas, and all of us and all Newfoundland, a more prosperous New Year, if it should be the divine will, than we had

this year, and better than that I do not think it would be prudent to ask.

Wednesday, December 7th, 1949.

The House opened at four of the clock.

Presenting Petitions:

Mr. Drover from Griguet and St. Leonard's Re Road.

Mr. Drover from Goose Cove Re Road.

Orders of the Day:

HON. LESLIE R. CURTIS (Attorney General): Mr. Speaker, yesterday we passed the Third Reading of a Bill "An Act to impose Taxes in Certain Mining Operations and Options." The Bill has not, of course, as yet, received the Royal Assent, but we have discovered that there is a slight error in the Bill. Might I ask, Mr. Speaker, if we might have it re-committed. The amendment is a small one; perhaps we could make it on third reading, if the order for third reading could be rescinded.

Third reading rescinded, and the Bill re-committed.

Mr. Speaker leaves the chair. Mr. Courage takes the chair of Committee.

MR. CURTIS: Mr. Chairman, the amendment which I propose is in paragraph 10—section 10, of the Bill. It reads "Sections 3, 4, 5, and 6 of this Act do not apply to any company. In place of that I would ask to have the following amendments made:

"10. Sections 3, 4, 5, 6, and 8."

Committee rose and reported having passed the amendment.

Report received. Bill read a third time.

HON. J. R. SMALLWOOD (Prime Minister): Mr. Speaker, I move that all remaining orders of the Day be deferred.

Carried.

MR. SPEAKER: Mr. Attorney General, do you intend to make a suggestion regarding the Resolutions to be forwarded to Legislative Assembly of Ontario?

MR. SMALLWOOD: Mr. Speaker, I believe that notice was given on the occasion when the honourable Mr. Davis, Speaker of the House of Assembly of Ontario, visited this Chamber, that a Resolution would be prepared, to be sent to the Legislature of Ontario, saluting them, greeting them and thanking them for their very kind message to this House. I do not know if the Resolution has in fact been drafted; I do know that it has not as yet come before the House, and I wonder if my honourable friends on the other side would be agreeable to the thought that the Resolution be prepared and be forwarded to the Legislature of Ontario, signed by Mr. Speaker, by the Premier, and by the Leader of the Opposition, and if my honourable and gallant friend, the member for Ferryland, shared the sentiment of the Resolution, he too might sign it, and that might be done following the prorogation, and be forwarded to Ontario in case their House met before this Chamber re-assembles. If that would be agreeable to my honourable friends on the other side, we could have that done in the meantime.

MR. J. G. HIGGINS (Leader of the Opposition): Mr. Speaker, speaking on behalf of the Opposition I may say that we would be very glad to accede to that very reasonable request and I am sure that those of us who sign the Resolution will see it and we will have no complaint then but I am sure the other members not signing it would like also to have the opportunity of seeing it, and I think it should be kept here in the House for a spell. I think this is the first time a Resolution has been sent outside this House to another House, and as it is the first time I am sure every body would like to see it.

MR. SPEAKER: Would the House be content to have a fairly large Select Committee scrutinize the Resolution, a Select Committee consisting of Mr. Speaker, the honourable the Premier, the honourable the Attorney General, the honourable leader of the Opposition, the honourable and gallant member for Ferryland, and shall we say, three others? Would that be agreeable to the House? Mr. Clerk will note that, and see that it is done.

At five of the clock the Sergeant-at-Arms announced that His Honour the Lieutenant Governor and Party had arrived.

His Honour the Lieutenant Governor and Party entered the Assembly Chamber preceded by the Sergeant-at-Arms.

Mr. Speaker left the Chair.

Mr. Speaker addressed His Honour as follows:

May it please Your Honour, the General Assembly of this Province has at its present Ses-

sion passed certain additional Bills, to which, in the name and on behalf of the General Assembly I respectfully request Your Honour's Assent.

Whereupon the Clerk read the following Bills entitled:—

An Act to amend the Insurance Companies Act.

An Act further to amend the Department of Natural Resources Act, 1934.

An Act to provide for the Payment of a Superannuation Allowance to Matthew Gilbert King, retired Secretary and Registrar of the Council of Higher Education.

An Act to amend the Act 7, Edward VII, Chapter 4, entitled An Act respecting the Assessment of Life Insurance Companies.

An Act further to amend Chapter 105 of the Consolidated Statutes (Third Series) entitled "Of Lotteries."

An Act to authorize the Government of Newfoundland to make arrangements with the Government of Canada for the Employment of the Royal Canadian Mounted Police Force in aiding the Administration of Justice in Newfoundland.

An Act to amend the Alcoholic Liquors Act, 1933.

An Act respecting Mothers' Allowances.

An Act to amend the Standard Time (Newfoundland) Act, 1935.

An Act respecting Allowances to Dependent Persons.

An Act respecting the Relief Works Administration.

An Act to amend the Life and Accident Insurance Agents (Licensing) Act, 1944.

An Act to amend Chapter 4 of the Consolidated Statutes of Newfoundland (Third Series) entitled "Of Promissory Oaths."

An Act to provide for Loans to encourage Industrial Development in Newfoundland and to create An Industrial Development Loan Board for Newfoundland.

An Act to provide for Loans to Co-operative Societies and to create a Co-operative Development Loan Board for Newfoundland.

An Act further to amend the Highway Traffic Act, 1941.

An Act to provide for Loans to Fishermen and to create a Fisheries Loan Board for Newfoundland.

An Act to make provision for the making of Returns of Income to the Assessor of Taxes by certain Taxpayers.

An Act for the Termination of the exclusive Franchise of the Golden Arrow Coaches Limited to transport Passengers for Reward by Motor Omnibus in the City of St. John's and for other Purposes.

An Act to amend the Department of Labour Act, 1933.

An Act respecting Sawmills.

An Act respecting Boilers and Pressure Vessels and Steam Refrigeration and Compressed Gas Plants.

An Act further to amend Chapter 23 of the Consolidated Statutes (Third Series) entitled of the Auditing of Public Accounts.

An Act to provide for the Regulation and Sale of Alcoholic Liquors.

An Act respecting Industrial Statistics.

An Act to amend the Public Enquiries Act, 1934.

An Act relating to Public Examination in Schools.

An Act to authorize the Execution on behalf of Newfoundland of an Agreement between the Government of Newfoundland and the Government of Canada for the Settlement of Veterans on Provincial Lands and other Purposes.

An Act to authorize the Government of Newfoundland to enter into an Agreement with the Government of Canada with respect to the collection of Corporation Income Tax.

An Act to authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada.

An Act to impose a Tax on the Income of certain Corporations.

An Act for granting to His Majesty certain Sums of Money for defraying certain Expenses of the Public Service for the Financial Year ending Thirty-first day of March, One Thousand Nine Hundred and Fifty, and for other Purposes relating to the Public Service.

An Act further to amend the Education Act, 1927.

An Act to vest certain Land at Bonavista in the Bonavista Regional Library Board.

An Act to transfer to the Memorial University of Newfoundland Rights vested in the Newfoundland Memorial University College and Normal Training Schol, Assets of the Board of Governors of the Memorial University College and certain Crown Assets.

An Act to provide for the Satisfaction or Enforcement of

Judgments and Orders of the Central District Court.

An Act further to amend the Crown Lands Act, 1930.

An Act respecting District Courts.

An Act to provide for the Imposition and Collection of an Assessment on the Purchase and Use of Tangible Personal Property to provide Funds for Social Security.

An Act to impose Taxes on certain Mining Operations and Options.

An Act to authorize the disposal of certain Securities held by the Newfoundland Central Council Branch of the British Red Cross Society.

An Act to provide for the Regulation of Public Utilities.

His Honour the Lieutenant Governor then said: "In His Majesty's name I assent to these Bills."

Whereupon Mr. Speaker addressed His Honour, as follows:

Your Honour having been graciously pleased to give your assent to the Bills passed during the present Session, it becomes my agreeable duty on behalf of His Majesty's dutiful and loyal subjects, his faithful commons of Newfoundland, to present to your Honour a Bill for the appropriation of Supply granted in the present Session, for the support of Public Services and to request Your Honour's assent thereto.

His Honour replied: "In His Majesty's name I thank His Loyal Subjects, I accept their benevolence, and assent to this Bill."

His Honour was then pleased to make the following Speech:

Mr. Speaker and Members of the Honourable House of Assembly:

In releasing you from your Legislative duties, I wish to express my appreciation of the earnest attention you have given to the many important measures that my Government has submitted for your consideration.

Since you have been called together, His Excellency the Governor General of Canada appointed me Lieutenant Governor of the Province of Newfoundland, an honour which I accepted with the humble determination to maintain and uphold the traditions and dignity of that high office. I would like to take this opportunity of assuring you, Mr. Speaker, and the Members of the House of Assembly, that I am firmly resolved to do everything in my power to assist my Minister in the difficult problems with which they may find themselves confronted from time to time.

Of outstanding importance is the Legislation providing increased pensions for the aged and blind, improved allowances for Widows and their children and for various classes of dependent persons who through physical or mental incapacity are unable to earn a normal livelihood. The introduction of these measures into this Province, will, I believe, bring to our needy people in particular a feeling of security hitherto unknown to them, will enable them and their families to enjoy more amply the ordinary amenities of civilized living, and help them thereby to make their proper contribution to the life of their several communities.

Your enactment of legislation designed to remedy existing evils in the use of alcoholic liquors and other preparations containing alcohol will, it is hoped, greatly ameliorate the deplorable conditions that have developed during recent years.

The authority you have given my Minister to sign a tax agreement with the Federal Government will enable them to give this important matter the careful consideration which it deserves. I can assure you that the best interests of the Province will be fully considered before any agreement is finally executed.

The institution of District Courts throughout the Province will be the means of bringing justice nearer to many of our people who will now be able to ascertain their rights and responsibilities without the expense of coming to St. John's or the delay in awaiting the Circuit Court. The increased jurisdiction given these District Judges will, it is believed, facilitate an economical and speedy settlement of disputes which, if allowed to drag along, might foster dissension and ill-will.

The Bill designed to regulate Public Utilities will bring under effective control services which by their very nature should be so directed as to provide most efficient operation for regulated returns.

My Ministers had hoped to be able to submit for your approval certain labour legislation already in course of preparation. Due to the desirability of consulting the various interests concerned and the time such consultations would

require it has been found necessary to defer this until your next session.

The fact that most of your legislation has been supported in principle by Members on all sides of the House and that criticisms directed have generally been of a constructive nature, augurs well for our future as a Province of the great Dominion of Canada. I am quite sure that wise and considerate administration of these various acts will prove them a benefit to all our people.

While you have been in session this Province has had the honour of extending a warm welcome to His Excellency Field Marshall the Right Honourable Viscount Alexander of Tunis and Erigal in the County of Donegal, and her Excellency the Viscountess, on their first official visit. The visit of their Excellencies was much appreciated by the Government and people of the Province. Many of our war veterans were particularly happy to meet in the person of the Governor General their one time Military Commander. I was happy to welcome on your behalf the Honourable Mr. C. Davies, Speaker of the Ontario House of Commons, who brought with him to the new Province greetings from the Dominion's older Provinces in the form of an illuminated address and the promise of a Speaker's Chair; also the Right Honourable F. M. Forde, a former Prime Minister of Australia, who also visited the Province and addressed you.

My Premier has accepted an invitation from the Prime Minister of Canada to attend a Dominion-Provincial Conference to be held in Ottawa on the 10th day of January, 1950. He will be accompanied

by some other of my Ministers. I am sure that I speak for you all when I wish him and them a successful mission.

I thank you for the ample provision you have made for the public service and you may rest assured that the utmost care will be taken to see that the amounts voted will be expended economically and in the best interests of the Province.

I am very happy to find that you have completed your work in time for a Christmas recess; and in bidding you farewell I tender you the Season's greetings and my

own best wishes for your individual prosperity and happiness throughout the New Year.

MR. SMALLWOOD: Mr. Speaker and gentlemen of the House of Assembly:

It is the will and pleasure of His Honour the Lieutenant Governor that this general Assembly be prorogued until Monday of January next, and this Assembly is accordingly prorogued to Monday the 9th day of January to be then here held.

The House then adjourned until the 9th day of January, 1950.

Proceedings
of the First Session
Twenty-Ninth General Assembly
of Newfoundland

Begun and holden at St. John's in the Province of Newfoundland on Monday, the eleventh day of July, Anno Domini, Nineteen Hundred and Forty-nine, being in the Thirteenth year of the reign of His Majesty our Sovereign Lord George, by the Grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas, King, Defender of Faith.

MONDAY, July 11th, 1949.

His Honour, Sir Albert Joseph Walsh, Knight Bachelor, Lieutenant Governor in and over the Province of Newfoundland by his Proclamation bearing date the twenty-eight day of June having appointed Monday the eleventh day of July for the Meeting of the General Assembly for the despatch of business, the following are names of the members returned by the Returning Officers for the several Electoral Districts to represent the said Districts in the General Assembly.

Reginald Sparkes, Esq., District of St. Barbe.
Samuel Drover, Esq., District of White Bay.
Baxter Morgan, Esq., District of Green Bay.
Edward S. Spencer, Esq., District of Grand Falls.
Leslie R. Curtis, Esq., District of Twillingate.
Gordon Janes, Esq., District of Fogo.
Joseph R. Smallwood, Esq., District of Bonavista North.
Edward Russell, Esq., District of Bonavista South.
Samuel James Hefferton, Esq., District of Trinity North.
Charles Maxwell Button, Esq., District of Trinity South.
Herbert L. Pottle, Esq., District of Carbonear-Bay de Verde.
James R. Chalker, Esq., District of Harbour Grace.
George T. Makinson, Esq., District of Port de Grave .
David Ignatius Jackman, Esq., District of Harbour Main-Bell Island.
Ronald J. Fahey, Esq., District of Harbour Main-Bell Island.
James J. Spratt, Esq., District of St. John's West.
Oliver L. Vardy, Esq., District of St. John's West.
Frank D. Fogwill, Esq., District of St. John's East.
John Gilbert Higgins, Esq., District of St. John's East.
Peter J. Cashin, Esq., District of Ferryland.
Leonard J. Miller, Esq., District of Placentia-St. Mary's.
Patrick J. Canning, Esq., District of Placentia West.

John R. Courage, Esq., District of Fortune Bay and Hermitage.
Herman W. Quinton, Esq., District of Burgeo and La Poile.
William J. Keough, Esq., District of St. George's-Port au Port.
Charles Ballam, Esq., District of Humber.

and to such person who shall be elected and returned to serve in the House of Assembly for the District of Labrador.

Giving to them, or either of them, full power and authority to perform the matters hereinbefore mentioned, ratifying and confirming all whatsoever they, or either of them, shall do and perform in this behalf, and whereof they, or either of them, are to make due return under their hands and seals unto our Lieutenant-Governor of Our Said Province, with these Presents annexed.

GIVEN under the Great Seal of Our aforesaid Province of Newfoundland.

WITNESS Our trusty and well-beloved
Sir Albert Joseph Walsh, Knight
Bachelor, Lieutenant-Governor in
and over the Province of Newfound-
land at St. John's in Our said Pro-
vince, this eleventh day of July,
A.D., 1949, and in the Thirteenth
year of Our Reign.

By His Honour's Command,

(Sgd.) PHILIP FORSEY,
Minister of Home Affairs.

HOUSE OF ASSEMBLY OF NEWFOUNDLAND

The said Commissioners came into the Assembly Chamber at three of the clock on the eleventh day of July, Henry H. Cummings, Esquire, Clerk of the House of Assembly, as in duty bound attending, and the names of the Member returned for several Districts and Divisions of Districts having been called over by the Clerk, they appeared and took and subscribed the Oath of Allegiance in the presence of the said Commissioners, as follows:—

Reginald Sparkes, Esq., District of St. Barbe.
Samuel Drover, Esq., District of White Bay.
Baxter Morgan, Esq., District of Green Bay.
Edward S. Spencer, Esq., District of Grand Falls.
Leslie R. Curtis, Esq., District of Twillingate.
Gordon Janes, Esq., District of Fogo.
J. R. Smallwood, Esq., District of Bonavista North.
Edward Russell, Esq., District of Bonavista South.
Samuel J. Hefferton, Esq., District of Trinity North.

Charles M. Button, Esq., District of Trinity South.
 Herbert L. Pottle, Esq., District of Carbonear-Bay de Verde.
 James R. Chalker, Esq., District of Harbour Grace.
 George T. Makinson, Esq., District of Port de Grave.
 David I. Jackman, Esq., District of Harbour Main-Bell Island.
 Ronald J. Fahey, Esq., District of Harbour Main-Bell Island.
 James J. Spratt, Esq., District of St. John's West.
 Oliver L. Vardy, Esq., District of St. John's West.
 Frank D. Fogwill, Esq., District of St. John's East.
 John G. Higgins, Esq., District of St. John's East.
 Peter J. Cashin, Esq., District of Ferryland.
 Leonard J. Miller, Esq., District of Placentia and St. Mary's.
 Patrick J. Canning, Esq., District of Placentia West.
 Philip S. Forsey, Esq., District of Burin.
 John R. Courage, Esq., District of Fortune Bay and Hermitage.
 Herman W. Quinton, Esq., District of Burgeo and La Poile.
 William J. Keough, Esq., District of St. George's-Port au Port.
 Charles Ballam, Esq., District of Humber.

The following Commission was then read by the Clerk of the House:—

BY HIS HONOUR Sir Albert Joseph Walsh,
 Lieutenant-Governor Knight Bachelor, Lieutenant-Governor of
 the Province of Newfoundland.

TO HONOURABLE SIR BRIAN DUNFIELD and
 HONOURABLE HARRY A. WINTER,

Judges of the Supreme Court,

GREETING:

WHEREAS I have deemed it expedient that the First Session of the Twenty-ninth General Assembly should be open for the despatch of business on Monday, the Eleventh day of this instant month, whereof, I have given notice in my Proclamation dated the 28th day of June; and

WHEREAS it is not convenient that the purpose for which I have called the said General Assembly together should be declared on the said day, nor until the members of the House of Assembly have proceeded to the choice of a Speaker, you the said Honourable Sir Brian Dunfield and Honourable Harry A. Winter, are hereby authorized and directed to signify to the Members of the said House of Assembly on the Eleventh day of this instant month, that it is my pleasure that they should proceed to the choice of some proper person to be their Speaker, and present such person on the following day for my approbation.

GIVEN under my Hand and Seal at the Government House, St. John's this 11th day of July, A.D., 1949.

By His Honour's Command

(Sgd.) PHILIP FORSEY,
Minister of Home Affairs.

The Honourable Sir Brian Dunfield, one of the said Commissioners, then said:

GENTLEMEN OF THE HOUSE OF ASSEMBLY:

"We have it in Command from His Honour the Lieutenant-Governor to inform you that His Honour will, as soon as the Members of this House shall be sworn, declare the causes of his calling this Parliament: and it being necessary that a Speaker of this House should be first chosen, that you, Gentlemen, do proceed to the appointment of some proper person to be your Speaker; and that you present such person, whom you shall so choose, here, on Wednesday next at three of the clock, for His Honour's approbation."

And the said Commissioners having left the Assembly Chamber, the Honourable the Premier then addressing himself to the clerk, who standing up pointed to him and then sat down, moved "that Reginald Sparkes, Esquire, Member elected for the District of St. Barbe, do take the Chair of the House as Speaker" which motion was seconded by John G. Higgins, Esquire, Member elected for the District of St. John's East.

No other person being proposed as Speaker Mr. Sparkes was unanimously called by the House to the Chair, and was conducted to the Chair by the Members who proposed and seconded him.

Whereupon Mr. Speaker, standing on the steps, addressed the House, expressing his gratitude to the Honourable Members for the high honour unanimously conferred upon him.

The House then adjourned until Wednesday afternoon, July 13th, at three of the clock.

Wednesday July 13th, 1949.

The House met at a quarter to three of the clock in the afternoon, pursuant to adjournment.

At three of the clock the Sergeant-at-Arms notified Mr. Speaker that the Lieutenant-Governor had arrived, whereupon Mr. Speaker vacated the Chair and repaired to his Chamber.

The Sergeant-at-Arms then preceded His Honour the Lieutenant-Governor to the Throne, bowed and returned to the office of the Speaker.

Whereupon the Lieutenant-Governor having been seated, the Honourable the Premier addressed His Honour as follows:

"May it please your Honour".

"The House of Assembly, agreeable to your Honour's command have proceeded to the choice of a Speaker, and have elected Reginaid F. Sparkes, Esq., Member for the District of St. Barbe, to that office, and by their direction I present him for the approbation of your Honour". After which His Honour was pleased to say:

"I approve of the Speaker whom the House of Assembly have chosen." Mr. Speaker thereupon addressed His Honour to the following effect:

"Your Honour's ready approval of the choice with which I have been honored by the House having constituted me in due form the Speaker of the House of Assembly it has now become my duty in the name of the representatives of His Majesty's loyal subjects, the people of this Province, respectfully to claim of Your Honour their accustomed rights and privileges; that they shall have freedom of speech in their debates, that they may be free from arrest during their attendance in Parliament and that I, as Speaker, may have full access to Your Honour's presence, and that they have confirmed to them all their ancient rights and privileges which have been confirmed to them by Your Honour's predecessors",

His Honour was pleased to reply:

"Mr. Speaker, I am pleased to grant your request".

His Honour was then pleased to open the Session with a speech from the Throne as follows:

Mr. Speaker and Honourable Members of the House of Assembly:

I am pleased to welcome you to this the First Session of the Twenty-Ninth General Assembly of Newfoundland and the first General Assembly of the Province.

To-day you are privileged to take part in launching Newfoundland upon a new phase of democratic government, and you may be sure that you have the attention of all our people, as well as their good wishes for abundant success in your endeavours.

You meet to-day for the first time as elected legislators of the Tenth Province of Canada, and we may assume that our fellow-Canadians across the nation regard your re-entry into the realm of Parliamentary democracy with sympathetic interest and wish you God-speed in your efforts for the advancement of this new Province. I should like to offer you my Personal congratulations upon your election.

Your close attention will be invited to a considerable amount of business which my Ministers will lay before you during the Session which commences to-day. The rules of the House of Assembly require revision and amendment to provide for more efficient despatch in transacting the business of the House, and you will be asked to take the necessary action in this respect. My Ministers will also lay before you certain amendments to the House of Assembly Act.

You will be asked to enact legislation providing for the reorgani-

zation of certain departments of government. Amongst the reforms which my Ministers propose are the creation of a Department of Public Health, a Department of Public Welfare, a Department of Provincial Affairs, a Department of Supply, a Department of Fisheries and Co-operatives, and a Department of Economic Development. My Ministers attach great importance to the creation of this last-named department.

You will be asked to adopt legislation designed to expedite the erection of houses for war veterans.

In the field of labor and social security legislation, you will be invited to give consideration to Bills affecting Workmen's Compensation, Fishermen's Insurance, Old Age Pensions, Widowed Mothers' Pensions, a Fishermen's Loan Bank.

For the purpose of enabling my Government the more efficiently to protect the public you will be asked to enact a Bill to create a Public Utilities Commission, which is designed to furnish a long-overdue means of control in this important field.

Important changes will be proposed in the Alcoholic Liquors Act. It is now widely recognized that improvements need to be effected in some taverns where beer and wine are sold to the public and the legislation which will be submitted to you is designed to effect these and other necessary improvements.

Important changes will be proposed with the policy of my Ministers of giving energetic support to the economic development of the Province, and the conservation of her natural resour-

ces, there will be laid before you proposals for the creation of a Newfoundland Research and Conservation Commission, and for the creation of a Hydro-Electric Commission. The expectation is that men of outstanding experience and ability will be willing to head these two Commissions.

My Government strongly believes in the possibilities of developing a profitable tourist trade in this Province, and there will be submitted for your adoption certain proposals designed greatly to increase the development of that trade.

It is considered that Newfoundland should have her own degree-conferring university, and you will be invited to consider legislation which would confer upon the Newfoundland Memorial University College the status of a University. It is planned to widen and improve the functions, and thus increase the public usefulness, of this institution created originally in honour of our illustrious dead of the First World War.

My Government will seek legislative authority to enter into a Tax Rental Agreement with the Government of Canada.

My Government has been operating upon the basis of Supply granted by the former Legislature and you will be invited to make more ample provision for the needs of the Public Service during the current financial year and particularly for the additional public services which will be provided.

To these and all other matters which may come before you for consideration, I ask you most careful attention.

I trust that your labours will tend towards the prosperity and

well-being of the people of Newfoundland and I pray that Divine Providence will guide and bless your work.

His Honour was then pleased to retire.

Mr. Speaker then took the Chair.

Thereupon the Honourable the Minister of Justice asked leave to introduce a Bill entitled "An Act Further to Amend Chapter 4 of the Consolidated Statutes (Third Series) entitled "Of Legislative Disabilities and the Vacation of Seats in the House of Assembly."

On motion of the Honourable Minister of Justice the said Bill was then read a first time.

The Honourable Minister of Justice then moved that the said Bill be read a second time on tomorrow and it was ordered accordingly.

Mr. Speaker then stated to the House that His Honour, the Lieutenant-Governor had been pleased to make a Speech to the members met in General Assembly of which speech the Speaker, for greater accuracy, had obtained a copy which the Clerk then read at the table.

It was moved by Mr. Morgan and seconded by Mr. Makinson that an address of thanks be presented to His Honour the Lieutenant-Governor in reply to the gracious speech with which he had been pleased to open the present session of the Legislature and that a Select Committee be appointed to draft such Address in Reply.

It was ordered accordingly and the following Gentlemen were appointed to such Committee:

Mr. Morgan
Mr. Makinson
Mr. Higgins

Honourable the Premier gave notice that he would ask leave to introduce:—

1. A Bill "An Act Respecting the Department of Economic Development."

2. A Bill "An Act to Amend the Gasoline Tax Act, 1949."

3. A Bill "An Act Respecting the Department of Fisheries and Co-operatives."

4. A Bill "An Act to Amend the Old Age and Blind Persons Pension Act, 1949."

5. A Bill "An Act Respecting the Department of Public Welfare."

6. A Bill "An Act Respecting the Department of Public Health."

Honourable the Minister of Justice gave notice that he would on tomorrow ask leave to introduce:—

1. A Bill "An Act Further to Amend the Co-operative Societies Act, 1939."

2. A Bill "An Act Respecting the Department of the Attorney General."

3. A Bill "An Act Respecting the Department of Provincial Affairs."

4. A Bill "An Act Further to Amend the Crown Lands Act, 1930."

5. A Bill "An Act Further to Amend Chapter I of "The Consolidated Statutes (Third Series) entitled "Of the Promulgation and Construction of Statutes."

Mr. Cashin gave notice of questions.

It was moved and seconded that when the House rises, it adjourns until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

Thursday, July 14th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Cashin asked questions.

Honourable the Premier tabled the accounts of St. John's Municipal Council for 1948.

Mr. Speaker announced the appointment of a Library Committee consisting of the following gentlemen: Mr. Speaker, Mr. Janes, Mr. Drover, Mr. Canning, and Mr. Miller.

Pursuant to order, and on motion of Honourable the Minister of Justice, the Bill entitled, "An Act Further to Amend Chapter 4 of the Consolidated Statutes (Third Series) entitled "Of Legislative Disabilities and the Vacation of Seats in the House of Assembly", was read a second time and it was ordered that the said Bill be referred to a Committee of the whole House presently.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the Bill with some amendment.

On motion his report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time presently.

The said Bill, as amended, was then read a third time, and passed, and it was ordered that the said Bill be printed as amended, entitled as above, and that it be sub-

mitted to the Lieutenant Governor for his assent.

Pursuant to notice and on motion of Honourable the Premier, the following Bills were introduced and read a first time, and ordered to be read a second time on tomorrow:—

(1) A Bill "An Act Respecting the Department of Economic Development."

(2) A Bill "An Act Respecting the Department of Fisheries and Co-operatives."

(3) A Bill "An Act to Amend the Old Age and Blind Persons Pensions Act, 1949."

(4) A Bill "An Act to Amend the Gasoline Tax Act, 1949."

(5) A Bill "An Act Respecting the Department of Public Welfare."

(6) A Bill "An Act Respecting the Department of Public Health."

Pursuant to notice and on motion of the honourable the Minister of Justice, the following Bills were introduced and read a first time, and ordered to be read a second time on tomorrow:—

(1) A Bill "An Act Further to Amend the Co-operative Societies Act, 1939."

(2) A Bill "An Act Respecting the Department of the Attorney-General."

(3) A Bill "An Act Respecting the Department of Provincial Affairs."

(4) A Bill "An Act Further to Amend the Crown Lands Act, 1930."

(5) A Bill "An Act Further to Amend Chapter I of the Consoli-

dated Statutes (Third Series) entitled 'Of the Promulgation and Construction of Statutes'."

It was moved and seconded that when the House rises, it adjourn until Monday afternoon, July 18th, at three of the clock.

The House then adjourned accordingly.

Monday, July 18th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

On motion of honourable the Minister of Justice, the House resolved itself into a Committee of the Whole to consider a further amendment to the Bill entitled "An Act Further to Amend Chapter 4 of the Consolidated Statutes (Third Series) entitled 'Of Legislative Disabilities in the House of Assembly'".

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this Report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time presently.

On motion of honorable the Minister of Justice, the said Bill, as amended, was read a third time and passed and it was ordered that the said Bill be print-

ed as amended, being entitled as above, and submitted to the Lieutenant-Governor for his assent.

Mr. Cashin gave notice of question.

Mr. Higgins gave notice of question.

Mr. Cashin asked questions.

At half past three of the clock the Sergeant-at-Arms notified Mr. Speaker that the Lieutenant-Governor had arrived, whereupon Mr. Speaker vacated the Chair and repaired to his Chamber.

The Sergeant-at-Arms then preceded His Honour the Lieutenant-Governor to the Throne.

Mr. Speaker then returned to the Chamber preceded by the Sergeant-at-Arms.

Whereupon the Clerk read a Bill entitled "An Act Further to Amend Chapter 4 of the Consolidated Statutes (Third Series) entitled 'Of Legislative Disabilities in the House of Assembly'".

His Honour the Lieutenant-Governor then said: "In His Majesty's name I assent to this Bill."

Mr. Speaker left the Assembly Chamber.

His Honour the Lieutenant-Governor left the Assembly Chamber.

Mr. Speaker returned to the Assembly Chamber, and took the Chair.

Mr. Morgan, on behalf of the Select Committee, appointed to draft a reply to His Honour's speech, presented the report of the Select Committee, as follows.

To, His Honour the Lieutenant-Governor, Sir Albert Walsh, Knight Bachelor.

May it Please Your Honour;

We, the Commons of Newfoundland in Legislative Session Assembled, beg to thank Your Honour for the Gracious Speech which Your Honour has addressed to This House.

(Signed) A. B. Morgan,
George T. Makinson,
John G. Higgins.

Assembly Room, July 18th, A.D.,
1949.

On motion the debate on the Address in Reply was deferred until to-morrow.

On motion of honorable the Premier that a Bill entitled "An Act Respecting the Department of Economic Development" be now read a second time; the House divided, when there appeared in its favour: Honourable the Premier, Honourable the Minister of Justice, Honourable the Minister of Finance, Honourable the Minister of Home Affairs, Honourable the Minister of Natural Resources, Honourable the Minister of Public Health, Honourable the Minister of Public Welfare, Honourable the Minister of Education, Honourable the Minister of Public Works, Mr. Russell, Mr. Vardy, Mr. Courage, Mr. Canning, Mr. Spratt, Mr. Morgan, Mr. Mackinson, Mr. Button, Mr. Janes, Mr. Drover, Mr. Cashin (20); and against it, Mr. Higgins, Mr. Fogwill, Mr. Jackman, Mr. Fahey, Mr. Miller, (5), so it passed in the affirmative and was ordered accordingly.

On motion it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Honourable the Minister of Finance (Acting), the Bill entitled "An Act to Amend the Gasoline Tax Act, 1949, was read a second time, and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Honourable the Minister of Justice, the Bill entitled "An Act Respecting the Department of Provincial Affairs," was read a second time, and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Honourable the Minister of Justice, the Bill entitled "An Act Further to Amend Chapter I of the Consolidated Statutes (Third Series) entitled 'Of the Promulgation and Construction of Statutes'" was read a second time, and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

The remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

Tuesday, July 19th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Honourable the Premier gave notice that he would on to-morrow move that Mr. Speaker, Mr. Courage, Hon. the Minister of Justice, Hon. the Minister of Public Health, Mr. Canning, Mr. Higgins, Mr. Fogwill be constituted a Select Committee to revise the rules of the House.

Honourable the Minister of Justice gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act to Provide for the Internal Economy of the Legislature."

Honourable the Minister of Justice gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act Further to Amend the St. John's Municipal Acts, 1921-45, and Acts in Amendment thereof."

Mr. Fogwill gave notice of questions.

Mr. Cashin asked questions.

Mr. Higgins asked questions.

Honourable the Premier tabled "Report and Documents Relating to the Negotiations for the Union of Newfoundland with Canada."

Honourable the Premier tabled a report by R. W. Boyle, entitled "A policy for Economic Industrial and Scientific Research, 1949."

The Address in Reply was debated and on motion was deferred for further debate on to-morrow.

Pursuant to Order and on motion of Honourable the Premier, the House resolved itself into a Committee of the Whole to consider the Bill "An Act Respecting the Department of Economic Development."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of the Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again presently.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again presently.

On motion a recess of ten minutes was ordered.

Mr. Speaker left the Chair.

Mr. Speaker resumed the Chair.

Pursuant to order, and on Motion of Honourable the Premier the House resolved itself into a Committee of the Whole to consider a Bill "An Act Respecting the Department of Economic Development."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on tomorrow.

On motion, this report was received and adopted, and it was ordered that the Committee have leave to sit again on tomorrow.

On motion the remaining orders of the day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon at three of the clock.

The House then adjourned accordingly.

Wednesday, July 20th, 1949.

The House met at three of the clock in the afternoon pursuant to adjournment.

On motion of Honorable the Premier, it was resolved that the following Gentlemen: Mr. Speaker, Mr. Courage, Hon. the Minister of Justice, Hon. the Minister of Public Health, Mr. Canning, Mr. Higgins, Mr. Fogwill, be constituted a Select Committee to revise the Rules of the House.

Pursuant to notice and on motion of Honorable the Minister of Justice, a Bill entitled "An Act Further to Amend the St. John's Municipal Acts, 1921-1945 and Acts in amendment thereof", was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Honorable the Minister of Justice a Bill entitled "An Act to Provide for the Internal Economy of the Legislature" was introduced, and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Mr. Cashin asked questions.

Mr. Fogwill asked questions.

The debate on the Address in Reply was continued and on motion was deferred for further debate on tomorrow.

Pursuant to order and on motion of Honorable the Premier, the House resolved itself into a Committee of the Whole to consider a Bill "An Act Respecting the Department of Economic Development."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time on tomorrow.

On motion the remaining orders of the day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon at three of the clock.

The House then adjourned accordingly.

Thursday, July 21st, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Cashin asked questions.

The debate on the Address in Reply was continued and on motion was deferred for further debate on tomorrow.

Pursuant to order, and on motion of Honorable the Premier, the Bill entitled "An Act Respecting the Department of Economic Development," was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant-Governor for his assent.

Pursuant to order, and on motion of Honorable the Minister of Finance (Acting), the House re-

solved itself into a Committee of the whole to consider a Bill "An Act to Amend the Gasoline Tax Act, 1949".

Mr. Speaker left the Chair.

Mr. Courage took the Chair of the Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment."

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Honorable the Minister of Justice the House resolved itself into a Committee of the whole to consider a Bill "An Act Respecting the Department of Provincial Affairs."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of the Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment."

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Honorable the Minister of Justice the House resolved itself into a Committee of the Whole to consider a Bill "An Act Further to Amend Chapter I of the Consolidated Statutes (Third Series) entitled 'of the Promulgation and Construction of Statutes'."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of the Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time on tomorrow.

Pursuant to order and on motion of Honorable Mr. Russell the Bill entitled "An Act Further to Amend the Co-operative Societies Act, 1939" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

On motion the remaining Orders of the Day were deferred until to-morrow.

It was moved and seconded that when the House rises, it adjourn until Monday afternoon at three of the clock.

The House adjourned accordingly.

Monday, July 25th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Honourable the Premier gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to Amend Chapter 2 of the Consolidated Statutes (Third Series) entitled 'Of the House of Assembly'."

Mr. Cashin asked questions.

The debate on the Address in Reply was continued and on motion was deferred for further debate on tomorrow.

Pursuant to order, and on motion of Honourable the Minister of Finance (Acting), the Bill entitled "An Act to Amend the Gasoline Tax Act, 1949" was read a third time, and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant-Governor for his assent.

Pursuant to order, and on motion of Honourable the Minister of Justice, the Bill entitled "An Act Respecting the Department of Provincial Affairs" was read a third time, and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant-Governor for his assent.

Pursuant to order, and on motion of Honourable the Minister of Justice, the Bill entitled "An Act Further to Amend Chapter I of the Consolidated Statutes (Third Series) entitled 'Of the Promulgation and Construction of Statutes'" was read a third time, and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant-Governor for his assent.

Pursuant to order and on motion of Honourable the Minister of Public Welfare the Bill entitled "An Act Respecting the Department of Public Welfare" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Honourable Mr. Russell the

House resolved itself into a Committee of the Whole to consider a Bill "An Act Further to Amend the Co-operative Societies Act, 1939."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on to-morrow.

Pursuant to order, and on motion of Honourable the Minister of Justice the Bill entitled "An Act Respecting the Department of the Attorney-General" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Honourable the Minister of Natural Resources the Bill entitled "An Act Further to Amend the Crown Lands Act, 1930," was read a second time, and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Honourable the Minister of Public Health tabled "Notes on the Department of Health."

On motion the remaining Orders of the day were deferred until to-morrow.

It was moved and seconded that when the House rises, it adjourn

until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

—

Tuesday, July 26th, 1949.

The House met at the three of the clock in the afternoon, pursuant to adjournment.

A petition was presented by Mr. Courage, from Bay L'Argent Re Road.

Mr. Cashin asked questions.

Honourable the Minister of Finance (Acting) tabled Public Accounts of Newfoundland Government for the Year ended 31st March, 1943 and Public Accounts of the Newfoundland Government for the year ended 31st March, 1945.

Pursuant to notice and on motion of Honourable the Premier a Bill entitled "An Act to Amend Chapter 2 of the Consolidated Statutes (Third Series) entitled 'Of the House of Assembly'" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

The debate on the Address in Reply was continued and on motion was deferred for further debate on to-morrow.

Pursuant to order and on motion of Honourable Mr. Russell the Bill entitled "An Act Further to Amend the Co-operative Societies Act, 1939", was read a third time, and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant-Governor for his assent.

Pursuant to order, and on motion of Honourable the Minister of Public Health, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Respecting the Department of Public Health."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time on to-morrow.

Pursuant to order, and on motion of Honourable the Minister of Public Welfare, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Respecting the Department of Public Welfare."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time on tomorrow.

Pursuant to order, and on motion of Honourable the Minister of Justice, the House resolved itself into

a Committee of the Whole to consider the Bill entitled "An Act Respecting the Department of the Attorney-General."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on to-morrow.

Pursuant to order, and on motion of the Honourable the Minister of Natural Resources, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Further to Amend the Crown Lands Act, 1930."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted and it was ordered that the said Bill, as amended, be read a third time on to-morrow.

Pursuant to order and on motion of Honourable the Minister of Justice, the Bill entitled "An Act to Provide for the Internal Economy of the Legislature," was read a second time and it was ordered

that the said Bill be referred to a Committee of the Whole House on to-morrow.

On motion the remaining Orders of the Day were deferred until to-morrow.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon at three of the clock.

The House then adjourned accordingly.

Wednesday, July 27, 1949.

The House met at three of the clock in the afternoon pursuant to adjournment.

Honourable the Minister of Justice presented the petition of "The Maritime Hospital Service Association" of the Province of Nova Scotia, asking that a Bill be introduced to re-incorporate the said Association in the Province of Newfoundland.

On motion the said Petition was referred to a Select Committee to ascertain if the Rules of the House respecting Private Bills had been complied with.

Mr. Speaker appointed the following Honourable Members to be the Select Committee; Mr. Speaker, Honourable the Minister of Finance (Acting), Mr. Courage, Mr. Cashin, and Mr. Miller.

Honourable the Minister of Health gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to Provide for the Establishment and Administration of Local Government."

Mr. Fogwill gave notice of question.

The debate on the Address in Reply was continued and on motion was deferred for further debate on to-morrow.

Pursuant to order and on motion of Honourable the Minister of Public Welfare, the Bill entitled "An Act Respecting the Department of Public Welfare," was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant-Governor for his assent.

Pursuant to order and on motion of Honourable the Minister of Justice, the Bill entitled "An Act Respecting the Department of the Attorney-General" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant-Governor for his assent.

Pursuant to order and on motion of Honourable the Minister of Natural Resources, the Bill entitled "An Act Further to Amend the Crown Lands Act, 1939" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant-Governor for his assent.

Pursuant to order and on motion of Honourable the Minister of Justice, the House resolved itself into a Committee of the Whole to consider a Bill entitled "An Act to Provide for the Internal Economy of the Legislature."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had consid-

ered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on to-morrow.

On motion of Honourable the Minister of Justice, the Bill "An Act Further to Amend the St. John's Municipal Acts, 1921-45 and Acts in Amendment thereof" was referred to a Select Committee to ascertain if the Rules of the House had been complied with. His Honour the Speaker appointed the following Honorable Members to the Select Committee: Mr. Speaker, Honourable the Minister of Justice, Mr. Vardy and Honourable the Leader of the Opposition.

Pursuant to order and on motion of Honourable the Minister of Public Welfare, the Bill entitled "An Act to Amend the Old Age and Blind Persons Pension Act, 1949" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order, Honourable the Premier moved the second reading of a Bill "An Act Respecting the Department of Fisheries and Co-operatives."

On motion the debate on the said Bill was deferred until to-morrow.

The remaining Orders of the Day was deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

Thursday, July 28th, 1949.

The House met at three of the clock in the afternoon pursuant to adjournment.

Petitions were presented by:

Mr. Morgan, from Springdale, Re Road.

Mr. Fahey, from Maryville, Re Wharf and Bridges.

Honourable the Minister of Justice presented the following Report:

To the Honourable the House of Assembly,

The Select Committee appointed to consider the Bill "An Act Further to Amend the St. John's Municipal Acts, 1921-1946 and Acts in amendment thereof" has considered the matter to it referred and begs to report as follows:

Your Committee recommends as follows:

- (1) That your Committee has not found itself under the necessity of deciding whether this Bill is a Public or a Private one because the Bill provides a tax on certain people namely, those owning buildings having frontages on Water Street and consequently advertising the Bill is necessary.
- (2) That as it is felt the Bill should come before the Legislature for discussion in the present Session, the Rules of a Private Bill should be carried out as far as possible and for that reason Section 2 of the Bill should be advertised in the next issue of the "Royal Gazette" and four consecu-

tive issues of the "Evening Telegram" and of the "Daily News", namely, on the 29th and 30th of July and 1st and 2nd of August and that the Bill should be presented on Monday, August 8th.

- (3) That the advertisements should give notice that objections to the Bill shall be forwarded in writing on or before August 6th, 1949, to the Clerk of the House of Assembly.
- (4) That your Committee shall meet again after August 6th to consider any objections to the Bill and to cause a further report to be made in the matter.

(Sgd.) R. F. Sparkes
 Leslie R. Curtis
 Oliver L. Vardy
 John G. Higgins

On Motion this Report was received and adopted.

Pursuant to notice and on motion of Honourable the Minister of Public Health, the Bill entitled "An Act to Provide for the Establishment and Administration of Local Government" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Mr. Cashin asked questions.

The debate on Address in Reply was continued. On motion the Report of the Select Committee, appointed to draft a Reply to the Opening Speech of His Honour the Lieutenant Governor, was adopted.

Pursuant to order, and on motion of Honourable the Minister of Public Health, the Bill "An Act

Respecting the Department of Health" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order, and on motion of Honourable the Minister of Justice, the Bill entitled "An Act to provide for the Internal Economy of the Legislature" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent. Pursuant to order and on motion of Honourable the Premier the Bill entitled "An Act Respecting the Department of Fisheries and Co-operatives" was read a second time and it was ordered that it be referred to a Committee of the Whole House presently.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this Report was received and adopted, and it was ordered that the said Bill as amended be read a third time presently.

Pursuant to order and on motion of Honourable the Premier the said Bill was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Minister of Public Welfare, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to amend the Old Age and Blind Persons Pension Act, 1949."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this Report was received and adopted and it was ordered that the said Bill, as amended, be read a third time presently.

Pursuant to order and on motion of Honourable the Minister of Public Welfare the said Bill was then read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for assent.

The remaining orders of the day were deferred.

At six of the clock the Sergeant-at-Arms notified Mr. Speaker that the Lieutenant Governor had arrived, whereupon Mr. Speaker vacated the Chair and repaired to his Chamber.

The Sergeant-at-Arms then preceded His Honour the Lieutenant Governor to the Throne.

Mr. Speaker returned to the Chamber preceded by the Sergeant-at-Arms.

Whereupon the Clerk read the following Bills entitled:

"An Act Respecting the Department of Economic Development."

"An Act Further to amend Chapter I of the Consolidated Statutes (Third Series) "Of the Promulgation and Construction of Statutes."

"An Act Respecting the Department of Provincial Affairs."

"An Act to amend the Gasoline Tax Act, 1949."

"An Act Further to amend the Co-operative Societies Act, 1939."

"An Act Further to amend the Crown Lands Acts, 1930."

"An Act Respecting the Department of the Attorney General."

"An Act Respecting the Department of Public Welfare."

"An Act to Provide for the Internal Economy of the Legislature."

"An Act Respecting the Department of Health."

"An Act Respecting the Department of Fisheries and Co-operatives."

"An Act to amend the Old Age and Blind Persons Pension Act, 1949."

His Honour the Lieutenant Governor then said "In His Majesty's name I assent to these Bills.

Mr. Speaker left the Assembly Chamber.

His Honour the Lieutenant Governor left the Assembly Chamber.

Mr. Speaker returned to the Assembly Chamber and took the Chair.

It was moved and seconded that when the House rises it adjourn

until Monday afternoon, August 8th, at three of the clock.

The House then adjourned accordingly.

Monday, August 8th, 1949.

The House met at three of the clock in the afternoon pursuant to adjournment.

Petitions presented by:

Mr. Fahey from Colliers, Re Road and Wharf.

Mr. Fahey from Harbour Main re Roads and Wharves.

Mr. Fahey from Avondale re Roads.

Mr. Fahey from Chapel's Cove re Roads and Wharf.

Honourable the Attorney General presented a petition from the Public Accountants of Newfoundland asking for incorporation.

On motion the following Gentlemen were appointed a Select Committee to consider said Petition:

Hon. the Attorney General.

Hon. the Minister of Fisheries and Co-operatives.

Mr. Morgan.

Mr. Fahey.

Honorable the Minister of Finance presented the following Report:

The Select Committee appointed to consider the proposed Bill of the "Maritime Hospital Service Association," beg to report that the Rules of the House respecting Private Bills have been compiled with and recommends the Bill to the House:

(Sgd.) R. F. Sparkes
John R. Courage

H. W. Quinton,
P. J. Cashin
L. Miller

On motion this Report was received and adopted, and it was ordered that the said Bill be read a first time presently.

Honorable the Attorney General presented the following Report:

The Select Committee appointed to consider the Bill entitled "An Act Further to amend the St. John's Municipal Acts 1921-1945 and Acts in amendment thereof" has Further considered the matter to it referred and reports that the orders of this Honorable House made at its last sitting have been complied with.

(Sgd.) R. F. Sparkes.
L. R. Curtis
O. L. Vardy
J. G. Higgins.

Mr. Cashin asked questions.

Mr. Fogwill asked questions.

Honorable the Attorney General gave notice that he would on tomorrow ask leave to introduce the following Bills entitled "An Act Respecting District Courts."

An Act to amend Chapter 91 of the Consolidated Status of Newfoundland (Third Series) entitled "Of Evidence.

An Act Further to amend Chapter 41 of the Consolidated Statutes (Third Series) entitled "Of the Newfoundland Medical Board."

Honorable the Minister of Education gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act Respecting the University of Newfoundland."

Pursuant to order and on motion of Honorable the Minister of Finance, the Bill entitled "An Act to reincorporate in Newfoundland The Maritime Hospital Service Association," was read a first time and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to order and on motion of Honorable the Attorney General, the Bill entitled "An Act Further to amend the St. John's Municipal Acts, 1921-1945 and Acts in amendment thereof" was read a second time and it was ordered that the said Bill be referred to a Select Committee consisting of the following Gentlemen:

Hon. the Attorney General.
Hon the Minister of Provincial Affairs
Mr. Vardy
Hon. the Leader of the Opposition
Mr. Fogwill

Pursuant to order and on motion of Honorable the Premier, the Bill entitled "An Act to amend Chapter 2 of the Consolidated Statutes (Third Series) entitled "Of the House of Assembly" was read a second time and it was ordered that it be referred to a Committee of the Whole House on tomorrow.

Pursuant to order and on motion of Honorable the Minister of Finance, the Bill entitled "An Act to provide for the Establishment and Administration of Local Government" was read a second time and it was ordered that it be referred to a Committee of the Whole House on tomorrow.

It was moved and seconded that when the House rises, it ad-

journal until tomorrow afternoon at three of the clock.

The House then adjourned accordingly.

Tuesday, August 9th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Petitions were presented by:

Mr. Fahey from Upper Gullies, Re Road & Wharf.

Mr. Makinson from Bay Roberts Re Road.

Mr. Fahey, from Long Pond Re Roads.

Mr. Drover, from Cook's Harbor, Wild Bight and Boat-Harbor Re Road.

Mr. Canning from Rushoon, Re Roads.

Honorable the Attorney General presented the following Report:

The Select Committee appointed to consider the Bill "An Act Further to Amend the St. John's Municipal Acts, 1921-1945 and Acts in amendment thereof" has considered the matter to it referred and begs to report as follows:

In answer to the advertisement in the Newspapers three letters were sent to the Clerk of the House, one of which was from the Board of Trade. Attached hereto are the said letters.

The letter from the Board of Trade does not object in principal to the Bill.

The Committee draws attention to the fact that there are ap-

proximately two hundred and fifty affected by this Bill and only two property owners on Water Street protests have been received.

(Sgd.) Leslie R. Curtis
Oliver L. Vardy
John G. Higgins
Frank D. Fogwill
J. J. Spratt.

On motion this Report was received and adopted, and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Mr. Higgins gave notice of questions.

Honourable the Minister of Fisheries and Co-operatives gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to Extend the Operation of the Shipbuilding (Bounties) Amendment Act, 1945, and of the Shipbuilding (Bounties) Amendment Act, 1947."

Pursuant to notice and on motion of the Honourable the Attorney General, a Bill entitled "An Act Respecting District Courts" was introduced and read a first time and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and on motion of Honourable the Attorney General, a Bill entitled "An Act to Amend Chapter 91 of the Consolidated Statutes of Newfoundland (Third Series) entitled "Of Evidence," was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice of Honourable the Attorney General, a Bill

entitled "An Act Further to amend Chapter 41 of the Consolidated Statutes (Third Series) entitled "Of the Newfoundland Medical Board" was read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to order and on motion of Honourable the Minister of Education, a Bill entitled "An Act Respecting the University of Newfoundland" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to order and on motion of Honourable the Premier, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to amend Chapter 2 of the Consolidated Statutes (Third Series) entitled "Of the House of Assembly."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill with some amendment.

On motion this Report was received and adopted, and it was ordered that the Committee have leave to sit again on to-morrow.

Pursuant to order and on motion of Honourable the Attorney General, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Further to amend the St. John's Municipal Acts, 1921-1945 and Acts in amendment thereof."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill with some amendment.

On motion this Report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time presently.

Pursuant to order and on motion of Honourable the Attorney General, the said Bill was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

The remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourned until Thursday afternoon at three of the clock.

The House then adjourned accordingly.

Thursday, August 11th, 1949.

The House met at three of the clock in the afternoon pursuant to adjournment.

The Sergeant-at-Arms informed Mr. Speaker that His Honour's Commissioner had arrived.

The Sergeant-at-Arms then preceded His Honour's Commissioner to the Assembly Chamber.

The Clerk of the House of Assembly read a Commission under the Great Seal, which Commission appointed Honourable Sir

Brian Dunfield, Judge of the Supreme Court, to be Commissioner to administer the Oath of Allegiance to such Person who should be elected and returned to serve in the House of Assembly for the District of Labrador.

Whereupon Harold Horwood, Esq., Member elected for the District of Labrador, was escorted from the Bar of the House to the Table by Honourable the Premier and Mr. Drover and took and subscribed the Oath of Allegiance in the presence of the said Commissioner.

Mr. Horwood was presented to Mr. Speaker by Honourable the Premier and Mr. Drover and then took his seat in the House.

The said Commissioner having left the Assembly Chamber, Honourable the Attorney General presented the following Report:

The Committee appointed to consider the Petition of John R. Parsons and others praying for the passage of a Private Bill incorporating Public Accountants, has considered the matter to it referred and notes that the Proposed Bill and its Objects and Reasons have not been duly advertised according to the Rules of this House.

In view of the nature of this Bill your Committee is of opinion that Public Notice should be given of this Petition and the Proposed Bill and that comments or criticisms should be invited from the public. Such comments and criticisms to be addressed to the Clerk of the House of Assembly and to be submitted before this House reconvenes after its recess.

Dated at St. John's this 11th day of August, 1949.

(Sgd.) Leslie R. Curtis,
R. J. Fahey,
W. J. Keough,
A. B. Morgan.

On Motion this Report was received and adopted.

Mr. Higgins gave notice of Questions.

Mr. Higgins asked questions.

On Motion of Honourable the Attorney General, the House resolved itself into a Committee of the Whole to consider a further amendment to the Bill "An Act to Amend Chapter 2 of the Consolidated Statutes (Third Series) entitled 'Of the House of Assembly.'"

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill with same amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time presently.

Pursuant to order and on motion of Honourable the Attorney General, the said Bill was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to the order and on motion of Honourable the Minister

of Education, the Bill entitled "An Act Respecting the Memorial University of Newfoundland" was read a second time and it was ordered that that it be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Honourable the Minister of Finance, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Provide for the Establishment and Administration of Local Government".

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this Report was received and adopted and it was ordered that the said Bill be read a third time on to-morrow.

On motion the remaining Orders of the day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

Friday, August 12, 1949.

The House met at three of the clock in the afternoon pursuant to adjournment.

Petitions were presented by:

Mr. Fahey, from North Arm, Re Roads.

Mr. Fogwill, from Outer Cove, Re Road.

Mr. Drover, from Hampden, the Beaches, Gold Cove, the Rooms and George's Cove, Re Road.

Mr. Higgins asked Questions.

Honourable the Premier moved an adjournment of the House and more than ten Members standing in their places to support him, he availed of the adjournment to announce a new salary scale for Teachers effective as from September 1st, 1949.

Honourable the Premier withdrew the motion to adjourn with the consent of the House.

Mr. Speaker then read a communication from His Honour the Lieutenant Governor as follows:

The Lieutenant Governor has the honour to communicate to the Honourable House of Assembly the appointment of the Commissioners of Internal Economy of the Legislature in accordance with the Provisions of Section 5 of the Act No. 46 of 1949 entitled "An Act to provide for the Internal Economy of the Legislature" as set forth in the accompanying certified copy of a Minute of the Honourable Executive Council approved on the 12th day of August, 1949.

(Sgd.) A. J. WALSH,
Lieutenant Governor.

August 12th, 1949.

Mr. Speaker then read Minute as follows:

Certified copy of a Minute of the Honourable the Executive Council of the Province of Newfoundland approved by His Honour the Lieutenant Governor on August 12th, 1949, relating to the meeting held on August 11th, 1949.

Under the provisions of Section 5 of "An Act to provide for the Internal Economy of the Legislature" it was ordered that the following shall be the Commission of International Economy of the Legislature, namely:

The Speaker, House of Assembly
 The Chairman, of Committees,
 House of Assembly
 Hon. J. R. Smallwood,
 Hon. L. R. Curtis, K. C.
 Hon. H. W. Quinton, C. M. G.

(Sgd.) W. J. CAREW,
 Clerk of the Executive Council.

Pursuant to order and motion of Honourable the Minister of Finance, the Bill entitled "An Act to provide for the Establishment and Administration of Local Government" was read a third time and passed, and it was ordered that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Minister of Education, the House resolved itself into a Committee of the Whole to consider the Bill, "An Act Respecting the Memorial University of Newfoundland."

Mr. Speaker left the Chair.

Mr. Courage took the Chair a Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again presently.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again.

On motion the House recessed until eight of the clock. The members returned to the Assembly Chamber at eight of the Clock.

Pursuant to order and on motion of Honourable the Minister of Education, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Respecting the Memorial University of Newfoundland."

Mr. Speaker left the Chair.

Mr. Courage took the Chair, of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Whereupon, with unanimous consent, the Bill "An Act Respecting the Memorial University of Newfoundland" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act to reincorporate in Newfoundland the "Maritime Hospital Service Association" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Honourable the Attorney General the Bill entitled "An Act to amend Chapter 91 of the Consolidated Statutes of Newfoundland

(Third Series) entitled "Of Evidence" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Whereupon, with unanimous consent, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to amend Chapter 91 of the Consolidated Statutes of Newfoundland (Third Series) entitled "Of Evidence."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time presently.

Whereupon, with unanimous consent, the Bill "An Act to amend Chapter 91 of the Consolidated Statutes of Newfoundland (Third Series) entitled "Of Evidence" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act Further to amend Chapter 41 of the Consolidated Statutes (Third Series) entitled "Of the Newfoundland Medical Board" was read a second time and it was ordered that the said Bill be referred to

a Committee of the Whole House on tomorrow.

Pursuant to order and on motion of Honourable the Minister of Fisheries and Co-operatives the Bill entitled "An Act to Extend the Operation of the Shipbuilding (Bounties) Amendment Act, 1945, and of the Shipbuilding (Bounties) Amendment Act, 1947," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Whereupon with unanimous consent, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time presently.

Whereupon, with unanimous consent, the Bill "An Act Further to Extend the Operation of the Shipbuilding (Bounties) amendment Act, 1945, and of the Shipbuilding (Bounties) amendment Act, 1947," was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

The Remaining Orders of the Day was deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow, Saturday, at three of the clock.

The House adjourned accordingly.

Saturday, August 13th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Speaker informed the House that His Honour the Lieutenant Governor would be pleased to receive the Address in Reply, presently.

Accordingly Mr. Speaker and the House proceeded to Government House and being returned to the Assembly Chamber, Mr. Speaker informed the House that His Honour had received the Address of Thanks, and had been pleased to reply thereto as follows:—

Mr. Speaker and Gentlemen of the Honourable House of Assembly

I thank you for your Address in Reply to the Speech with which your present Session was opened.

(Sgd.) A. J. WALSH,
Lieutenant Governor.

Government House,
St. John's,
Newfoundland,
August 13th, 1949.

Mr. Fogwill asked Questions.

Pursuant to order and on motion of Honourable the Attorney General, the House resolved itself into a Committee of the Whole to consider a Bill entitled "An Act to Re-incorporate in Newfoundland The Maritime Hospital Service Association."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act to Re-incorporate in Newfoundland "The Maritime Hospital Service Association" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Honourable the Attorney General, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Further to Amend Chapter 41 of the Consolidated Statutes (Third Series) entitled "Of the Newfoundland Medical Board."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time presently.

Pursuant to order and on motion of Honourable the Attorney General, the Bill entitled "An Act to amend Chapter 41 of the Consolidated Statutes (Third Series) entitled "Of the Newfoundland Medical Board" was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

The Remaining Order of the Day was deferred.

At five of the clock the Sergeant-at-Arms notified Mr. Speaker that the Lieutenant Governor had arrived, whereupon Mr. Speaker vacated the Chair and repaired to His Chamber.

The Sergeant-at-Arms then preceded His Honour the Lieutenant Governor to the Throne.

Mr. Speaker returned to the Chamber.

Whereupon the Clerk read the following Bills entitled:

"An Act to amend the St. John's Municipal Acts, 1921-1945, and Acts in amendment thereof."

"An Act to amend Chapter 2 of the Consolidated Statutes of Newfoundland (Third Series) entitled "Of the House of Assembly."

"An Act to Provide for the Establishment and Administration of Local Government."

"An Act to Amend Chapter 91 of the Consolidated Statutes of Newfoundland (Third Series) entitled "Of Evidence."

"An Act Further to Extend the Operation of the Shipbuilding (Bounties) Amendment Act, 1945, and of the Shipbuilding (Bounties) Amendment Act, 1947."

"An Act Respecting the Memorial University of Newfoundland."

"An Act to Re-incorporate in Newfoundland the Maritime Hospital Service Association."

"An Act Further to amend Chapter 41 of the Consolidated Statutes (Third Series) entitled "Of the Newfoundland Medical Board."

His Honour the Lieutenant Governor then said "in His Majesty's name I assent to these Bills."

Mr. Speaker left the Assembly Chamber.

His Honour the Lieutenant-Governor left the Assembly Chamber.

Mr. Speaker returned to the Assembly Chamber and took the Chair.

It was moved and seconded that when the House rises, it adjourn until tomorrow Monday, Oct. 3rd., at three of the clock.

The House then adjourned accordingly.

Monday, October 3rd, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

At quarter past three of the clock, there being no quorum present, Mr. Speaker adjourned the House until tomorrow afternoon at three of the clock.

The House then adjourned accordingly.

The House met at three of the clock in the afternoon on the following, Tuesday, Wednesday, Thursday and Friday. There being

no quorum present, at quarter past three of the clock on the said days, Mr. Speaker adjourned the House each day until tomorrow at three of the clock.

Tuesday, October 11th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

On motion of Honorable the Premier the Rt. Hon. Francis Forde was invited to address the House presently.

The Rt. Hon. Francis Forde addressed the House.

Petitions were presented by Mr. Fahey, from Bacon Cove, Re Roads and Wharves.

Mr. Fahey from Brigus Junction, Re Road.

Hon. The Minister of Labour, from Trout River, Re Road.

Mr. Jackman, from Topsail, Re Roads.

Hon. the Minister of Education, from Long Beach, Re Road.

Hon. the Minister of Public Welfare, from Bay de Verde, Re Supply of Drinking Water.

Hon. the Attorney General gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to Authorize the Government of Newfoundland to make arrangements with the Government of Canada for Employment of the Royal Canadian Mounted Police Force in aiding the Administration of Justice in Newfoundland."

Honourable the Attorney General gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act Further to

amend Chapter 105 of the Consolidated Statutes (Third Series) entitled "Of Lotteries."

In the absence of Honourable the Minister of Finance, Honourable the Premier gave notice that he would on to-morrow ask leave to introduce Bills entitled "An Act to amend the Insurance Companies Act, 1936" and "An Act to amend the Act 7 Edward VII, Chapter 4, entitled "An Act respecting the Assessment of Life Insurance Companies."

Honourable the Minister of Natural Resources gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act Further to amend the Department of Natural Resources Act, 1934."

Honourable the Minister of Education gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to Provide for the Payment of a Superannuation Allowance to Matthew Gilbert King, retired Secretary and Registrar of the Council of Higher Education."

Mr. Cashin gave notice of Questions.

On motion the Orders of the Day were deferred.

In moving the adjournment of the House, Honourable the Premier made a statement relative to the Cost of Living in the Province and tabled documents relating thereto.

It was moved and seconded that when the House rises, it adjourn until to-morrow Wednesday, at three of the clock.

The House then adjourned accordingly.

Wednesday, October 12th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Petitions were presented by:

Mr. Horwood, from Red Bay, Re Public Works.

Hon. the Minister of Natural Resources, from Salvage, Re Road.

Mr. Miller, from Fox Harbor, Re Road.

Mr. Button, from Heart's Delight, Re Road.

Hon. the Minister of Public Welfare gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act Respecting Mothers' Allowances."

Mr. Cashin gave notice of Question.

Hon. the Leader of the Opposition gave notice of Question.

Pursuant to notice and on motion of Hon. the Attorney General, the Bill entitled "An Act to Authorize the Government of Newfoundland to make arrangements with the Government of Canada for the Employment of the Royal Canadian Mounted Police force in aiding the Administration of Justice in Newfoundland" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Attorney General, the Bill entitled "An Act Further to Amend Chapter 105 of the Consolidated Statutes (Third Series) entitled 'Of Lotteries'" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Premier, the Bill

entitled "An Act to amend the Insurance Companies Act, 1906" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Premier, the Bill entitled "An Act to Amend the Act 7, Edward VII, Chapter 4, entitled 'An Act Respecting the Assessment of Life Insurance Companies'" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Minister of Natural Resources, the Bill entitled "An Act Further to Amend the Department of Natural Resources Act, 1934" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Minister of Education, the Bill entitled "An Act to Provide for the Payment of a Superannuation Allowance to Matthew Gilbert King, retired secretary and Registrar of the Council of Higher Education" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

On motion the Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon, Thursday at three of the clock.

The House then adjourned accordingly.

Thursday, October 13th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Petitions were presented by:

Mr. Fahey, from Kelligrews, Re Wharf and Roads.

Mr. Canning, from Moring Cove, Re Road.

Mr. Miller from Admiral's Beach Re Road.

Hon. the Minister of Provincial Affairs gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to Amend the Standard Time (Newfoundland) Act 1935."

Hon. the Minister of Natural Resources gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act Respecting Saw Mills."

Hon. the Minister of Public Welfare moved that on to-morrow the House resolve itself into a Committee of the Whole to consider a Resolution to sanction the Bill entitled "An Act Respecting Mothers' Allowances" which Resolution had been recommended to the House by His Honour the Lieutenant Governor.

It was ordered accordingly.

Mr. Cashin gave notice of Question.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to Authorize the Government of Newfoundland to make arrangements with the Government of Canada for the Employment of the Royal Canadian Mounted Police Force in aiding the Administration of Jus-

tice in Newfoundland" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act Further to Amend Chapter 105 of the Consolidated Statutes (Third Series) entitled 'Of Lotteries'" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to Amend the Insurance Companies Act, 1906" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to Amend the Act 7, Edward VII, Chapter 4, entitled 'An Act Respecting the Assessment of Life Insurance Companies'" was read a second time and ordered to be referred to a Committee of the Whole House on tomorrow.

The remaining Orders of the Day were deferred.

The following were appointed a Select Committee to further consider further the Petition of the Public Accountants.

Hon. the Attorney General.

Hon. the Minister of Fisheries and Co-operatives.

Mr. Morgan.

Mr. Janes.

Hon. the Leader of the Opposition.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon, Friday, at three of the clock.

The House then adjourned accordingly.

Friday, October 14th, 1949

The House met at three of the clock in the afternoon, pursuant to adjournment.

Petitions were presented by:

Hon. Minister of Labour, from Bay of Island re Road.

Mr. Miller, from North Harbour, re Road.

Mr. Button, from Chance Cove, Re Road.

Mr. Cashin gave notice of Questions.

Pursuant to notice and on motion of Hon. the Minister of Provincial Affairs, the Bill entitled "An Act to Amend the Standard Time (Newfoundland) Act, 1935" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Minister of Natural Resources, the Bill entitled "An Act Respecting Saw Mills" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to order and on motion of Hon. the Attorney General, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Authorize the Government of Canada for the Employment of the Royal Canadian Mounted Police in

aiding the Administration of Justice in Newfoundland.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Hon. the Attorney General, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Further to Amend Chapter 105 of the Consolidated Statutes (Third Series) entitled 'of Lotteries'."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Hon. the Attorney General, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Amend the Insurance Companies Act."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time on tomorrow.

Pursuant to order and on motion of Hon. the Attorney General, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Amend the Act 7, Edward VII, Chapter 4, entitled 'An Act Respecting the Assessment of Life Insurance Companies'."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Hon. the Minister of Natural Resources, the Bill entitled "An Act Further to Amend the Department of Natural Resources Act, 1934" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon, Monday, at three of the clock.

The House then adjourned accordingly.

Monday, October 17th, 1949

The House met at three of the clock in the afternoon pursuant to adjournment.

Hon. the Premier made a statement re Freight Rates and tabled a document relating thereto.

A Petition was presented by Mr. Horwood from Cape Charles re Supplies.

Hon. the Minister of Finance gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act Further to Amend the Alcoholic Liquors Act, 1933."

Mr. Fogwill gave notice of Question.

Mr. Cashin asked Questions.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to Authorize the Government of Newfoundland to make arrangements with the Government of Canada for the employment of the Royal Canadian Mounted Police Force in Aiding the Administration of Justice in Newfoundland" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act Further to Amend Chapter 105 of the Consoli-

dated Statutes (Third Series) entitled 'Of Lotteries' " was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on Motion of Hon. the Attorney General, the Bill entitled "An Act to Amend the Act 7, Edward VII, Chapter 4, entitled 'An Act Respecting the Assessment of Life Insurance Companies' " was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Hon. the Speaker ruled that the Bill entitled "An Act Respecting Mothers' Allowances" had for its sole object the setting up of Administrative Machinery and contained no Provisions for the payment of money, and that consequently it was not necessary for the House to resolve itself into a Committee of the Whole to consider a Resolution to sanction the said Bill.

Accordingly, pursuant to notice and on motion of Hon. the Minister of Public Welfare, the Bill entitled "An Act Respecting Mothers' Allowances" was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

On motion of Hon. the Minister of Education the House resolved itself into a Committee of the Whole to consider a Resolution to sanction the Bill entitled "An Act to Provide for the Payment of a Superannuation Allowance to Matthew Gilbert King, Retired Secre-

tary and Registrar of the Council of Higher Education" which Resolution had been recommended to the House by His Honour the Lieutenant Governor.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had approved the said Resolution.

On motion this report was received and adopted.

Pursuant to order and on motion of Hon. the Minister of Education, the said Bill was read a second time and it was ordered that it be referred to a Committee of the Whole House on tomorrow.

The remaining Orders of the Day were deferred.

In moving the adjournment of the House, Hon. the Premier made a statement on the subject of relief in the Province.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon at three of the clock.

The House then adjourned accordingly.

Tuesday, October 18, 1949

The House met at three of the clock in the afternoon, pursuant to adjournment.

A Petition was presented by Hon. the Minister of Labour from Howley, Re Road.

Mr. Higgins gave notice of Question.

Mr. Miller gave notice of Question.

Mr. Fogwill asked Question.

Pursuant to notice and on motion of Hon. the Minister of Finance, the Bill entitled "An Act Further to Amend the Alcoholic Liquors Act, 1933" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to order and on motion of Hon. the Minister of Natural Resources, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Further to amend the Department of Natural Resources Act, 1934."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Hon. the Minister of Education, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to provide for the payment of a Superannuation Allowance to Matthew Gilbert King, Retired Secretary and Registrar of the Council of Higher Education."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Hon. the Minister of Public Welfare, the Bill entitled "An Act Respecting Mothers' Allowances" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

Pursuant to order and on motion of Hon. the Minister of Provincial Affairs, the Bill entitled "An Act to Amend the Standard Time (Newfoundland) Act, 1935", was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole on tomorrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon, Thursday, at three of the clock.

The House then adjourned accordingly.

Thursday, October 20th, 1949

The House met at three of the clock in the afternoon pursuant to adjournment.

Petitions were presented by Mr. Drover, from Seal Cove, White Bay, Re Road.

Mr. Morgan, from Jackson's Cove, Re Road.

Hon. the Premier gave notice that he would on tomorrow move the House into a Committee of the Whole to consider Resolutions in relation to the Establishment of an Industrial Development Loan Board for Newfoundland.

Hon. the Attorney General gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act to Amend Chapter 4 of the Consolidated Statutes of Newfoundland (Third Series) entitled 'Of Promissory Oaths'."

Mr. Cashin asked Questions.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to Amend the Insurance Companies Act" was read a third time, with some verbal amendment, and passed, and it was ordered that the said Bill, as amended, be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Natural Resources, the Bill entitled "An Act Further to Amend the Department of Natural Resources Act, 1934" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above and that it be submitted, to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Education, the Bill entitled "An Act to Provide for the Payment of a Superannuation Allowance to Matthew Gilbert King, Retired Secretary and Registrar of the Council of Higher Education" was read a third time and passed, and it was ordered that

the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Public Welfare, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Respecting Mothers' Allowances."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted and it was ordered that the said Bill, as amended, be read a third time on tomorrow.

Pursuant to order and on motion of Hon. the Minister of Provincial Affairs, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Amend the Standard Time (Newfoundland) Act, 1935."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Hon. the Minister of Finance, the Bill entitled "An Act Further to Amend the Alcoholic Liquors Act, 1933" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

On motion of Hon. the Minister of Finance, and with unanimous consent, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Further to Amend the Alcoholic Liquors Act, 1933."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted and it was ordered that the said Bill, as amended, be read a third time presently.

On motion of Hon. the Minister of Finance, and with unanimous consent, the Bill entitled "An Act Further to Amend the Alcoholic Liquors Act, 1933" was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

On motion the remaining Orders of the day were deferred.

In moving the adjournment of the House, Hon. the Minister of Health made a statement regarding Federal Grants for the extension of Health Services in the

Province and tabled a document relating thereto.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon at three of the clock.

The House then adjourned accordingly.

Friday, October 21st, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Hon. the Premier made a Further statement Re Freight Rates and tabled a document relating thereto.

Mr. Vardy presented a petition from the St. John's Municipal Council asking for the enactment of a Bill entitled "An Act for the Termination of the Exclusive Franchise of the Golden Arrow Coaches Limited, to transport Passengers for Reward by Motor Omnibus in the City of St. John's and for other purposes."

The following Gentlemen were appointed a Select Committee to consider the said Petitions:

Hon. the Attorney General

Hon. the Minister of Provincial Affairs.

Mr. Vardy

Hon. the Leader of the Opposition

Mr. Fogwill.

Hon. the Minister of Fisheries and Co-operatives gave notice that he would on tomorrow move the House into a Committee of the Whole to consider Resolutions in relation to the Establishment of a Fisheries Loan Board in Newfoundland.

Hon. the Minister of Fisheries and Co-operatives gave notice that he would on tomorrow move the House into a Committee of the Whole to consider Resolutions in relation to the establishment of a Co-operative Development Loan Board for Newfoundland.

Pursuant to notice and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider Resolutions in relation to the Establishment of an Industrial Development Loan Board for Newfoundland, which Resolutions had been recommended to the House by His Honor the Lieutenant-Governor.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had approved the said Resolutions.

On motion this report was received and adopted.

On motion of Hon. the Premier, the Bill entitled "An Act to establish an Industrial Development Loan Board for Newfoundland" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice on motion of Hon. the Attorney General, the Bill entitled "An Act to amend Chapter 4 of the Consolidated Statutes of Newfoundland (Third Series) entitled "Of Promissory Oaths" was introduced and read a first time and it was ordered

that the said Bill be read a second time on tomorrow.

Pursuant to order and on motion of Hon. the Attorney General (in the absence of Hon. the Minister of Public Welfare), the bill entitled "An Act Respecting Mothers' Allowances" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Provincial Affairs, the Bill entitled "An Act to amend the Standard Time (Newfoundland) Act, 1935, was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon, Monday, October 24th, at three of the clock.

The House then adjourned accordingly.

Monday, October 24, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

A Petition was presented by:

Mr. Drover from St. Anthony Re Road.

Hon. the Attorney General presented the Report of the Select Committee appointed to consider the Petition of the St. John's Municipal Council, as follows:

TO THE HONORABLE THE
HOUSE OF ASSEMBLY

The Committee appointed to consider the Petition of the St. John's Municipal Council asking this Honorable House to pass a Bill declaring the Franchise of the Golden Arrow Coaches Limited to be determined, begs to report and recommend as follows:

1. That Notice of this Petition and of this Report be published in the Daily News and Evening Telegram on Tuesday the 25th, and Thursday the 27th instants.
2. That any comments be submitted to the Clerk of this Honorable House on or before Monday, October 31st, at noon.
3. That a copy of this petition, advertisement and proposed Bill be served upon the Company at its Head Office, Merry-meeting Road, St. John's, forthwith.
4. That the Council report to this Honorable House when these instructions have been carried out and when service upon the Company has been effected.

Dated at St. John's, this 24th day of October, 1949.

(Sgd.) Leslie R. Curtis
John G. Higgins
Frank D. Fogwill
Oliver L. Vardy
James J. Spratt

(Hon. the Minister of Finance gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act to Amend the Life and Accident Insurance Agents (Licensing) Act, 1944."

Hon. the Minister of Public Welfare gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act Respecting Allowances to Dependent Persons."

Hon. the Minister of Public Welfare gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act Respecting Relief Works Administration."

Mr. Cashin asked questions.

Mr. Higgins asked questions.

Pursuant to notice and on motion of Hon. the Minister of Fisheries and Co-operatives, the House resolved itself into a Committee of the Whole to consider Resolutions in Relation to the Establishment of a Fisheries Loan Board for Newfoundland, which Resolutions had been recommended to the House by His Honor the Lieutenant Governor.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had approved the said Resolutions.

On motion this report was received and adopted.

On motion of Hon. the Minister of Fisheries and Co-operatives, the Bill entitled "An Act to Establish a Fisheries Loan Board for Newfoundland" was introduced and read a first time, and it was ordered that the said Bill be read on tomorrow.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act

to Amend Chapter 4 of the Consolidated Statutes of Newfoundland (Third Series) entitled "Of Promissory Oaths" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

The remaining orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon at three of the clock.

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Tuesday, October 25, 1949.

The House met at three of the clock in the afternoon pursuant to adjournment.

A petition was presented by:

Mr. Miller from Peter's River, Re Road.

Mr. Fahey gave notice of Questions.

Mr. Cashin gave notice of Questions.

Mr. Higgins gave notice of Questions.

Mr. Cashin asked questions.

Pursuant to notice and on motion of Hon. the Minister of Fisheries and Co-operatives, the House resolved itself into a Committee of the Whole to consider Resolutions in relation to the Establishment of a Co-operative Development Loan Board for Newfoundland, which Resolution had been recommended to the House by His Honor the Lieutenant Governor.

Mr. Speaker left the Chair.

Mr. Courage took the Chair.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had

considered the matter to them referred and had approved the said Resolutions.

On motion this report was received and adopted.

On motion of Hon. the Minister of Fisheries and Co-operatives the Bill entitled "An Act to provide for Loans to Co-operative Societies and to create a Co-operative Development Loan Board for Newfoundland" was introduced and read a first time and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Minister of Finance, the Bill entitled "An Act to Amend the Life and Accident Insurance Agents (Licensing) Act, 1944" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Minister of Public Welfare, the Bill entitled "An Act Respecting Allowances to Dependent Persons" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Minister of Public Welfare, the Bill entitled "An Act Respecting Relief Works Administration" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Provide for Loans to Encourage Industrial Development in New-

foundland and to create an Industrial Development Loan Board for Newfoundland."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time on tomorrow.

Pursuant to order and on motion of Hon. the Minister of Natural Resources, the Bill entitled "An Act Respecting Saw Mills" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

On motion of Hon. the Minister of Fisheries and Co-operatives, it was ordered that the title of the Bill on the Order Paper entitled "An Act to Establish a Fisheries Loan Board for Newfoundland" be changed to read "An Act to provide for Loans to Fishermen, and to create a Fisheries' Loan Board for Newfoundland."

Pursuant to order and on motion of Hon. the Minister of Fisheries and Co-operatives, the Bill entitled "An Act to provide for Loans to Fishermen and to create a Fisheries Loan Board for Newfoundland" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole on to-morrow.

The Remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon, at three of the clock.

The House then adjourned accordingly.

Wednesday, October 26th, 1949.

The House met at three of the clock in the afternoon pursuant to adjournment.

A Petition was presented by:

Mr. Miller, from Branche, Re Road.

Mr. Cashin asked questions.

Pursuant to order and on motion of Hon. the Premier, the Bill entitled "An Act to provide for Loans to encourage Industrial Development in Newfoundland and to create an Industrial Development Loan Board for Newfoundland" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent."

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to amend Chapter 4 of the Consolidated Statutes of Newfoundland (Third Series) entitled 'Of Promissory Oaths'" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Natural Resources, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Respecting Saw Mills."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Fisheries and Co-operatives, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Provide for Loans to Co-operative Societies and to create a Co-operative Development Loan Board for Newfoundland."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Fisheries and Co-operatives, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Provide for Loans to Co-operative Societies and to create a Co-operative Develop-

ment Loan Board for Newfoundland."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time on to-morrow.

On motion of Hon. the Minister of Fisheries and Co-operatives that the Bill entitled "An Act to provide for Loans to Co-operative Societies and to create a Co-operative Development Loan Board for Newfoundland" be now read a second time, the House divided, when there appeared in its favour:

Hon. the Premier

Hon. the Attorney General

Hon. the Minister of Finance

Hon. the Minister of Public Welfare

Hon. the Minister of Labour

Hon. the Minister of Education

Hon. the Minister of Public Works

Hon. the Minister of Natural Resources

Hon. the Minister of Provincial Affairs

Hon. the Minister of Fisheries and Co-operatives

Mr. Janes

Mr. Makinson

Mr. Button

Mr. Courage

Mr. Canning (15),

and against it,

Hon. the Leader of the Opposition,

Mr. Fogwill

Mr. Jackman

Mr. Miller

Mr. Fahey (5)

So it passed in the affirmative and was ordered accordingly.

On motion it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Finance, the Bill entitled "An Act to Amend the Life and Accident Insurance Agent's (Licensing) Act, 1944" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

The remaining Orders of the Day were deferred.

Hon. the Premier gave notice that he would on to-morrow move the House into a Committee of the Whole to consider the problem of unemployment in the Province.

In moving the adjournment of the House, Hon. The Premier informed the Members that the world famous artist, John Vincent, a native of Newfoundland, had offered to give his original painting of His Majesty King George VI to the Province.

On motion of Hon. the Leader of the Opposition, seconded by Hon. the Premier, it was resolved that an expression of thanks be extended to Mr. Vincent for his generous gift.

It was moved and seconded that when the House arises, it adjourn

until to-morrow afternoon at three of the clock.

The House adjourned accordingly.

Thursday, October 24th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Hon. the Premier made a statement relative to the dismissal of the Editor of the "Western Star", Corner Brook.

Mr. Fogwill gave notice of Question.

Pursuant to notice and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider the problem of unemployment in the Province.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had completed their deliberations.

On motion all the Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow at three of the clock.

The House then adjourned accordingly.

Friday, October 28th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Fogwill asked questions.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act Respecting Saw Mills" was read a third time, with some verbal amendment, and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to provide for Loans to Fishermen and to create a Fisheries' Loan Board for Newfoundland" was read a third time with some verbal amendment, and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Fisheries and Co-operatives, the House resolved itself into a Committee of the Whole to Consider the Bill entitled "An Act to provide for Loans to Co-operative Societies and to create a Co-operative Development Loan Board for Newfoundland."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the

House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Amend the Life and Accident Insurance Agent's (Licensing) Act, 1944."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of the Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made progress, and asked leave to sit again on tomorrow.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Public Welfare, the Bill entitled "An Act Respecting Allowances to Dependent Persons" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Public Welfare, the Bill entitled "An Act Respecting Relief Works Administration" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole on to-morrow.

Hon. the Attorney General, in the absence of Hon. the Minister of Finance, gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to make Provision for the making of Returns of Income to the Assessor of Taxes by certain Taxpayers."

The remaining Orders of the Day were Deferred.

It was moved and seconded that when the House rises, it adjourn

until to-morrow afternoon, Tuesday, November 1st, at three of the clock.

The House then adjourned accordingly.

Tuesday, November 1st, 1949

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Fahey asked Questions.

Hon. the Minister of Labour gave notice that he would on to-morrow ask leave to introduce a Bill to introduce "An Act to Amend the Department of Labour Act, 1933".

Hon. the Minister of Labour gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act Respecting Boilers and Pressure Vessels and Steam, Refrigeration and Compressed Gas Plants".

Hon. the Attorney General gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act Further to Amend the Highway Traffic Act, 1941."

Hon. the Attorney General read a letter from the St. John's Municipal Council stating that the directions contained in the report of the Select Committee on the Petition of the St. John's Municipal Council, relating to the Golden Arrow Coaches Limited, had been compiled with.

On motion of Hon. the Attorney General the Bill entitled "An Act for the Termination of the Exclusive Franchise of the Golden Arrow Coaches Limited to transport passengers for Reward by Motor Omnibus in the City of St. John's and for other Purposes" was then

introduced and read a first time and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and on motion of Hon. the Minister of Finance, the Bill entitled "An Act to make Provision for the making of Returns of Income to the Assessor of Taxes by certain Tax Payers" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Fisheries and Co-operatives, the Bill entitled "An Act to Provide for Loans to Co-operatives Societies and to create a Co-operative Development Board for Newfoundland" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Finance, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Amend the Life and Accident Insurance Agent's (Licensing) Act, 1944".

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was or-

dered that the said Bill be read a third time on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Public Welfare, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Respecting Allowances to Dependent Persons".

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Public Welfare, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Respecting Relief Works Administration".

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time to-morrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow at three of the clock.

The House then adjourned accordingly.

Wednesday, November 2nd, 1949

The House met at three of the clock in the afternoon pursuant to adjournment.

Mr. Cashin gave notice of Questions.

Pursuant to notice and on motion of Hon. the Attorney General, the Bill entitled "An Act to Amend the Highway Traffic Act, 1941" was introduced and read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Minister of Labour, the Bill entitled "An Act to Amend the Department of Labour Act, 1933" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and on motion of Hon. the Minister of Labour, the Bill entitled "An Act Respecting Boilers and Pressure Vessels and Steam, Refrigeration and Compressed Gas Plants," was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Finance, the Bill entitled "An Act to Amend the Life and Accident Insurance Agent's (Licensing) Act, 1944" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted

to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Public Welfare the Bill entitled "An Act Respecting Allowances to Dependent Persons" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Public Welfare, the Bill entitled "An Act Respecting Relief Works Administration" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Mr. Vardy, the Bill entitled "An Act for the Termination of the Exclusive Franchise of the Golden Arrow Coaches Limited to transport Passengers for Reward by Motor Omnibus in the City of St. John's and for Other Purposes" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

On motion of Mr. Vardy, and with unanimous consent, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred

and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time presently.

On motion of Mr. Vardy, and with unanimous consent, the Bill entitled "An Act for the Termination of the Exclusive Franchise of the Golden Arrow Coaches Limited to Transport Passengers for Reward by Motor Omnibus in the City of St. John's and for Other Purposes" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

Thursday, November 3rd, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Miller asked questions.

Mr. Cashin asked questions.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act Further to amend the Highway Traffic Act, 1941" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

On motion of Hon. the Attorney General, and with unanimous consent, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again later in the afternoon.

On motion this report was received and adopted, and it was ordered that the said Committee have leave to sit again later in the afternoon.

Pursuant to order and on motion of Hon. the Minister of Labour, the Bill entitled "An Act to Amend the Department of Labour Act, 1933" was read a second time and it was ordered that the said Bill be deferred to a Committee of the Whole House presently.

On motion of Hon. the Minister of Labour the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

On motion of Hon. the Minister of Labour, and with unanimous

consent, the Bill entitled "An Act to Amend the Department of Labour Act, 1933" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Labour, the Bill entitled "An Act Respecting Boilers and Pressure Vessels and Steam, Refrigeration and Compressed Gas Plants" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

On motion of Hon. the Minister of Labour, and with unanimous consent, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Finance, the Bill entitled "An Act to Make Provision for the Making of Returns by Certain Taxpayers" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

On motion of Hon. the Minister of Finance, and with unanimous

consent, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

On motion of Hon. the Minister of Finance, and with unanimous consent, the Bill entitled "An Act to make Provisions for the making of Returns of Income to the Assessor of Taxes by Certain Taxpayers" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Attorney General, the House resolved itself into a Committee of the Whole to consider further the Bill entitled "An Act Further to amend the Highway Traffic Act, 1941."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was or-

dered that the said Bill be read a third time presently.

On motion of Hon. the Attorney General, and with unanimous consent, the Bill entitled "An Act further to amend the Highway Traffic Act, 1941" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until Thursday, November 17th, at three of the clock in the afternoon.

The House then adjourned accordingly.

Thursday, November 17th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Hon. the Minister of Natural Resources presented a petition from residents of Bonavista, Re Land for erection of a War Memorial.

The following gentlemen were appointed a Select Committee to consider said petition:

Hon. the Attorney General.

Hon. the Minister of Natural Resources.

Hon. the Leader of the Opposition.

Hon. the Premier gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to Provide for the Regulation and sale of Alcoholic Liquors."

Hon. the Premier gave notice that he would on to-morrow ask

leave to introduce a Bill entitled "An Act to Provide for the Regulation of Public Utilities."

Hon. the Attorney General gave notice that he would on to-morrow move the House into a Committee of the Whole to consider certain resolutions relative to the Imposition of a Tax on the Income of Corporations.

Hon. the Attorney General gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to authorize the execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada."

Hon. the Minister of Finance gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act Further to Amend the Act 'Of the Auditing of Public Accounts'."

Hon. the Minister of Labour gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act Respecting Industrial Statistics."

Hon. the Minister of Labour gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act Respecting Trade Unions."

Hon. the Minister of Education gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act relating to Public Examinations in Schools."

Hon. the Minister of Natural Resources notice that he would on to-morrow ask leave to introduce a Bill entitled "The Veterans Land Act."

Pursuant to order and on motion of Hon. the Minister of Labour, the Bill entitled "An Act

Respecting Boilers and Pressure Vessels and Steam Refrigeration and Compressed Gas Plants" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

Friday, November 18th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Higgins asked Questions.

Mr. Cashin asked Questions.

Mr. Miller gave notice of Questions.

Hon. the Minister of Education gave notice that he would on to-morrow ask leave to introduce a Bill entitled "Education (Amendment) Act, No. 3, 1949".

Hon. the Minister of Education gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to transfer to the Memorial University of Newfoundland Rights vested in the Newfoundland Memorial University College and Normal Training School, Assets of the Board of Governors of the Memorial University College and certain Crown Assets".

Pursuant to notice and on motion of Hon. the Premier, the Bill en-

titled "An Act to provide for the Regulation and Sale of Alcoholic Liquors" was introduced and read a second time on to-morrow.

Pursuant to notice and on motion of Hon. the Premier, the Bill entitled "An Act to provide for the Regulation of Public Utilities" was introduced and read a first time and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and on motion of Hon. the Attorney General, the House resolved itself into a Committee of the Whole to consider certain Resolutions relative to the Imposition of a Tax on the Income of Corporations.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had approved the said Resolutions.

On motion this report was received and adopted.

On motion of Hon. the Attorney General the Bill entitled "An Act to impose a Tax on the Income of Corporations" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and on motion of Hon. the Attorney General, the Bill entitled "An Act to authorize the Government of Newfoundland to enter into an agreement with the Government of Canada with respect to the Collection of Corporation Income Tax" was introduc-

ed and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and on motion of Hon. the Attorney General, the Bill entitled "An Act to Authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and on motion of Hon. the Minister of Finance, the Bill entitled "An Act further to Amend the Act 'Of the Auditing of Public Accounts'" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Minister of Labour, the Bill entitled "An Act Respecting Industrial Statistics" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and on motion of Hon. the Minister of Labour, the Bill entitled "An Act Respecting Trade Unions" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and on motion of Hon. the Minister of Education, the Bill entitled "An Act relating to Public Examinations in Schools" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and on motion of Hon. the Minister of Natural

Resources, the Bill entitled "The Veteran's Land Act" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

On motion the remaining Orders of the Day was deferred.

It was moved and seconded that when the House rises, it adjourn until Monday afternoon, November 21st, at three of the clock.

The House then adjourned accordingly.

Monday, November 21st, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Cashin gave notice of Questions.

On motion of Hon. the Attorney General, and with unanimous consent, the Bill entitled "An Act to empower the Minister of Supply to impose Restrictions on the Distribution of Goods of any kind when it is considered to be in the Public Interest to do so" was introduced and read a first time, and it was ordered that the said Bill be read a second time presently.

On motion of Hon. the Attorney General, and with unanimous consent, the said Bill was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

On motion of Hon. the Attorney General, and with unanimous consent, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to empower the Minister of Supply to impose Restrictions on the Dis-

tribution of Goods of any kind when it is considered to be in the Public Interest to do so."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again later in the afternoon.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again later in the afternoon.

Pursuant to notice and on motion of Hon. the Minister of Education, the Bill entitled "Education (Amendment) Act, No. 3, 1949" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Minister of Education, the Bill entitled "An Act to transfer to Memorial University of Newfoundland Rights vested in the Newfoundland Memorial University College and Normal Training School, Assets of the Board of Governors of the Memorial University College and Certain Crown Assets" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act Respecting District Courts" was read a second time and it was ordered that the said Bill be referred to a Com-

mittee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to Authorize the Government of Newfoundland to enter into an Agreement with the Government of Canada with respect to the Collection of Corporation Income Tax" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to Authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the House resolved itself into a Committee of the Whole to consider further the Bill entitled "An Act to empower the Minister of Supply to impose Restrictions on the Distribution of Goods of any kind when it is considered to be in the Public Interest to do so."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time presently.

On motion of Hon. the Attorney General and with unanimous consent, the said Bill, entitled "An Act relating to Restrictions on the Distribution of certain Foods" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as amended, and that it be submitted to the Lieutenant Governor for his assent.

On motion the remaining orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

Tuesday, November 22nd, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Higgins gave notice of questions.

Mr. Miller asked questions.

Mr. Cashin asked questions.

Pursuant to order and on motion of Hon. the Attorney General, the House resolves itself into a Committee of the Whole to consider the Bill entitled "An Act to authorize the Government of Newfoundland to enter into an Agreement with the Government of Canada with respect to the Collection of Corporation Income Tax."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred

and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill, as amended, be read a third time on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to impose a Tax on the Income of certain Corporations" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Finance, the Bill entitled "An Act further to amend the Act 'Of the Auditing of Public Accounts'" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Hon. the Attorney General tabled a document entitled "Offer of the Government of Canada to the Government of Newfoundland of an agreement for Rental of Taxes."

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

Wednesday, November 23rd, 1949

The House met at three of the clock in the afternoon pursuant to adjournment.

Mr. Cashin gave notice of Questions.

Mr. Higgins gave notice of Questions.

Mr. Higgins asked Questions.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to authorize the Government of Newfoundland to enter into an Agreement with the Government of Canada with respect to the Collection of Corporation Income Tax" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

On motion "that the Bill entitled 'An Act to authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada' be now read a third time," it was moved in Amendment by Mr. Cashin and seconded by Hon. the Leader of

the Opposition that the said Bill be read a third time six months hence.

On the motion that the word "now" remain part of the Question, the House divided and there appeared in its favour: Hon. the Premier, Hon. the Attorney General, Hon. the Minister of Public Welfare, Hon. the Minister of Fisheries and Co-operatives, Hon. the Minister of Natural Resources, Hon. the Minister of Labour, Hon. the Minister of Education, Hon. the Minister of Provincial Affairs, Mr. Morgan, Mr. Makinson, Mr. Button, Mr. Janes, Mr. Horwood, Mr. Vardy, Mr. Courage —(15); and against it, Mr. Cashin, Hon. the Leader of the Opposition, Mr. Fogwill, Mr. Miller, Mr. Fahey—(5); so it passed in the affirmative.

On the motion that the said Bill be read a third time the House divided and there appeared in its favour, Hon. the Premier, Hon. the Attorney General, Hon. the Minister of Public Welfare, Hon. the Minister of Fisheries and Co-operatives, Hon. the Minister of Provincial Affairs, Hon. the Minister of Education, Mr. Morgan, Mr. Horwood, Mr. Vardy, Mr. Courage —(10); and against it, Hon. the Leader of the Opposition, Mr. Fogwill, Mr. Miller, Mr. Fahey, Mr. Cashin—(5); so it passed in the affirmative and was ordered accordingly.

On motion the Bill entitled "An Act to authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada" was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his

assent.

Pursuant to order and on motion of the Hon. the Attorney General, the House resolved itself in a Committee of the Whole to consider the Bill entitled "An Act to impose a Tax on the Income of certain Corporations."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again.

On motion the House recessed until eight of the clock.

The members returned to the Assembly Chamber at eight of the clock.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Impose a Tax on the Income of Certain Corporations."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time on to-morrow.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act further to amend the Act 'Of the Auditing of Public Accounts'."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on to-morrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

Thursday, November 24th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Cashin gave notice of Questions.

Mr. Higgins asked questions.

Mr. Cashin asked questions.

Hon. the Speaker read a communication from His Honour the Lieutenant Governor, stating that at the suggestion of Hon. the Attorney General, he had assented to the Bill entitled "An Act Relating to Restrictions on the Distribution of Certain Foods", without coming

to the House of Assembly for that purpose.

His Honour stated that, except in cases of great urgency, he intends in the ordinary course to adopt the usual procedure of coming to the House of Assembly to give his assent to Bills passed.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to Impose a Tax on the Income of Certain Corporations" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Finance, the Bill entitled "An Act Further to Amend the Act 'Of the Auditing of Public Accounts'" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Premier, the Bill entitled "An Act to Provide for the Regulation and Sale of Alcoholic Liquors" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

Friday, November 25th, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Hon. the Attorney General presented a petition from the Twillingate Telephone Electric Company, Ltd., asking that the Company be granted the exclusive right to operate a local road line telephone system in the town of Twillingate.

On motion of the Hon. the Attorney General it was ordered that the said Petition be referred to a Select Committee.

Mr. Miller gave notice of Questions.

Mr. Cashin asked questions.

Hon. the Attorney General gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to Amend the Public Enquiries Act, 1934."

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to provide for the Regulation and Sale of Alcoholic Liquors."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again presently.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again presently.

Hon. the Minister of Natural Resources moved the second read-

ing of the Bill entitled "An Act to Authorize the Execution on Behalf of Newfoundland of an agreement between the Government of Newfoundland and the Government of Canada for the settlement of Veterans on Provincial Lands for other purposes."

On motion the debate on the said Bill was adjourned.

On motion the House recessed until eight of the clock.

The members returned to the Assembly Chamber at eight of the clock.

Pursuant to order and on motion of Hon. the Minister of Natural Resources, the Bill entitled "An Act to Authorize the the Execution on behalf of Newfoundland of an Agreement between the Government of Newfoundland and the Government of Canada for the settlement of Veterans on Provincial Lands and for Other Purposes," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider further the Bill entitled "An Act to Provide for the Regulation and sale of Alcoholic Liquors."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on tomorrow.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again on tomorrow.

On motion the remaining Orders of the Day were deferred

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon, Monday, November 28th, at three of the clock.

The House then adjourned accordingly.

Monday, November 28th, 1949

The House met at three of the clock in the afternoon, pursuant to adjournment.

A Petition was presented by Mr. Drover, from Coachman's Cove and Seal Cove, White Bay re Cottage Hospital.

The following gentlemen were appointed a Select Committee to consider the Petition of the Twillingate Telephone Electric Company Ltd:

Hon. the Attorney General.

Mr. Makinson.

Mr. Horwood.

Hon. the Leader of the Opposition.

Mr. Fahey.

Mr. Fogwill gave notice of Question.

[Mr. Higgins asked Questions.

Mr. Miller asked Questions.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider further the Bill entitled "An Act to provide for the Regulation and sale of Alcoholic Liquors."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill as amended be read a third time on tomorrow.

Hon. the Premier moved the second reading of the Bill entitled "An Act to provide for the Regulation of Public Utilities."

On motion of Hon. the Leader of the Opposition the debate on the said Bill was adjourned until tomorrow.

Pursuant to order and on motion of Hon. the Minister of Labour, the Bill entitled "An Act respecting Industrial Statistics" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon at three of the clock.

The House adjourned accordingly.

Tuesday November 29th 1949

[The House met at three of the clock in the afternoon pursuant to adjournment.

The Sergeant-at-Arms announced that His Honour the Speaker of the Legislature of Ontario Hon. M. C. Davies had arrived.

His Honour the Speaker of the Legislature of Ontario presented a Resolution of Greeting from the Legislature of Ontario to the people of Newfoundland as follows:

Resolved: That the Members of the Legislative Assembly of the Province of Ontario now assembled desire to express their high regard for the people of Newfoundland and to convey to them on behalf of the people of Ontario most sincere and cordial greeting.

And that this House place on record our appreciation of the deep historic significance of approaching events whereby Ontario one of the first Provinces will be joined in Confederation by a tenth Province and our sense of pride in being more closely associated hereafter with the worthy people of that great Island.

And further that this Resolution be engrossed and forwarded by the Speaker of this House to the Speaker of the Legislature of Newfoundland as soon as he may be elected, in token of the wholehearted welcome it is desired, on behalf of the people of Ontario, to extend to Newfoundland and its people.

(Sgd.) M. C. Davies, Speaker;

Thomas L. Kennedy,

Prime Minister;

Edward B. Joliffe, Leader of the Opposition.

March 24th, 1949.

It was moved by Hon. the Premier, and seconded by Hon. the Leader of the Opposition and car-

ried unanimously, that a Resolution of Thanks to the Legislature of Ontario be prepared and brought before the House.

Mr. Miller asked Questions.

Mr. Fogwill asked Questions.

Hon. the Minister of Finance gave notice that he would, on tomorrow, move that this House resolve itself into a Committee of the Whole to consider a Supply to be granted to His Majesty.

Hon. the Minister of Finance gave notice that he would, on tomorrow move that this House resolve itself into a Committee of the Whole to consider the Ways and Means for raising the Supply to be granted to His Majesty.

Pursuant to order and on motion of Hon. the Premier, the Bill entitled "An Act to provide for the Regulations and sale of Alcoholic Liquors," was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Natural Resources, the Bill entitled "An Act to authorize the Execution on behalf of Newfoundland of an Agreement between the Government of Newfoundland and the Government of Canada for the Settlement of Veterans on Provincial Lands and for other Purposes" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Labour the

House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act respecting Industrial Statistics."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Hon. the Premier, the Bill entitled "An Act to provide for the Regulation of Public Utilities" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on tomorrow.

Pursuant to order and on motion of Hon. the Minister of Education, the Bill entitled "An Act Relating to Public Examinations in Schools", was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to amend the Public Enquiries Act, 1934," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn

until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

Wednesday, November 30, 1949.

The House met at three of the clock in the afternoon pursuant to adjournment.

Hon. the Minister of Finance informed the House that he had received the following communication from His Honour the Lieutenant Governor, which he then read:

The Lieutenant Governor of the Province of Newfoundland transmits Estimates of sums required for the public services of the province for the year ending March 31st, 1950, and in accordance with the provisions of the British North America Act of 1867, as amended, he recommends the Estimates to the House of Assembly.

(Sgd.) Leonard C. Outerbridge,
Lieutenant Governor.

Government House,
30th November, 1949.

Pursuant to notice and on motion of Hon. the Minister of Finance, the House resolved into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on tomorrow.

On motion this report was received and adopted, and it was or-

dered that the Committee have leave to sit again on to-morrow.

Pursuant to notice, Hon. the Minister of Finance moved that this House resolve itself into a Committee of the Whole to consider the Ways and Means for raising the Supply to be granted to His Majesty.

On the motion that the Speaker leave the Chair and that the House resolve itself into a Committee of the Whole on Ways and Means, Hon. the Minister of Finance delivered the Budget Speech.

On motion of Hon. the Leader of the Opposition, it was ordered that the debate on the said motion be adjourned until to-morrow.

Pursuant to order and on motion of Hon. the Minister of Labour, the Bill entitled "An Act to respecting Industrial Statistics," was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Education the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Relating to Public Examinations in Schools."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On this motion this report was received and adopted, and it was ordered that the said Bill be read a third time on to-morrow.

Pursuant to order and on motion of Hon. the Attorney General, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to amend the Public Enquiries Act, 1934."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time, on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Education, the Bill entitled "An Act to transfer to the Memorial University of Newfoundland Rights vested in the Newfoundland Memorial University College and Normal Training School, Assets of the Board of Governors of the Memorial University and certain Crown Assets" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

On motion, the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow at three of the clock.

The House then adjourned accordingly.

Thursday, December 1st, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Pursuant to order and on motion of Hon. the Minister of Finance, the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on to-morrow.

On motion this report was received and adopted, and it was read, had made some progress, and asked leave to sit again on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Education, the Bill entitled "An Act relating to Public Examinations in Schools" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to amend the Public Enquiries Act, 1934," was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider the Bill

entitled "An Act to provide for the Regulation of Public Utilities."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again to-morrow.

On motion this report was received and adopted and it was ordered that the Committee have leave to sit again on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Education, the Bill entitled "An Act further to amend the Education Act, 1927", was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

* * *

Friday, December 2nd, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Hon. the Premier made a statement Re Wage Rates paid by certain employers and tabled a document relating thereto.

Hon. the Minister of Education gave notice that he would on to-morrow ask leave to introduce a

Bill entitled "An Act respecting Teachers Pensions".

Hon. the Attorney General gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to provide for the Satisfaction or Enforcement of Judgements and Orders of the Central District Court.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again presently.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again presently.

On motion the House recessed until five of the clock.

The members returned to the Assembly Chamber at five of the clock.

Pursuant to order and on motion of Hon. The Premier, the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress and asked leave to sit again.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again.

On motion the House recessed until eight of the clock.

The Members returned to the Assembly Chamber at eight of the clock.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again on tomorrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow, Saturday, at three of the clock in the afternoon.

The House then adjourned accordingly.

Saturday, December 3rd, 1949.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Hon. the Attorney General presented the Report of the Select Committee appointed to consider

the Petition of certain residents of Bonavista, as follows:

Mr. Speaker:

The Select Committee appointed to consider the Petition of certain residents of Bonavista relative to the site for a War Memorial at Bonavista, begs to report as follows:

1. That the Rules of the House with respect to private Bills have been complied with.
2. Your Committee recommends that the prayer of this Petition be granted and that a Bill be introduced to give effect thereto.
3. That this Bill be put through without any cost of the Petitioners.

Dated at St. John's this 3rd day of December, 1949.

(Sgd) John G. Higgins
Leslie R. Curtis
E. Russell

On motion of Hon. the Attorney General the Bill entitled "An Act to vest certain land at Bonavista in the Bonavista Regional Library Board," was then introduced and read a first time and it was ordered that the said Bill be read a second time on to-morrow.

Hon. the Attorney General gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to amend the St. John's Municipal Act, 1921."

Hon. the Minister of Natural Resources gave notice that he would on tomorrow ask leave to introduce a Bill entitled "An Act further to amend the Crown Lands Act, 1930."

Pursuant to notice and on motion of Hon. the Minister of Edu-

cation, the Bill entitled "An Act respecting Teachers' Pensions," was introduced and read a first time and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and on motion of Hon. the Attorney General, the Bill entitled "An Act to provide for the Satisfaction or Enforcement of Judgements and Orders of the Central District Court" was introduced and read a first time and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Finance, the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on to-morrow.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again on tomorrow.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to provide for the Regulation of Public Utilities."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had

considered the matter to them referred, had made some progress and asked leave to sit again on tomorrow.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again on tomorrow.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow, Monday, December 5th, at eleven of the clock in the forenoon.

The House then adjourned accordingly.

Monday, December 5th, 1949.

The House met at eleven of the clock in the forenoon, pursuant to adjournment.

On motion of Hon. the Premier, seconded by Hon. the Leader of the Opposition, and spoken by Hon. the Minister of Finance, the following Resolution was unanimously carried:

RESOLVED: This House has been shocked and grieved to learn of the death at Ottawa of the Honorable Senator George J. Penny and desired to convey to Mrs. Penny and her family, and other relatives of the late Senator Penny, an expression of our profound sorrow over the premature ending of what promised to be a distinguished career in the Public life of Canada.

Hon. the Attorney General presented the Report of the Select Committee on the Petition of certain persons for the Incorporation of the Certified Public Ac-

countants of Newfoundland, as follows:

The Select Committee appointed to consider this Petition begs to report as follows:

1. That the Rules of this House with respect to private Bills have been complied with.

2. Your Committee recommends the introduction of a Bill as prayed by the Petitioners.

Dated at St. John's this 3rd day of December, 1949.

(Sgd.)

GORDON W. JANES
A. B. MORGAN
LESLIE R. CURTIS
W. J. KEOUGH

On motion this Report was received and adopted.

Hon. the Leader of the Opposition, the remaining member of the said Select Committee, presented a minority report.

On motion of Hon. the Attorney General the Bill entitled "An Act to incorporate the Certified Public Accountants Association of Newfoundland" was introduced and read a first time, and it was ordered that the said Bill be read a second time on tomorrow.

Pursuant to notice and on motion of Hon. the Attorney General the Bill entitled "An Act to amend the St. John's Municipal Act, 1921" was introduced and read a first time and, by unanimous consent, it was ordered that the said Bill be read a second time presently.

Pursuant to notice and on motion of Hon. the Minister of Natural Resources, the Bill entitled "An Act further to amend 'The Crown Lands Act, 1930'" was in-

roduced and read a first time, and by unanimous consent, it was ordered that the said Bill be read a second time presently.

Pursuant to order and on motion of Hon. the Minister of Finance, the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed certain Resolutions granting Supply to His Majesty.

The said Resolutions were read a first time, as follows:

1. Resolved that Supply be granted to His Majesty in a sum of \$5,594,500.

2. Resolved that the following Votes be passed:

Heads of Expenditure

II	Legislature	\$ 186,300
III	Executive	152,100
IV	Finance	1,700,700
V	Provincial Affairs	4,483,300
VI	Education	1,352,500
VII	Attorney General	339,900
VIII	Natural Resources	1,655,500
IX	Public Works	8,088,300
X	Health	5,552,900
XI	Public Welfare	6,439,300
XII	Board of Liquor Control	166,100
XIII	Supply	616,800
XIV	Fisheries and Co-operatives	317,200
XV	Economic Development	59,800
XVI	Labour	48,600

\$31,164,300

3. Resolved that a Bill be introduced to give effect to these Resolutions.

The said Resolutions being read a second time, it was moved and seconded that the House concur with the Committee thereto, and the said Resolutions were agreed to.

Whereupon, on motion of Hon. the Minister of Finance, the Bill entitled "An Act for granting to His Majesty certain sums of money for defraying certain Expenses of the Public Service for the Financial Year ending the Thirty-first Day of March, One thousand Nine Hundred and Fifty, and for

other purposes relating to the Public Service" was read a first time and it was ordered that the said Bill be read a second time presently.

On motion of Hon. the Minister of Finance, and with unanimous consent, the said Bill was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

On motion of Hon. the Minister of Finance the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

On motion of Hon. the Minister of Finance, and with unanimous consent, the Bill entitled "An Act for granting to His Majesty certain sums of money for defraying certain Expenses of the Public Service for the Financial year ending the thirty first Day of March, One thousand Nine hundred and Fifty, and for other purposes relating to the Public Service" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Education the House resolved itself into a Committee of the Whole to consider the Bill entitled, "An Act to transfer to the Memorial University of Newfoundland Rights vested in the Newfoundland Memorial University College and Normal Training School, Assets of the Board of Governors of the Memorial University and certain Crown assets."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

On motion of Hon. the Minister of Education, and with unanimous consent, the Bill entitled "An Act to transfer to the Memorial University of Newfoundland Rights vested in the Newfoundland Memorial University College and Normal Training School, Assets of the Board of Governors of the Memorial University and certain Crown Assets" was then read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Attorney General, the House resolved itself into a Committee of the Whole to

consider the Bill entitled "An Act respecting District Courts."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on tomorrow.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to provide for the Regulations of Public Utilities."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on tomorrow.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again on tomorrow.

Pursuant to order and on motion of Hon. the Minister of Education, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act further to amend the Education Act, 1927."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on tomorrow.

Hon. the Minister of Finance tabled a Report entitled "Consolidated Revenue Fund Account and Revenue and Appropriation Accounts" and the report of the Comptroller and Auditor General thereon.

On motion it was ordered that the said report be printed.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to provide for the Satisfaction or Enforcement of Judgements and Orders of the Central District Court" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

On motion of Hon. the Attorney General, and with unanimous consent, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was

ordered that the said Bill be read a third time on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Natural Resources, the Bill entitled "An Act to vest certain Land at Bonavista in the Bonavista Regional Library Board" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

On motion of Hon. the Minister of Natural Resources, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Morgan took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time on tomorrow.

Hon. the Minister of Finance tabled certain Resolutions to be considered by the Committee of the Whole on Ways and Means.

On motion of Hon. the Minister of Finance the Debate on the Budget Speech was resumed.

On motion the House recessed until eight of the clock.

The Members returned to the Assembly Chamber at eight of the clock.

On motion of Hon. the Leader of the Opposition the debate or

the Budget Speech was adjourned until to-morrow.

On motion of Hon. the Minister of Natural Resources, and with unanimous consent, the Bill entitled "An Act further to amend the Crown Lands Act, 1930," was read a second time and it was ordered that the Bill be referred to a Committee of the Whole House presently.

On motion of Hon. the Minister of Natural Resources, and with unanimous consent, the House resolved itself into a Committee of the Whole to consider the said Bill.

Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this Report was received and adopted, and it was ordered that the said Bill be read a third time on to-morrow.

It was moved and seconded that when the House rises, it adjourn until to-morrow Tuesday, at three of the clock.

The House then adjourned accordingly.

Tuesday, December 6th, 1949.

The House met at three of the clock in the afternoon pursuant to adjournment.

A Petition was presented by Mr. Courage, from Point Rose and Garnish, Re Road.

Hon. the Attorney General presented a Petition from the "Newfoundland Central Council Branch of the British Red Cross Society" asking that legislation be passed to transfer funds to "The Canadian Red Cross Society."

The following gentlemen were appointed a Select Committee to consider the said Petitions:

Hon. the Attorney General

Hon. the Minister of Supply.

Hon. the Minister of Public Welfare

Mr. Cashin

Mr. Miller.

Hon. the Attorney General presented the report of the Select Committee appointed to consider the Petition of the Twillingate Electric Telephone Company Limited, as follows: The Select Committee appointed to consider the Petition of the Twillingate Electric Telephone Company Limited, has considered the matter to it referred and begs to report as follows:

1. The Rules of this House have been complied with.
2. In view of the fact that there has been introduced and passed at this Session a Bill entitled "An Act to provide for the Regulation of Public Utilities" your Committee recommends that the Petitioner be notified of this Legislation which may sufficiently answer the prayer of the Petition.
3. Your Committee further recommends that, should the Petitioner find the legislation referred to inadequate, it may renew its application at the

next ensuing session of the Legislation; and in event of such an application, it recommends that a Bill be then introduced to give effect to the prayer of the Petition.

4. Your Committee further recommends that should your Petitioner renew its application, it need not give or publish notice of such its intention.

Dated the 5th day of December, 1949.

(Sgd.) LESLIE R. CURTIS,
JOHN G. HIGGINS,
RONALD F. FAHEY,
G. T. MAKINSON,
H. HORWOOD.

The debate on the Budget Speech was resumed.

On motion of Hon. the Minister of Finance the House resolved itself into a Committee of the Whole on Ways and Means.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had passed certain Resolutions, and recommended that Bills be introduced to give effect to these Resolutions.

The said Resolutions were read a first time, as follows:

1. RESOLVED that in view of the social services contemplated by this House, and in order to finance same a social

security assessment of three per cent be made on certain retail purchases, and that such assessment be made as and from a future date to be named in a Proclamation by His Honour the Lieutenant Governor in Council.

2. RESOLVED that a tax of ten cents a ton be levied on all limestone and or dolomite quarried in Newfoundland.
3. RESOLVED that a tax of five per cent of his or their profits, or ten cents a ton (whichever is greater) be levied on all persons and companies mining iron ore in Newfoundland.
4. RESOLVED that a tax of five per cent on the amount of such options be levied on all persons or companies giving options on their mineral holdings in Newfoundland.
5. RESOLVED that Bills be introduced to give effect to these Resolutions.

The said Resolutions being read a second time, it was moved and seconded that the House concur with the Committee thereto, and the said Resolutions were agreed to.

Whereupon, on motion of Hon. the Minister of Finance the Bill entitled "An Act to provide for the Imposition and Collection of an Assessment on the Purchase and Use of Tangible Personal Property to provide Funds for Social Security" was read a first time and it was ordered that the said Bill be read a second time presently.

On motion of Hon. the Minister of Finance, and with unanimous

consent, the said Bill was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

On motion of Hon. the Minister of Finance, and with unanimous consent, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

On motion of Hon. the Minister of Finance, and with unanimous consent, the Bill entitled "An Act to Impose Taxes on Certain Mining Operations and Options" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his consent.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act respecting District Courts" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Education

the Bill entitled "An Act further to amend the Education Act, 1927," was read a third time and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled "An Act to provide for the Satisfaction or Enforcement of Judgements and Orders of the Central District Court," was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Minister of Natural Resources, the Bill entitled "An Act to vest certain land at Bonavista in the Bonavista Regional Library Board", was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and motion of Hon. the Minister of Natural Resources, the Bill entitled "An Act further to amend the Crown Lands Act, 1930" was read a third time with some verbal amendment, and passed and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Pursuant to order and on motion of Hon. the Premier, the House resolved itself into a Committee of the Whole to consider the Bill en-

titled "An Act to Provide for the Regulation of Public Utilities."

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with some amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

On motion of Hon. the Premier, and with unanimous consent, the Bill entitled "An Act to provide for the Regulation of Public Utilities" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

Hon. the Attorney General presented the report of the Select Committee appointed to consider the Petition of the Newfoundland Central Council Branch of the British Red Cross Society as follows:

The Select Committee appointed to consider the Petition of the Newfoundland Central Council Branch of the British Red Cross Society has considered the matter to it referred and begs to report as follows:

1. The Rules of the House have **not** been complied with.
2. Notwithstanding that the Rules of this House have not been complied with Your Committee feels that in view

of the nature of the request and the fact that the Petitioners are a non-profit Association a Bill should be introduced to give effect to the prayer of the Petitioners.

3. Your Committee further recommends this Bill to this Honourable House, and that no fees be paid on same by the Petitioners.

Dated the 6th day of December 1949.

(Sgd) Leslie R. Curtis.
Philip S. Forsey
P. J. Cashin
L. J. Miller
Dr. H. L. Pottle.

On motion of Hon. the Attorney General, the Bill entitled "An Act to authorize the Disposal of certain Securities held by the Newfoundland Central Council Branch of the British Red Cross Society" was introduced and read a first time, and it was ordered that the said Bill be read a second time presently.

On motion of Hon. the Attorney General, and with unanimous consent, the said Bill was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

On motion of Hon. the Attorney General, and with unanimous consent, the House resolved itself into a Committee of the Whole to consider the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had con-

sidered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

On motion of Hon. the Attorney General, and with unanimous consent, the Bill entitled "An Act to authorize the Disposal of Certain Securities held by the Newfoundland Central Branch of the British Red Cross Society" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

On motion the remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until tomorrow afternoon at four of the clock.

The House then adjourned accordingly.

Wednesday, December 7, 1949.

The House met at four of the clock in the afternoon pursuant to adjournment.

Petitions were presented by:

Mr. Drover, from Griguet and St. Leonard's, Re Road.

Mr. Drover, from Goose Cove, Re Road.

On motion of Hon. the Attorney General, it was ordered that the third reading of the Bill entitled "An Act to impose Taxes on certain Mining Operations and Options, be rescinded and that the said Bill be recommitted.

Pursuant to order and on motion of Hon. the Attorney General

the House resolved itself into a Committee of the Whole to consider further the said Bill.

Mr. Speaker left the Chair.

Mr. Courage took the Chair of Committee.

Mr. Speaker left the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill with amendment.

On motion this report was received and adopted, and it was ordered that the said Bill as amended, be read a third time presently.

Pursuant to order and on motion of Hon. the Attorney General, the Bill entitled, "An Act to impose Taxes on certain Mining Operations and Options" was read a third time and passed, and it was ordered that the said Bill be printed, being entitled as above, and that it be submitted to the Lieutenant Governor for his assent.

The following gentlemen were appointed a Select Committee to prepare a Resolution of thanks to be forwarded to the Legislature of Ontario:

Hon. the Speaker.

Hon. the Premier.

Hon. the Attorney General.

Hon. the Leader of the Opposition.

Mr. Cashin.

and three other Members.

It was ordered that the said Resolution be signed by Hon. the Speaker, Hon. the Premier and Hon. the Leader of the Opposition.

On motion the remaining Orders of the Day were deferred.

At five of the clock the Sergeant-at-Arms announced that His Honor the Lieutenant Governor and Party had arrived.

His Honor the Lieutenant Governor and Party entered the Assembly Chamber preceded by the Sergeant-at-Arms.

Mr. Speaker left the Chair.

His Honor the Lieutenant Governor took the Chair.

Mr. Speaker addressed His Honor as follows:

May it please Your Honor, the General Assembly of this Province has at its present Session passed certain additional Bills, to which, in the name and on behalf of the General Assembly I respectfully request Your Honor's assent.

Whereupon the Clerk read the following Bills entitled:

An Act to amend the Insurance Companies Act.

An Act further to amend the Department of Natural Resources Act, 1943.

An Act to provide for the Payment of a Superannuation Allowance to Matthew Gilbert King, retired Secretary and Registrar of the Council of Higher Education.

An Act to amend the Act 7, Edward VII, Chapter 4, entitled An Act respecting the Assessment of Life Insurance Companies.

An Act further to amend Chapter 105 of the Consolidated Statutes (Third Series) entitled "Of Lotteries."

An Act to authorize the Government of Newfoundland to make arrangements with the Govern-

ment of Canada for the Employment of the Royal Canadian Mounted Police Force in aiding the Administration of Justice in Newfoundland.

An Act to amend the Alcoholic Liquors Act, 1933.

An Act respecting Mothers' Allowances.

An Act to amend the Standard Time (Newfoundland) Act, 1935.

An Act respecting Allowances to Dependent Persons.

An Act respecting the Relief Works Administration.

An Act to amend the Life and Accident Insurance Agents (Licensing) Act, 1944.

An Act to amend Chapter 4 of the Consolidated Statutes of Newfoundland (Third Series) entitled "Of Promissory Oaths."

An Act to provide for Loans to encourage Industrial Development in Newfoundland and to create an Industrial Development Loan Board for Newfoundland.

An Act to provide for Loans to Co-operative Societies and to create a Co-Operative Development Loan Board for Newfoundland.

An Act further to amend the Highway Traffic Act, 1941.

An Act to provide for Loans to Fishermen and to create a Fisheries Loan Board for Newfoundland.

An Act to make provisions for the making of Returns of Income to the Assessor of Taxes by certain Taxpayers.

An Act for the Termination of the exclusive Franchise of the Golden Arrow Coaches Limited to transport Passengers for Reward by Motor Omnibus in the City of St. John's and for other purposes.

An Act to amend the Department of Labour Act, 1933.

An Act respecting Sawmills.

An Act respecting Boilers and Pressure Vessels and Steam Refrigeration and Compressed Gas Plants.

An Act further to amend Chapter 23 of the Consolidated Statutes (Third Series) entitled of the Auditing of Public Accounts.

An Act respecting Industrial Statistics.

An Act to amend the Public Enquiries Act, 1934.

An Act relating to Public Examinations in Schools.

An Act to authorize the Execution on behalf of Newfoundland of an Agreement between the Government of Newfoundland and the Government of Canada for the Settlement of Veterans on Provincial Lands and other Purposes.

An Act to authorize the Government of Newfoundland to enter into an Agreement with the Government of Canada with respect to the collection of Corporation Income Tax.

An Act to authorize the Execution on behalf of Newfoundland of a Tax Agreement between the Government of Newfoundland and the Government of Canada.

An Act to impose a Tax on the Income of certain Corporations.

An Act for granting to His Majesty certain Sums of Money for defraying certain Expenses of the Public Service for the Financial Year ending Thirty-first day of March, One Thousand Nine Hundred and Fifty, and for other Purposes relating to the Public Service.

An Act further to amend the Education Act, 1927.

An Act to vest certain Land at Bonavista in the Bonavista Regional Library Board.

An Act to transfer to the Memorial University of Newfoundland Rights vested in the Newfoundland Memorial University College and Normal Training School, Assets of the Board of Governors of the Memorial University College and certain Crown Assets.

An Act to provide for the Satisfaction or Enforcement of Judgments and Orders of the Central District Court.

An Act further to amend the Crown Lands Act, 1930.

An Act respecting District Courts.

An Act to provide for the Imposition and Collection of an Assessment on the Purchase and use of Tangible Personal Property to provide Funds for Social Security.

An Act to impose Taxes on certain Mining Operations and Options.

An Act to authorize the disposal of certain Securities held by the Newfoundland Central Council Branch of the British Red Cross Society.

An Act to provide for the Regulation of Public Utilities.

His Honour the Lieutenant Governor then said "In His Majesty's name I assent to these Bills."

Whereupon Mr. Speaker addressed His Honour, as follows:

Your Honour having been graciously pleased to give your assent to the Bills passed during the present Session, it becomes my agreeable duty on

behalf of His Majesty's dutiful and loyal subjects, his faithful commons of Newfoundland, to present to your Honour a Bill for the appropriation of Supply granted in the present Session, for the support of Public Services and to request Your Honour's assent thereto.

His Honour replied: "In His Majesty's name, I thank His Loyal Subjects, I accept their benevolence, and assent to this Bill."

His Honor was then pleased to make the following Speech:

MR. SPEAKER AND MEMBERS OF THE HONORABLE HOUSE.

In relieving you from your Legislative duties I wish to express my appreciation of the earnest attention you have given to the many important measures that my Government has submitted for your consideration.

Since you have been called together His Excellency the Governor General of Canada appointed me Lieutenant Governor of the Province of Newfoundland, an honor which I accept with the humble determination to maintain and uphold the traditions and dignity of that high office. I would like to take this opportunity of assuring you, Mr. Speaker, and the Members of the House of Assembly, that I am firmly resolved to do everything in my power to assist my Ministers in the difficult problems with which they may find themselves confronted from time to time.

Of outstanding importance is the Legislation providing increased pensions for the aged and blind, improved allowances for Widows and their children and for var-

ious classes of dependent persons who through physical or mental incapacity are unable to earn a normal livelihood. The introduction of these measures into this Province, will, I believe, bring to our needy people in particular a feeling of security hitherto unknown to them, will enable them and their families to enjoy more amply the ordinary amenities of civilized living, and help them thereby to make their proper contribution to the life of their several Communities.

Your exactment of legislation designed to remedy existing evils in the use of alcoholic liquors and other preparations containing alcohol will, it is hoped, greatly ameliorate the deplorable conditions that have developed during recent years.

The authority you have given my Ministers to sign a tax agreement with the Federal Government will enable them to give this important matter the careful consideration which it deserves. I can assure you that the best interests of the Province will be fully considered before any agreement is finally executed.

The institution of District Courts throughout the Province will be the means of bringing justice nearer to many of our people who will now be able to ascertain their rights and responsibilities without the expense of coming to St. John's or the delay in awaiting the Circuit Court. The increased jurisdiction given these District Judges will, it is believed, facilitate an economical and speedy settlement of disputes which, if allowed to drag along, might foster dissension and ill-will.

The Bill designed to regulate Public Utilities will bring under effective control services which by their very nature should be so directed as to provide most efficient operation for regulated returns.

My Ministers had hoped to be able to submit for your approval certain labour legislation already in course of preparation. Due to the desirability of consulting the various interests concerned and the time such consultations would require it has been found necessary to defer this until your next session.

The fact that most of your legislation has been supported in principle by Members on all sides of the House and that criticisms directed have generally been of a constructive nature, augurs well for our future as a Province of the great Dominion of Canada. I am quite sure that wise considerate administration of these various acts will prove them a benefit to all our people.

While you have been in session this Province has had the honour of extending a warm welcome to His Excellency Field Marshal the Right Honourable Viscount Alexander of Tunis and Erigal in the County of Donegal, and her Excellency the Viscountess, on their first official visit. This visit of their Excellencies was much appreciated by the Government and people of the Province. Many of our war Veterans were particularly happy to meet in person of the Governor General their one-time Military Commander. I was happy to welcome on your behalf the Honourable M. C. Davies, Speaker

of the Ontario House of Commons, who brought with him to the new Province greetings from one of the Dominion's older Provinces, in the form of an illuminated address and the promise of a Speaker's Chair; also the Right Honourable F. M. Forde, a former Prime Minister of Australia, who also visited the Province and addressed you.

My Premier has accepted an invitation from the Prime Minister of Canada to attend a Dominion-Provincial Conference to be held in Ottawa on the 10th day of January, 1950. He will be accompanied by some other of my Ministers. I am sure that I speak for all when I wish him and them a successful mission.

I thank you for the ample provision you have made for the public service and you may rest assured that the utmost care will be

expended economically and in the best interests of the Province.

I am very happy to find that you have completed your work in time for a Christmas recess; and in bidding you farewell I tender you the Season's greetings and my own best wishes for your individual prosperity and happiness throughout the New Year.

Hon. the Premier then said:

Mr. Speaker and gentlemen of the House of Assembly:

It is the will and pleasure of His Honour the Lieutenant Governor that this general Assembly be prorogued until Monday the 9th day of January next, and this Assembly is accordingly prorogued to Monday the 9th day of January to be then here held.

HENRY H. CUMMINGS,

Clerk of the House of Assembly.

NEWFOUNDLAND HOUSE OF ASSEMBLY

Hon. Reginald F. Sparkes, Speaker

List of Members, with Political Affiliations

Note: L—Liberal; P.C.—Progressive-Conservative; Ind.—Independent

	Districts
Ballam, Hon. C. H. (L)	Humber
Button, Maxwell (L)	Trinity South
Canning, Patrick (L)	Placentia West
Cashin, Peter J. (Ind)	Ferryland
Chalker, Hon. James R (L)	Harbour Grace
Courage, John R. (L)	Fortune and Hermitage
Curtis, Hon. Leslie R. (L)	Twillingate
Drover, Samuel (L)	White Bay
Fahey, R. J. (PC)	Harbour Main-Bell Island
Fogwill, Frank (PC)	St. John's East
Forsey, Hon. Philip S. (L)	Burin
Hefferton, Hon. S. J. (L)	Trinity North
Higgins, John G. (PC)	St. John East
Horwood, Harold (L)	Labrador
Jackman, D. I. (PC)	Harbour Main-Bell Island
Janes, Gordon W. (L)	Fogo
Keough, Hon. William J. (L)	St. George's-Port au Port
Makinson, George (L)	Port de Grave
Miller, Leonard (PC)	Placentia and St. Mary's
Morgan, Baxter (L)	Green Bay
Pottle, Hon. H. L. (L)	Carbonear-Bay de Verde
Quinton, Hon. H. W. (L)	Burgeo and La Poile
Russell, Hon. Edward (L)	Bonavista South
Smallwood, Right Hon. J. R. (L)	Bonavista North
Sparkes, Reginald F. (L)	St. Barbe
Spencer, Hon. E. S. (L)	Grand Falls
Spratt, Hon. James J. (L)	St. John's West
Vardy, O. L. (L)	St John's West